

SEC/FILING/BSE-NSE/23-24/68A-B

May 31, 2023

BSE Limited

P. J. Towers,
Dalal Street, Fort,
Mumbai – 400 001
Scrip Code: 511218

National Stock Exchange of India Limited

Listing Department
Exchange Plaza, 5th Floor,
Plot no. C/1, G- Block,
Bandra-Kurla Complex,
Mumbai – 400 051
NSE Symbol: SHRIRAMFIN

Dear Sirs,

Sub.: Annual Report for the Financial Year 2022-23 containing Notice of the 44th Annual General Meeting pursuant to Regulation 30, 34 and 53 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)

This is in furtherance to our letter dated April 27, 2023, wherein we had informed that the 44th Annual General Meeting (“44th AGM”) of the Company is scheduled to be held on Friday, June 23, 2023 through Video Conferencing (VC) /Other Audio-Visual Means (OAVM).

Pursuant to Regulation 34 read with Regulation 30 and Regulation 53 of the Listing Regulations, please find enclosed herewith the following documents for the Financial Year 2022-23:

1. Notice of the 44th AGM scheduled to be held on Friday, June 23, 2023 at 2:00 p.m. IST through VC/ OAVM
2. Annual Report for the Financial Year 2022-23 and
3. Business Responsibility and Sustainability Report for the Financial Year 2022-23

The Annual Report for the Financial Year 2022-23 is being sent electronically to those Members whose E-mail IDs are registered with the Company/Registrar and Transfer Agent, Integrated Registry Management Services Private Limited ("RTA") or the Depository Participant(s). The Member who wishes to obtain a hard copy of the Annual Report can send a request for the same at secretarial@shriramfinance.in mentioning Folio No/ DP ID and Client ID.

Shriram Finance Limited

(Formerly known as Shriram Transport Finance Company Limited)

Corporate Office : Wockhardt Towers, Level - III, West Wing, C-2, G-Block, Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051, Maharashtra. Ph: +91 22 4095 9595

Registered Office: Sri Towers, Plot No.14A, South Phase, Industrial Estate, Guindy, Chennai - 600 032. Tamil Nadu, India. Ph: +91 44 4852 4666

Website : www.shriramfinance.in | Corporate Identity Number (CIN) - L65191TN1979PLC007874

The Notice of 44th AGM and the Annual Report for the Financial Year 2022-23 can also be accessed or downloaded from the weblink given below:

<https://www.shriramfinance.in/investors/financials>

The remote e-voting period will commence from **Tuesday, June 20, 2023 (9:00 a.m. IST)** and will end on **Thursday, June 22, 2023 (5:00 p.m. IST)**. The e-voting module will be disabled by CDSL for voting thereafter. During this period, Members holding shares either in physical form or in dematerialised form as on **Friday, June 16, 2023 i.e. Cut-off Date**, may cast their vote electronically.

The Company will also be providing the facility of live webcast of the proceedings of 44th AGM.

We request you to take this on record and treat the same as compliance with the applicable provisions of the Listing Regulations.

Thanking you.
Yours faithfully,

For Shriram Finance Limited

U Balasundararao
Company Secretary & Compliance Officer

Shriram Finance Limited

(Formerly known as Shriram Transport Finance Company Limited)

Corporate Office : Wockhardt Towers, Level - III, West Wing, C-2, G-Block, Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051, Maharashtra. Ph: +91 22 4095 9595

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Harnessing **SYNERGY** Expanding **REACH** Unlocking **POTENTIAL**

SHRIRAM FINANCE LIMITED

44th ANNUAL REPORT 2022-23

READ **INSIDE**

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For more investor-related information please
visit: <https://www.shriramfinance.in/investors/financials>

Scan this QR code to view the
online version of the report



Disclaimer:

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

Investor Information

Market Capitalisation as of March 31, 2023	: Rs. 47,187 crore
CIN	: L65191TN1979PLC007874
BSE Code	: 511218
NSE Symbol	: SHRIRAMFIN
Bloomberg Code	: 335800TM2YO24B76XL26
AGM Date	: Friday, June 23, 2023
AGM Venue	: Video Conferencing ('VC') / Other Audio Visual Means ('OAVM')

Harnessing **SYNERGY**

Through cross-selling of multiple products and services as an organized financial solution for our customers to unlock additional value, strengthen customer relationships, and drive growth.

Expanding **REACH**

Strategically capitalize the market presence and the comprehensive range of product suite to expand our reach and capture new growth opportunities and attain a sustainable market position.

Unlocking **POTENTIAL**

To strengthen our Company's position nationwide, catering to a large customer base to drive business growth.



CORPORATE INFORMATION

Board of Directors

Mr. Jugal Kishore Mohapatra

Chairman (Independent)

(w.e.f. December 05, 2022)

Mr. S. Lakshminarayanan

Independent

(Resigned w.e.f commencement of business hours on December 05, 2022)

Mr. Umesh Revankar

Executive Vice-Chairman

(Managing Director & Chief Executive Officer upto December 04, 2022)

Mr. Y. S. Chakravarti

Managing Director & Chief Executive Officer

(w.e.f December 05, 2022)

Mrs. Maya Sinha

Independent

(w.e.f. December 04, 2022)

Mrs. Kishori Udeshi

Independent

(Resigned w.e.f commencement of business hours on December 05, 2022)

Mr. S. Sridhar

Independent

Mr. Pradeep Kumar Panja

Independent

Mr. D. V. Ravi

Non-Executive Non-Independent

Mr. Ignatius Michael Viljoen

Non-Executive Non-Independent

Mr. Parag Sharma

Joint Managing Director & Chief Financial Officer

Senior Management Team

Mr. S. Sunder

Joint Managing Director

Mr. P. Sridharan

Joint Managing Director

Mr. Sudarshan Holla

Joint Managing Director

Mr. Nilesh Odedara

Joint Managing Director

Mr. Hardeep Singh Tur

Chief Risk Officer

Mr. R. Chandrasekar

Joint Managing Director & Chief Compliance Officer

Mr. G M Jilani

Joint Managing Director

Mr. K.Srinivas

Joint Managing Director

Mr. Aseem Gandhi

Executive Director

Mr. U Balasundararao

Company Secretary & Compliance Officer

Mr. Sanjay K. Mundra

President - Investor Relations

Auditors

M/s. KKC & Associates LLP

(formerly Khimji Kunverji & Co LLP),

Chartered Accountants

M/s. Sundaram & Srinivasan,

Chartered Accountants



Registrar & Share Transfer Agent

Integrated Registry Management Services Private Limited,

2nd Floor, Kences Towers, No. 1, Ramakrishna Street,
North Usman Road, T. Nagar, Chennai - 600 017.
Tel No. : +91 44 28140801/02/03,
Fax: +91 44 2814 2479

Debenture Trustees

IDBI Trusteeship Services Limited

Universal Insurance Building, Ground Floor, Sir P.M.
Road, Fort, Mumbai - 400001
Mr. Subrat Udgata
Tel No. : +91 22 40807021
itsl@idbitrustee.com

Axis Trustee Services Limited

The Ruby, 2nd Floor, SW, 29 Senapati Bapat Marg,
Dadar West, Mumbai- 400 028.
Ms. Mangala Gowri Bhat
Tel No. : + 91 22 6230 0451, Fax: +91 22 6230 0700
debenturetrustee@axistrustee.com

Catalyst Trusteeship Limited

Office No. 604, 6th floor, Windsor, C.S.T. Road, Kalina,
Santacruz (East), Mumbai 400098.
Mr. Umesh Salvi
Tel No. : +91 22 - 49220555, Fax: +91 22 49220505
ComplianceCTL-Mumbai@ctltrustee.com

Registered Office

Sri Towers, Plot No.14A, South Phase, Industrial Estate,
Guindy, Chennai - 600 032, Tamil Nadu.
Tel: +91 44 4852 4666, Fax: +91 44 4852 5666

Corporate Office

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

Listed At

National Stock Exchange of India Limited
BSE Limited

List of Banks

- Australia and New Zealand Banking Group Limited
- Axis Bank Limited
- Bank of Baroda
- Bank of India
- Bank of Maharashtra
- Bandhan Bank Limited
- Barclays Bank PLC
- BNP Paribas SA
- Canara Bank
- Central Bank of India
- Citibank N.A.
- CSB Bank Limited
- Chang Hwa Commercial Bank Limited
- Credit Suisse AG
- DBS Bank India Limited
- DCB Bank Limited
- Deutsche Bank AG
- Dhanlaxmi Bank Limited
- Doha Bank
- Emirates NBD Bank PJSC
- Equitas Small Finance Bank
- HDFC Bank Limited
- Hua Nan Commercial Bank Limited
- ICICI Bank Limited
- Indian Bank
- Indian Overseas Bank
- IndusInd Bank Limited
- ING Bank
- Jana Small Finance Bank
- JP Morgan Chase Bank N.A.
- KEB Hana Bank
- Kotak Mahindra Bank Limited
- Karur Vysya Bank
- MUFG Bank
- PT Bank Rakyat (Indonesia) Persero Tbk
- Punjab & Sind Bank
- Punjab National Bank
- RBL Bank Limited
- South Indian Bank Limited
- Standard Chartered Bank
- State Bank of India
- SBM Bank (India) Limited
- Sumitomo Mitsui Banking Corporation
- SinoPac Capital International (HK) Limited
- The Hongkong and Shanghai Banking Corporation Limited
- The National Bank of Ras Al Khaimrah
- The Federal Bank Limited
- The Shanghai Commercial & Savings Bank Limited
- UCO Bank
- Union Bank of India
- Ujjivan Small Finance Bank
- Woori Bank
- Yes Bank Limited

List of Institutions

- Asian Development Bank (ADB)
- International Finance Corporation (IFC)
- Kreditanstalt fur Wiederaufbau (KfW)
- Life Insurance Corporation of India (LIC)
- Micro Units Development and Refinance Agency Limited (MUDRA)
- National Bank for Agriculture and Rural Development (NABARD)
- NEC Capital Solutions Limited
- Oesterreichische Entwicklungsbank AG (OeEB)
- Proparco
- Small Industries Development Bank of India (SIDBI)
- United States Development Finance Corporation (DFC)



SHRIRAM FINANCE AT A GLANCE

Prominence in the NBFC Domain

44 Years

Of Trusted Relationships

One of the largest

Retail NBFCs in India

Rs. 185,682.86 crore

Assets Under Management (AUM) as of March 31, 2023



Financial performance



8.37%

Net Interest Margin

2.89%

Return on Assets

14.84%

Return on Equity

6.21%

Gross Stage 3 Assets

3.19%

Net Stage 3 Assets

22.61%

Capital to Risk (Weighted)
Assets Ratio

All the figures are given for FY 2022-23

Capabilities



73.24 Lac

Customer Base

2,922

Branches

732

Rural Centres

64,052

Employees

Sustainability highlight



Rs. 93.74 crore

CSR Spending in FY 2022-23

STEPPING AHEAD **GROWING STRONGER**



- Shriram Finance Limited is a merged entity through amalgamation of Shriram City Union Finance Limited (SCUF) and Shriram Capital Limited (SCL) with Shriram Transport Finance Company Limited (STFC)
- The amalgamation is driven by the synergies of both the entities opening the path to a greater inclusive growth
- The merged entity caters to a greater customer base with better product servicing and operational efficiency
- The amalgamation turned Shriram Finance into one of the largest retail finance NBFCs in the country

INTRODUCING SHRIRAM FINANCE – A PARTNER IN PROSPERITY

We have established ourselves as a prominent player in the organized high-yield pre-owned commercial vehicle (CV) financing segment and the two-wheeler segment.

Our journey began in 1979 as a NBFC specializing in asset financing, and since then, we have emerged as a significant player in the financial services industry.

At Shriram Finance, we offer a wide range of credit solutions, including commercial vehicle financing, two-wheeler loans, car loans, gold loans, personal loans and small business loans. We have played a vital role in promoting financial inclusion by providing affordable finance for pre-owned commercial vehicles to millions of First-Time Buyers (FTBs) and Small Road Transport Operators (SRTOs).

Our organizational culture embraces entrepreneurship at all levels. With a workforce of 64,052 employees, including a business team of approximately 49,452, we operate through an extensive network of 2,922 branches, 732 rural centres and partnerships with 500+ private financiers. Our unique “relationship-based” business model sets us apart.

Following the amalgamation of SCUF with the Company, Shriram Housing Finance Limited (SHFL) became a subsidiary of the Company. Shriram Finance holds a significant ownership stake of 84.82% in SHFL, solidifying our presence in the housing finance division.

What the Company Stands For

Our Vision

“To be the country’s most preferred Financial Services destination, delivering delightful customer experience through empowered employees”



Our Commitment to Customers

At SFL, we prioritize the needs and aspirations of every individual. We take pride in our deep understanding of the common person, allowing us to provide tailor-made financial services that truly meet their requirements. Our unwavering focus on placing customers at the forefront has brought us closer to the grassroots, establishing us as the preferred choice for serving the underserved, nurturing talent and empowering people. Throughout the years, we have achieved remarkable success by fostering transparency and a strong sense of belonging. The loyalty of our customers stands as a testament to our transformative journey.





Our Core Value

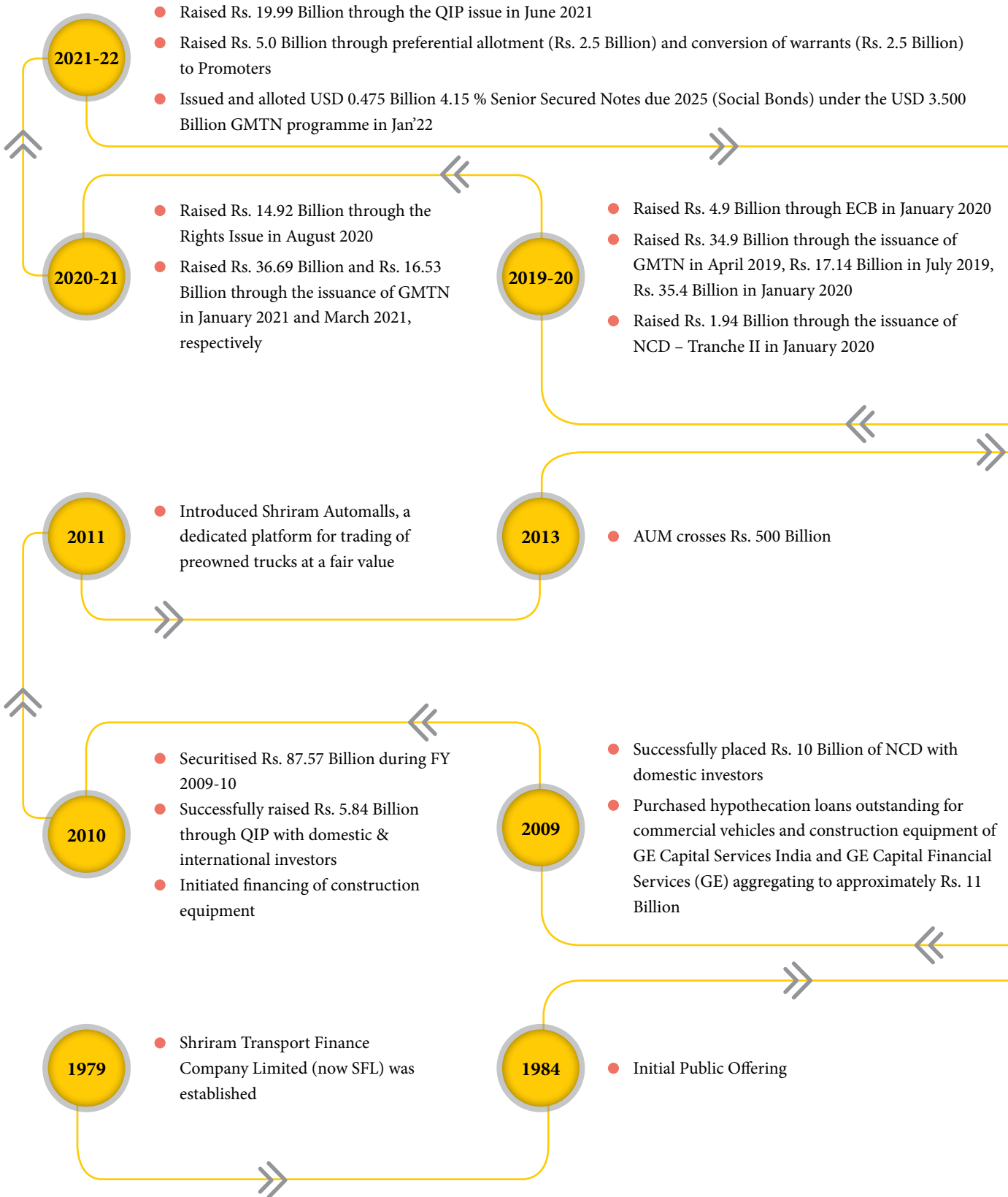
At Shriram Finance, our operations are guided by three fundamental principles: operational efficiency, truthfulness and a strong commitment to meeting the needs of the common person. We prioritize providing high-quality and cost-effective products and services to our customers. These core values are deeply ingrained within our organization and have been unwaveringly upheld throughout the years.

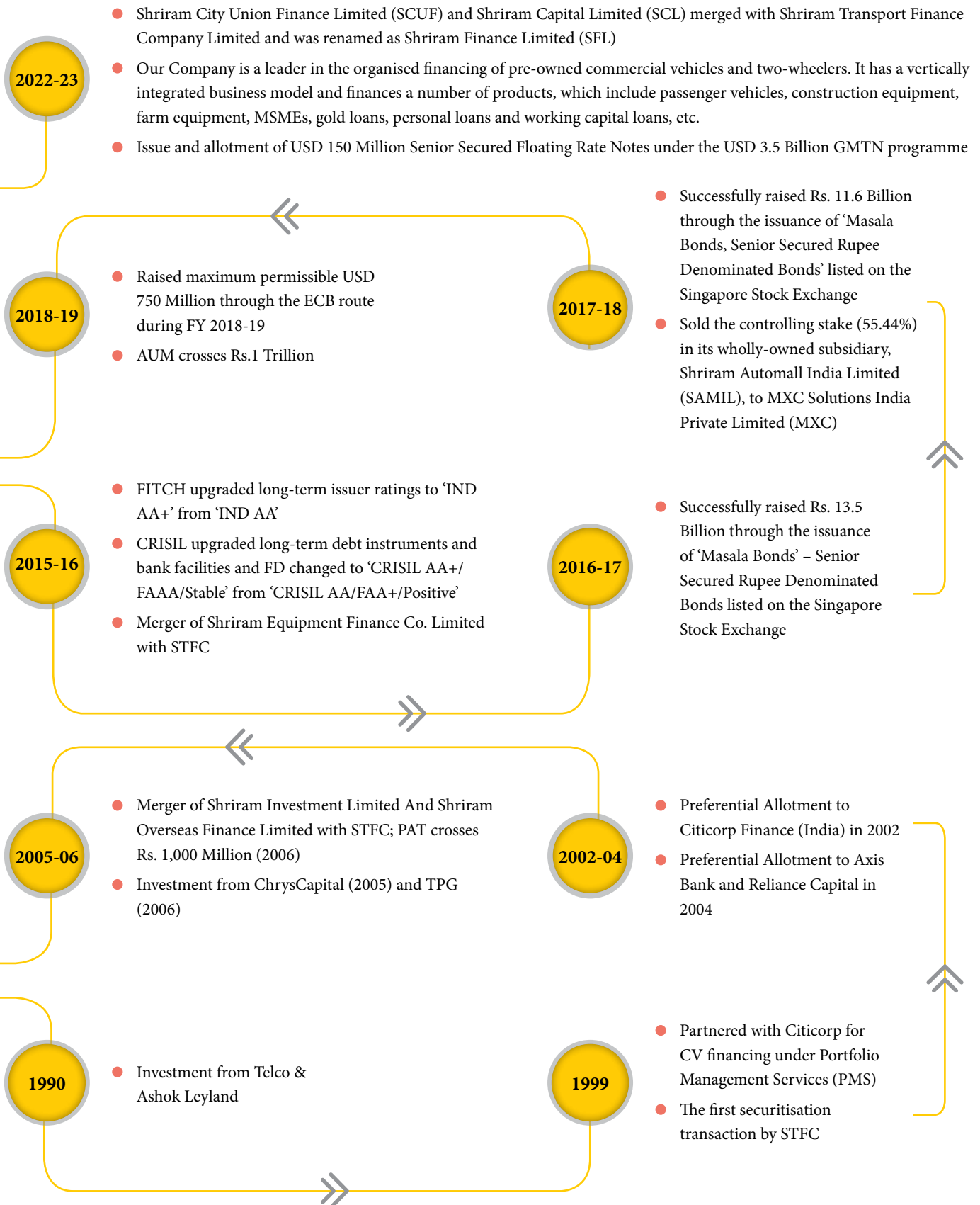
The Shriram Way

We uphold a set of core values that guide our actions and shape our business approach. We believe that finance should encompass more than just monetary transactions; it should be ethical, effective and equitable.



SHOWCASING OUR SUCCESS





STRATEGICALLY LOCATED PAN-INDIA

Our pan-India presence enables us to deliver our services to the last mile of the country, reaching a greater population base. This ultimately helps us spread our brand penetration as well. Post-merger, we have significantly widened our services, while identifying a potential customer base. Also, customers can now avail our services through our branches with unified solutions across the country.

2,922

Branch Offices

73.24 Lac

Customers

64,052

Employees

49,452

Business Team

500+

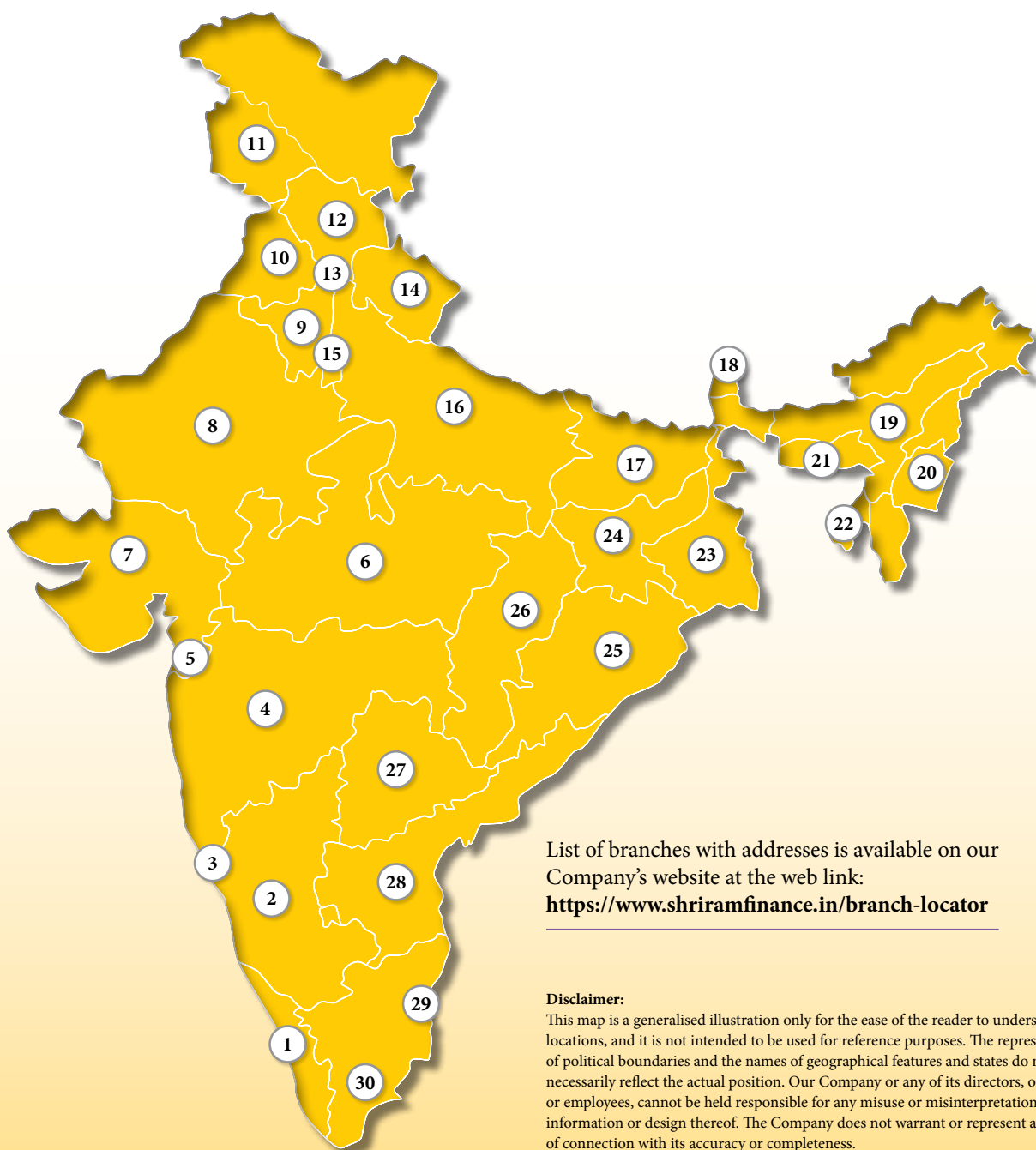
Private Financiers

732

Rural Centres

BRANCH NETWORK AS OF MARCH 31, 2023 : 2,922 BRANCHES

1. Kerala 108	8. Rajasthan 127	15. Delhi 15	22. Tripura 4	29. Puducherry 14
2. Karnataka 216	9. Haryana 61	16. Uttar Pradesh 176	23. West Bengal 59	30. Tamil Nadu 652
3. Goa 3	10. Punjab 53	17. Bihar 95	24. Jharkhand 46	
4. Maharashtra 273	11. Jammu & Kashmir 14	18. Sikkim 3	25. Odisha 51	
5. Dadra and Nagar Haveli 1	12. Himachal Pradesh 31	19. Assam 27	26. Chhattisgarh 72	
6. Madhya Pradesh 190	13. Chandigarh 2	20. Manipur 1	27. Telangana 200	
7. Gujarat 111	14. Uttarakhand 19	21. Meghalaya 1	28. Andhra Pradesh 297	



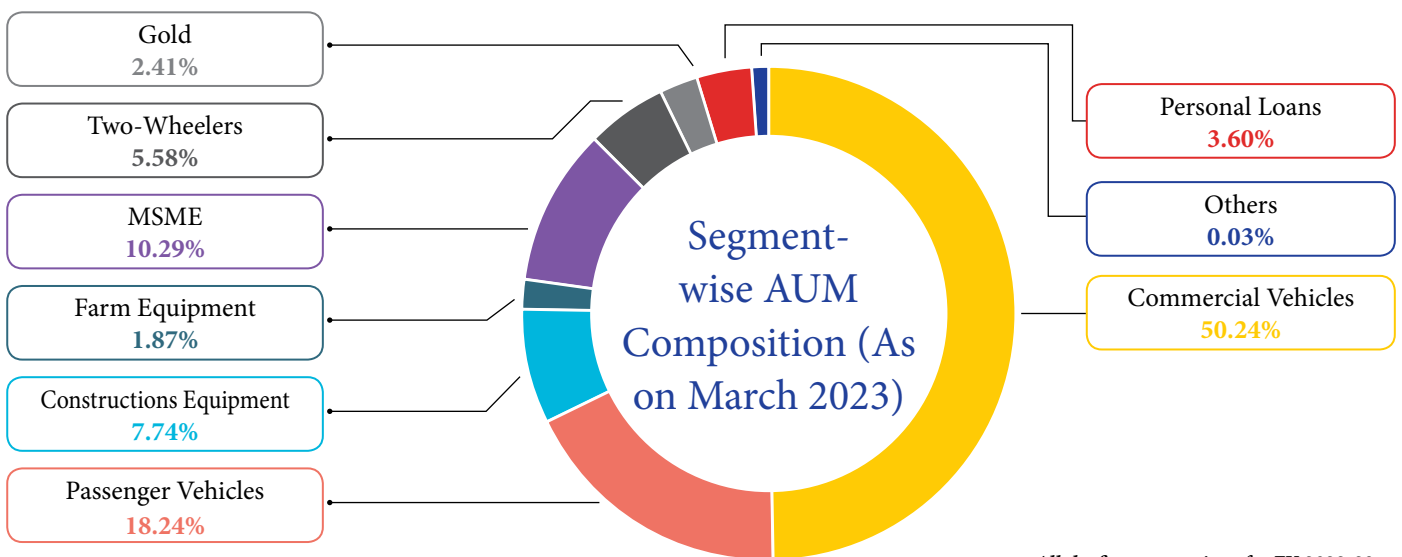
List of branches with addresses is available on our Company's website at the web link:
<https://www.shriramfinance.in/branch-locator>

Disclaimer:

This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features and states do not necessarily reflect the actual position. Our Company or any of its directors, officers, or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind of connection with its accuracy or completeness.

OUR DIVERSIFIED PRODUCT PORTFOLIO

The strategic association of SCUF with STFC has provided us with an expanded and more efficient product portfolio. With a variety of products, we can now reach the customers to cater to their dynamic demands, while leveraging the cross-selling synergy. Now, customers can meet their financial needs under a single roof.



All the figures are given for FY 2022-23



Business

Commercial Vehicle Loan

We provide a diverse array of commercial vehicle loans with favourable repayment terms to suit the unique needs of our customers.

Features:

- Competitive interest rates
- Finance for new and used commercial vehicles
- Flexible repayment options with varied tenures
- Quick disbursement and fast loan approval with minimum documentation



Rs. **93,294.9** crore
AUM as on March 2023

Passenger Vehicle Loan

SFL offers loan options for new as well as used passenger vehicles with customised interest rates.

Features:

- Customisable loan with minimal documentation
- Flexible repayment tenures
- A wide range of vehicles are eligible for loan options



Rs. **33,872.6** crore
AUM as on March 2023



Construction Equipment Loan

We provide affordable financial assistance on new/used construction equipment to support widespread business requirement of our customers to remain competitive in a constantly changing environment at convenient repayment choices.

Features:

- Competitive interest rates
- Finance for new/used equipment
- Timely loan approvals and disbursals
- Simplified process with minimum documentation
- Flexible repayments



Rs. 14,362.7 crore
AUM as on March 2023

Tractor and Farm Equipment Loan

We provide affordable financing solution for buying new/used Tractor and Farm Equipment basis the specific requirements of our customers to accelerate their growth & prosperity with attractive and easy repayment options.

Features:

- Competitive interest rates
- Timely approvals and disbursal of loans
- Streamlined process with minimum documentation
- Flexible repayments



Rs. 3,478.8 crore
AUM as on March 2023

Personal

Two-Wheeler Loan

A quick and convenient finance solution to avail a two-wheeler loan at attractive interest rates, flexible, and easy repayment options.

Features:

- Competitive Interest rates
- Quick disbursement of the loan amount within 24 hours
- Hassle-free process and Loan approval with minimum documentation
- Wide presence with 2,922 branches across the country



Rs. **10,369.2** crore
AUM as on March 2023

Small and Medium Enterprise (SME) Loan

We offer a comprehensive suite of secured and unsecured business loans to effectively address the diverse financial requirements of our customers. Our Company extends business loans at competitive interest rates and favourable repayment terms to both small enterprises and established organisations.

Features:

- Collateral free loans
- Flexible repayment tenures
- Quick disbursement of loan with minimal documentation



Rs. **19,101.3** crore
AUM as on March 2023

Personal Loan

We have curated an easy finance option for our customers availing personal loans.

Features:

- Collateral free loans
- Pre-approved personal loans are processed within few hours
- Flexible repayment options with varied tenures
- Competitive interest rates
- Fully digital borrowing journey for greater ease of availing loans



Rs. 6,675.1 crore
AUM as on March 2023

Gold Loan

A safe and secure loan option helps to meet the personal/capital demand of the customers.

Features:

- Competitive interest rates
- Flexible Loan tenures
- Minimal documentation for a hassle-free processing of loan
- Safe, secure and quick disbursement of loans



Rs. 4,478.4 crore
AUM as on March 2023

THE LEADING COALITION



Mr. Y. S. Chakravarti
Managing Director &
Chief Executive Officer

Mr. Umesh Revankar
Executive Vice-Chairman

Mr. Parag Sharma
Joint Managing Director &
Chief Financial Officer



MESSAGE FROM
THE CHAIRMAN



Dear Stakeholders,

Warm greetings to all of you as we are presenting the 44th Annual Report of the Company for the FY 2022-23. After amalgamation of Shriram City Union Finance Limited and remaining undertaking of Shriram Capital Limited with Shriram Transport Finance Company Limited, as per the composite of scheme of arrangement and amalgamation sanctioned by the Hon'ble National

We strive to empower the community – at the bottom of the pyramid from small enterprises to individuals – to attain their goals and we have stood by them in difficult times. We help people and small businesses finance and achieve their aspirations, lifting up individuals and small businesses across states and in all corners of the country.

Company Law Tribunal, Chennai bench and upon receipt of approval from Ministry of Corporate Affairs for change of name of Shriram Transport Finance Company Limited, the name of the Merged entity is changed as Shriram Finance Limited. The new name of the entity reflects its wider range of business operations with Assets Under Management of over Rs.1.8 Trillion and 7 Million + customers. Shriram Finance Limited has emerged as one of the leading players in the financial services industry. The merger came into effect during the FY 2022-23. We are committed to our vision “to be the country’s most preferred

financial services destination delivering, delightful customer experience through empowered employees.”

The strategic merger of the Shriram entities has facilitated significant synergies in our businesses. Our primary objective will be capitalising on those forces and targeting the maximum addressable market. The merger has opened us to a greater customer base with cross-selling opportunities and increase the wallet share among established as well as new customers. This will help us to maximise the revenue of the Company. We are running a complete digital integration in our system where we intend to offer our customers all the services under one roof. Also, the grand merger to become one of the country’s largest NBFC entities has opened up the casement of opportunities for investors to plan their investments for better return prospects.

We strive to empower the community – at the bottom of the pyramid from small enterprises to individuals – to attain their goals and we have stood by them in difficult times. We help people and small businesses finance and achieve their aspirations, lifting up individuals and small businesses across states and in all corners of the country.

Achieving this milestone within the time limits would have been not possible without the support of our stakeholders who proved to be our moral pillars to excel in our journey. For that, I, on behalf of the whole Shriram Finance team like to express our sincere gratitude towards them. Hope our relationship will keep on getting stronger as we continue marching forward to achieve greater success in our mission at every point in time.

Let me conclude my note by expressing our sincere gratitude once again to those who remained our constant companions throughout time. To our business partners, we are looking forward to carrying on the legacy that we have built together with better prospects. And, last but not the least, to our customers, who reposed their faith in us, we shall spare no effort for delivering the best possible, hassle-free and affordable credit solutions to them. Your trust in us is indeed invaluable for us and together we hope to contribute towards building a more dynamic, resilient, inclusive and equitable society.

With regards,

Jugal Kishore Mohapatra
Chairman



OUR STRATEGIC INTENT FOR **BUSINESS SUCCESS**

We have reached a responsible position in the market through our unparalleled efforts, and we are committed to maintaining it. To ensure our continued growth and become the most preferred financial service provider in the country, we have refined our strategies for the future. Our focus is to progress seamlessly towards achieving newer heights of growth, while remaining dedicated to our customers and their financial needs.

We believe strategic initiatives and a future outlook are critical for us to navigate the dynamic business landscape, achieve sustainable growth and maintain a competitive advantage. By setting clear goals, anticipating market trends, and fostering a culture of innovation, we have positioned ourselves for long-term success. And, to aid us achieve this goal, we have framed tactical approaches which include:

To be the country's most preferred financial services provider

- By leveraging our position as one of the largest NBFCs
- By driving sustainable growth and enhancing competitive advantage
- By expecting significant increase in revenue and profitability
- By capitalising the enhanced brand reputation and encouraging strong loyalty
- By differentiating from competitors through loyalty
- By introducing new and innovating products and services
- By effectively communicating value and trust associated with offerings
- By diversifying the revenue streams
- By ensuring long-term sustainability in the business



Focus on New-to-Credit Clients with a Cross-Selling Strategy

- By offering comprehensive range of products and services
- By improving revenue potential through cross-selling
- By building stronger relationship with New-to-Credit customers
- By mitigating risks and differentiating in the market

Achieve Industry-Leading ROA and ROE in the Long-Term

- By enhancing investor confidence and attracting new capital
- By strengthening competitive position & attracting top talent
- By forging strategic partnerships
- By negotiating favorable terms with suppliers and stakeholders
- By driving long-term growth and seizing new opportunities
- By delivering superior value to stakeholders

Establish a Diversified Product Portfolio

- By meeting a wider range of financial needs for customers
- By positioning the Company as a comprehensive financial solution provider
- By reducing dependence on any single product or market segment
- By enhancing resilience and timely mitigation of risks
- By strengthening customer loyalty and increasing wallet share

Delivering a Delightful Customer Experience

- By empowering our employees with autonomy, authority, and resources
- By serving customers effectively in their best interest
- By personalising client interactions that exceed expectations
- By building a culture of highly engaged, motivated and committed employees in the workplace
- By creating a positive impact on employee morale and retention
- By enhancing brand reputation
- By driving sustainable growth for our Company



INTEGRATING DIGITALISATION ACROSS OUR VALUE CHAIN

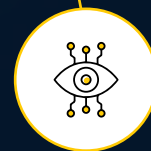
Digitization stands as a pivotal differentiator for SFL within the NBFC industry. As a leading financial service provider, we have harnessed a robust digital infrastructure that empowers our Company to make informed decisions and serve customers with unparalleled efficiency. The integration of digitization facilitates enhanced operational efficiency and processes through automated, digital document management, and online transactions, minimizing errors, and expediting turnaround times. Additionally, digitization enables customer data analytics for data-driven personalization to understand customer preferences, risk profiles, financial needs, and deliver tailored and targeted solutions.

Our Vision for Technology

To make our consumers lives better by creating technology led, data-driven business that scale exponentially, by offering unique customer-centric products and services, leveraging our core pillars that we have built over the years – Integrity, Empathy, People-centric, Process-driven and Humility.

At SFL, we assess our digital integration through four factors, which ultimately provide a comprehensive outlook. This enables our Company to further develop strategies that strengthen our technology infrastructure. The factors include:

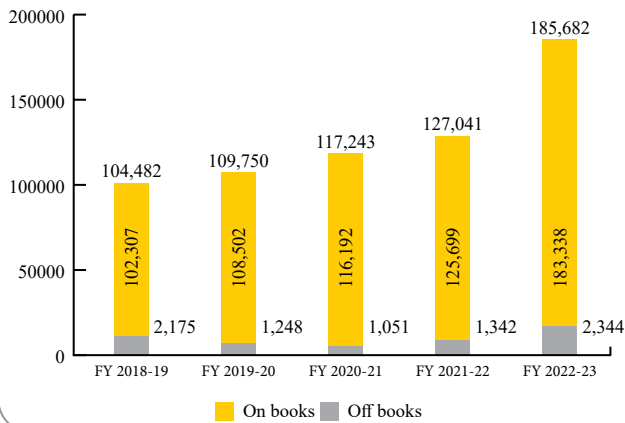
- Key digital transformation initiatives
- Key technology enablers
- Futuristic outlook
- Key result focus



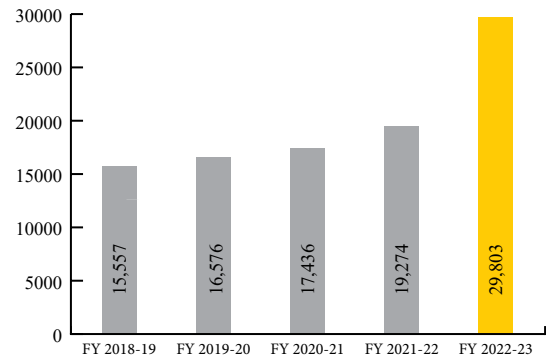


KEY PERFORMANCE INDICATORS*

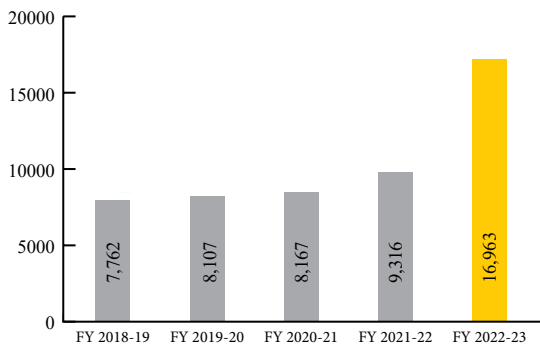
ASSETS UNDER MANAGEMENT (Rs. in crore)



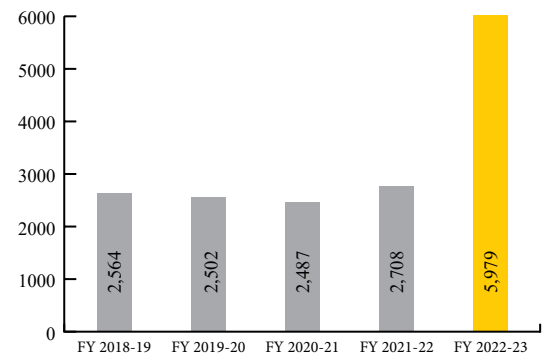
TOTAL INCOME (Rs. in crore)



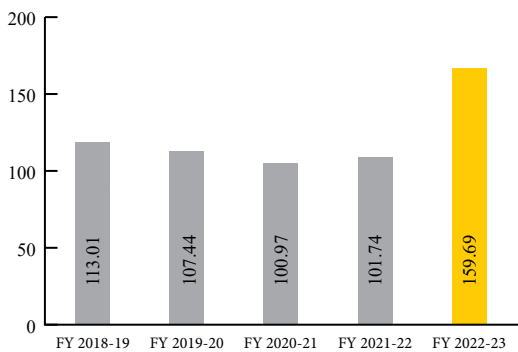
NET INTEREST INCOME (Rs. in crore)



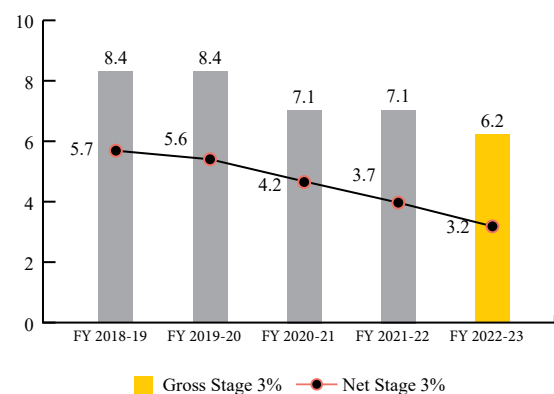
NET PROFIT (Rs. in crore)



EPS (Basic in Rs.)



STAGE 3 (%)



Note:- *The figures for the FY 2022-23 includes the effect of merger of transferor Companies SCUF and SCL and are therefore not comparable with figures of previous years.





ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

At SFL, we play an important role in creating a brighter future for all. Our Environmental, Social and Governance (ESG) practices showcase our steadfast dedication to environmental sustainability, social responsibility and ethical governance. Our organisation has made significant progress in embedding ESG principles throughout our operations and decision-making.


We are delighted to present our first Business Responsibility and Sustainability Report (BRSR) as an essential component of this year's Annual Report. This summary provides valuable insights into our approach to fostering positive environmental and social impacts, aligning with the nine principles of the National Guidelines on Responsible Business Conduct (NGRBC).

By sharing this report, our Company aims to promote transparency and clear communication on our commitment to responsible business practices and sustainability and illustrate our ongoing efforts to generate value for all stakeholders, while contributing to the well-being of our environment and society at large.

Material Topics Aligned to ESG

The Materiality Assessment is a crucial process for identifying environmental, social, and governance risks and opportunities. At SFL, we conducted extensive research and engaged with internal stakeholders to determine the material topics that have a significant impact on our business operations. This identification process involved peer reviews, recommendations from global reporting standards and rating agencies, direct interactions with key internal stakeholders and analysis of local and global industry trends. Based on our research, we have compiled a comprehensive list of material topics categorised under environmental, social and governance.



Environmental 

Resource Efficiency

GHG Emissions

Climate Change

Waste Management

Social 

Community Well-being

Customer Support & Satisfaction

Financial Inclusion

Responsible Financing

Data Privacy and Security

Employee Well-being

Human Rights

Diversity and Inclusion

Governance 

Corporate Governance

Business Ethics

Regulatory Compliance

Fraud Risk Management

Innovation



Engagement with Stakeholders

At SFL, we prioritise stakeholder identification and recognise its crucial role in the success of our projects. Our meticulous approach begins with a comprehensive analysis of our operations to identify key stakeholders, including employees, customers, shareholders, suppliers, vendors, Government entities and regulatory authorities. We also acknowledge the impact of our projects on local communities, valuing them as vital stakeholders in our communication efforts. By understanding the needs and concerns of our stakeholders, our Company proactively addresses their expectations, mitigates potential risks, and cultivates enduring relationships that are essential to mutual prosperity. Our stakeholder identification process is an ongoing endeavour, enabling us to stay informed, engaged, and responsive to the evolving needs of our stakeholders. Refer to the BRSR report for further details on the list of identified stakeholders.

Preserving Our Natural Resources

At SFL, we are committed to environmental sustainability and have undertaken several initiatives to reduce our carbon footprint and promote eco-friendly practices.

Carbon Footprint and Emissions

To assess our Company's environmental impact, we conducted a comprehensive carbon footprinting exercise across our 2922 offices nationwide. This exercise allowed us to map our scope 1 and scope 2 emissions, providing valuable insights for emissions reduction strategies. We acknowledge the importance of addressing our carbon footprint to mitigate our impact on climate change and promote sustainability.



Supporting Electric Vehicles

We recognise the growing demand for Electric Vehicles ('EVs') in India and as a result, we are actively working towards financing electric vehicles. Our Company realises the potential of EVs to transform the mobility landscape and remains committed to establishing an ecosystem that fosters the uptake and integration of EVs. Our goal is to contribute to the Indian economy and support the emerging EV market by providing financial solutions for electric vehicles. In line with our dedication to aiding electric mobility, we have partnered with Euler Motors. This partnership will provide financial solutions for commercial EVs, contributing to the adoption and integration of electric mobility in the country.

Other Measures Supporting Our Environmental Initiatives

- Established succinct eligibility criteria to determine the environmental friendliness of vehicles by validating the useful life of the vehicle and the Pollution Under Control (PUC) certificate
- Replaced traditional lighting fixtures with energy-efficient LED lights and installed 5-star-rated certified air conditioners
- Substituted inefficient technology and gadgets for energy-efficient alternatives, such as inverters, instead of diesel generator sets
- Prioritised video conferencing facilities to minimise employee travel, thus contributing to reduced carbon emissions
- Implemented a system of turning off electronic equipment at regular intervals to conserve electricity and installed sensor-based taps to conserve water





Social Impact

At SFL, we are dedicated to upholding human rights, prioritising the well-being of our employees and fostering an inclusive and safe workplace. Our Business Responsibility Policy serves as a guiding framework, outlining our commitment to promote human rights, equal opportunities, and a supportive work environment for our workforce. Our Company firmly believes in upholding these principles as a fundamental element of our business values and practices.

We strongly believe in facilitating gender equality and providing equal opportunities for the growth and success of our valuable staff. As part of our ongoing commitments in this regard, this year we launched the 'Women of Shriram' campaign to celebrate and honour our female employees throughout the month of March. Through a series of inspiring videos, our female employees shared their experiences. They highlight how our organisation has supported them in their professional journeys. By showcasing their achievements and successes, we, at SFL, strive to create an inclusive and equitable work environment, where everyone thrives. This campaign effectively communicates that gender equality is not restricted to a single day of observance but is an ongoing priority. Our Company deeply values and respects the invaluable contributions of women as integral members of our team.

In addition to promoting gender diversity, we are committed to providing equal opportunities for differently-abled individuals. Our Company ensures that our premises

“

Manbir Kaur from a branch in Punjab spoke about her belief that women can do every work and should be active. Priyanka Sawant from the Panvel branch in Maharashtra believes that women should learn, have passion and be ready to face any situation. Prassana Laxmi, employed with Shriram Finance for the last 16 years, believes that women with their own individuality can experience success in their lives.”

”

are accessible and adaptable to meet their specific needs, fostering inclusivity in our work environment. Furthermore, we prioritise training on human rights issues and policies, with a significant percentage of our employees and workers benefitting from these programmes. To effectively address any grievances related to human rights, we, at SFL, have established internal mechanisms, including the Internal Complaints Committee ('ICC'), which is dedicated to addressing and resolving such concerns. These measures reflect our unwavering commitment to upholding human rights and creating a supportive and inclusive workplace for all.

Employee Well-being and Skill Development

At SFL, we prioritise the well-being and skill development of our employees. In our commitment to employee development, we recently entered into a Memorandum of Understanding ('MOU') with Symbiosis Centre for Distance Learning. Through this partnership, our Company offers a two-year Corporate Post Graduate Diploma in Business Administration to our employees. The programme, conducted through open and distance learning, will empower our workforce. It will provide them with the necessary knowledge and expertise to excel in their jobs. Additionally, it will help them develop as professionals. The programme provides a self-paced training experience that employees can conveniently access anytime and anywhere, using any device.

Alongside this new initiative, at SFL, we also conduct various in-house training and awareness programmes focussed on health and safety measures and skill enhancement. These programmes reflect our Company's commitment to fostering a culture of continuous learning and development within our organisation.

We organise regular performance and career development reviews, involving a significant percentage of our employees. This process allows us to assess and support their professional growth. To prioritise the well-being of our employees, our Company has implemented robust health and safety measures. This includes providing first aid kits and promoting helmet usage for our field sales force, ensuring a safe working environment.

To address any grievances, at SFL, we have established an HRMS Portal accessible to all employees. This portal serves as a platform for employees to securely enter their complaints or grievances. The HR Head directly accesses the portal, ensuring complete confidentiality throughout the process. Our Company's dedicated HR team promptly works on all issues raised, striving for swift resolutions, ensuring a fair and supportive work environment.

Digital Innovation

As a technology-enabled business, we continuously strive to provide our customers with an enhanced digital experience. Our technology platform combines enhanced security features with scalability and agility to meet changing operational needs. SFL was honoured with the following awards :

- 'Best Use of AI & ML - Asset Finance Company' at the NBFC & FINTECH EXCELLENCE AWARDS 2022 organised by QUANTIC.
- 'Leader in Technology Intervention' at 12th Elets NBFC Tech Summit held in November 2022. The award was to recognise and highlight the lending and deposit excellence that Shriram Finance has shown and for their contribution towards financial inclusion organised by Banking and Finance Post Magazine
- 'BEST TECH-DRIVEN NBFC OF THE YEAR' at the 4th ANNUAL INDIA NBFC SUMMIT & AWARDS 2022 held in Sept-22. Shriram Finance won the award for its remarkable advancement in technology and being an industry leader in driving innovation among NBFCs over the year organised by SYNnex.

Our Company is at the forefront of technology, providing customers with an unmatched digital experience across its product and service portfolios.

Last year, SFL made a significant leap in technology by introducing India's first Blockchain assured Digital Fixed Deposit Certificates. These certificates offer 100% cryptographic security and authenticity, ensuring trust and transparency for investors. This digitised certificate issuance, assigns digital identities and ensures transparency and traceability, minimising the risk of fraud.

At SFL, we have also established a centralised contact hub equipped with smart IVR, Artificial Intelligence bots and simplified campaign management processes. This customer support centre facilitates continuous customer interaction by addressing queries and converting leads.





In a strategic move, our Company has also transitioned to cloud computing, benefitting from enhanced cost savings, unlimited data backup, storage capabilities and seamless accessibility. By leveraging the cloud, SFL has freed itself from infrastructure maintenance burdens, allowing a stronger focus on core business activities and delivering an exceptional customer experience.

These technological advancements demonstrate our Company's commitment to embracing innovation and leveraging cutting-edge solutions to enhance operational efficiency, security and customer satisfaction.

Social Finance Framework

At SFL, we have developed a Social Finance Framework that allows us to issue Social Financing Instruments, such as social bonds and avail loans. The proceeds are allocated to finance or refinance eligible social projects that promote sustainability. Our Company adheres to the International Capital Market Association ('ICMA'), Social Bond Principles 2021 ('SBP') and the Loan Market Association ('LMA'), Asia Pacific Loan Market Association ('APLMA') and the Loan Syndication and Trading Association's ('LSTA') Social Loan Principles (2021) and engages independent external agencies to provide second-party opinions and independent assurance on our framework.

Through our social financing initiatives, we provide favourable interest rate financing for small road transport operators and first-time buyers from underserved communities. At SFL, we exclude vehicles used in environmentally unfriendly sectors and support micro,

small and medium-sized enterprises in accordance with India's Micro, Small & Medium Enterprises Development Act, 2006.

Community Initiatives

In the financial year 2022-23, SFL has actively pursued commitment to Corporate Social Responsibility ('CSR') through various initiatives. As part of our Company's responsible practices, we conducted Social Impact Assessments ('SIA') for our projects in accordance with applicable laws. The results of these assessments were made publicly available, ensuring transparency and accountability.

Additionally, our Company implemented the STFC Regular scholarship programme, which offers scholarships of up to Rs. 3500 to students in grades 8 to 12. This initiative aims to support and empower young minds by providing them with educational opportunities.

Furthermore, we extended our CSR efforts to designated aspirational districts, including Chhattisgarh, Andhra Pradesh and Jharkhand. Through strategic investments, SFL contributed to the holistic development of these districts, focussing on areas, such as education, healthcare and sustainable livelihoods.

Our Company's commitment to CSR is reflected in the substantial financial investment made during the financial year 2022-23. These investments underscore our dedication to creating a positive and lasting impact on the communities we serve.

Commitment to our Company’s Environmental Social and Governance Aspects

UN SDGs Outline

Eligible Social Projects

Access to Essential Services

- 1) Financing and Financial Services / Financial Inclusion
- 2) Employment Generation
- 3) Socioeconomic advancement and empowerment

Eligibility Criteria

- Provision of financing for Small Road Transport Operators and First Time Buyers from underserved communities across India at favourable interest rates. To exclude vehicles that are used in environmental unfriendly sectors such as extraction, refining, or transportation of coal
- Provision of suitable financial instruments and supporting services for micro-, small- and medium-sized enterprises in India, in accordance to the definition in India’s Micro, Small & Medium Enterprises Development Act, 2006
- Provision of affordable loans to help communities alleviate income through promoting entrepreneurship from low- income states as defined by World Bank
- Provision of affordable financial instruments (personal loans, gold loans) to underserved customers without documents proving sources of income

Target Population

- Small Road Transport Operators and First Time Buyers from underserved communities across India
- Underserved individuals and MSMEs whose current asset base does not allow access to mainstream bank credits or without proof of income to qualify for traditional loans, unbanked individuals and MSMEs.
- Women

¹SFL classifies their core market as people that do have bank accounts, yet cannot get a loan from their bank

²Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Odisha, Rajasthan and Uttar Pradesh as defined by World Bank India State Briefs



Alignment with UN SDG Targets

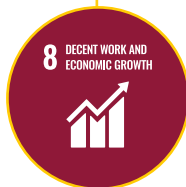
SDG 1.4: By 2030, ensure that all men and women, the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance



Ensuring healthy lives and promoting well-being at all ages is essential to sustainable development.



SDG 8.3: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services



SDG 9.3: Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets



SDG 10.2: Empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status



Make cities inclusive, safe, resilient and sustainable. Making cities and human settlements inclusive, safe, resilient and sustainable



Pioneering Responsible and Ethical Governance

SFL demonstrates a strong commitment to responsible business conduct and transparent governance practices through its emphasis on governance and ethics performance. Our Company follows a strong internal governance structure that comprises Board of Directors, consisting of experts from diverse disciplines. They provide valuable guidance to enhance stakeholders value. Senior management, led by the Executive Vice-Chairman and Managing Director & CEO, oversees the day-to-day operations and ensures effective supervision, direction, and control. Regular assessments of policies, goals, and performance are conducted by the Board of Directors.

The efficient functioning of our Company is further supported by various committees constituted by the Board of Directors. These committees, in compliance with legal requirements, focus on long-term shareholder value enhancement, assist management in decision-making and prudent financial management and uphold the principles of transparency and excellence in corporate governance.

Additionally, SFL requires annual declarations from directors, confirming their compliance with the Code of Conduct for the Board of Directors and Senior Management Personnel. This ensures adherence to ethical standards and promotes responsible conduct within the organisation.

In line with our Company's commitment to responsible business conduct and transparent governance practices, we have constituted the ESG Committee, which is designated to address sustainability-related matters. The ESG Committee plays a vital role in recommending our Company's ESG strategy to the Board. They oversee ESG policies and performance related to ESG matters and the Social Finance Framework. Moreover, they ensure compliance with reporting standards. Approval of the ESG Report is also part of the committee's responsibilities.

To further strengthen SFL's governance practices, we have adopted a comprehensive Business Responsibility Policy that emphasises the significance of transparency, ethical conduct and accountability across all facets of our operations. This policy serves as a guiding framework for maintaining a robust governance structure, adhering to applicable laws and regulations and fostering a culture of integrity and professionalism.

Our Company has zero tolerance for bribery and corruption, and we have implemented robust policies and procedures to prevent such practices. Our Business

Responsibility Policy and Code of Conduct strictly prohibit our Company and our employees from engaging in abusive, corrupt, or anti-competitive activities. We are committed to upholding ethical standards and promoting fair business practices in all our operations.

At SFL, we have implemented a robust grievance redressal mechanism to address complaints and grievances from our various stakeholder groups, including communities, investors, shareholders, employees and customers. This mechanism assures that stakeholders have a platform to express their concerns, ensuring that their issues are resolved promptly and effectively.

Through our Company's unwavering commitment to governance and ethics, we strive to conduct business responsibly. We align our operations with sustainability principles and create long-term value for all our stakeholders. Our focus on transparency, accountability and ethical behaviour underpins our business practices, underscoring our dedication to upholding the highest standards of corporate governance.

SFL's Corporate Governance practices are outlined in the dedicated Corporate Governance Report, which is included in this Annual Report.

Future Goals and Outlook

At SFL, we understand the importance of setting targets to measure progress towards fulfilling all the principles of the NGRBC. As we embark on our BRSR reporting journey in our initial year, we plan to define our objectives and goals for the next reporting periods. Our Company recognises the need to align our ESG initiatives with our business objectives. We are completely dedicated to implementing a robust and holistic ESG strategy that ensures sustainability and delivers long-term value to our stakeholders. We are devoted to continuously improving our ESG practices and performance and eagerly anticipate sharing our advancements and progress in the future.

Moving forward, our Company is committed to providing comprehensive updates on our performance in the coming years. As we navigate the future, we will diligently communicate our achievements, financial results and strategic advancements to keep our stakeholders informed and engaged in our journey towards sustainable growth.

For and on behalf of the Board of Directors

Jugal Kishore Mohapatra

New Delhi
April 27, 2023

Chairman
(DIN 03190289)



Statutory Reports



MANAGEMENT

DISCUSSION & ANALYSIS

ECONOMY OVERVIEW

Global Economy

Manoeuvring through challenges in 2022, the global economy has positioned itself with better prospects in 2023 and onwards. Post Covid-19 pandemic, the global economy is gradually recovering from a series of disruptions with supply-chain disruptions easing and energy and food markets stabilising after the Russia-Ukraine crisis. Additionally, most central banks have tightened monetary policy extensively and synchronously, which is expected to result in inflation, the most pressing issue in 2022, moving back towards its target range. According to the International Monetary Fund's latest forecast, global growth is expected to reach 2.8% in 2023 and will rise to 3.0% in 2024.

Outlook

The global economy is currently bracing itself for slower growth, primarily due to the disruptive impact of the Russia-Ukraine conflict and the tightening of monetary policy. These factors have led to significant supply-side disruptions, creating challenges for economies around the world. However, amidst this uncertain outlook, certain economies are expected to exhibit resilience and drive global growth.

Indian Economy

The Indian economy demonstrated an exceptional performance during FY 2022-23, positioning itself as one of the fastest-growing economies. The nation's GDP growth rate stood at 7%, driven by private sector consumption and increased Government focus on infrastructure development. Despite global macroeconomic challenges and tighter domestic monetary policies aimed at addressing inflationary pressures, the growth momentum remained steady, showcasing the underlying strength of India's economy in recovering and revitalising growth drivers.

The Union Budget FY 2023-24 aimed at enhancing the nation's positioning with increased capital expenditure to Rs. 10 Lac crore, marking an increment of 33% in capital outlay as compared to FY 2022-23. The government's focus on capital expenditure, strong manufacturing capacity utilisation, double-digit credit growth, and moderation

in commodity prices are likely to enhance manufacturing and investment activities. This move is highly optimistic for key industries like manufacturing, infrastructure and healthcare coupled with the Government's introduction of various measures to support economic growth including the National Infrastructure Pipeline (NIP) and the Production-Linked Incentive (PLI) schemes.

Aggregate demand conditions were resilient in Q4 of FY 2022-23, even as private consumption showed some signs of slowdown. A favourable rabi crop is expected to boost rural demand, while the resilience of contact-intensive services is anticipated to support urban demand. Rural demand indicators such as consumer non-durables, tractor and two-wheeler sales registered healthy growth. Whereas Urban demand indicators like passenger vehicle sales and credit card spending registered robust growth in February, while consumer durables contracted in January.

Enterprises in the services and infrastructure sectors exhibit rising optimism about the overall business situation with higher selling prices anticipated to drive profit margin improvement. Investment activity exhibited buoyancy on the back of the Government's thrust on infrastructure spending, high-capacity utilisation, and revival in corporate investment in certain key sectors. Non-food bank credit rose by 15.4% (y-o-y) as of March 2023, and the total flow of resources to the commercial sector has increased by Rs. 26.0 Lac crore during FY 2022-23 as against Rs. 19.0 Lac crore a year ago. The Consumer Confidence survey for March 2023 indicates expectations of improved employment conditions, with marginal declines in sentiments regarding general economic conditions and household income. According to RBI's surveys, both businesses and consumers hold optimistic outlooks for the future. However, the slowdown in global trade and output, coupled with geopolitical tensions, global financial conditions, and market volatility, pose risks to the overall economic outlook.

Amidst this volatility, the banking and non-banking financial service sectors in India remain healthy and financial markets have evolved in an orderly manner. The prolonged geopolitical tension between Russia and Ukraine adversely affected global



trade and crude oil prices, leading to a tighter inflationary grip. RBI's Monetary Policy Committee increased the policy repo rate under the liquidity adjustment facility (LAF) by 225 basis points from 4.0% to 6.25% between May and December 2022. Headline CPI inflation has gradually declined from its peak of 7.8% in April 2022 to 5.7% in March 2023 and is projected to ease further. The Reserve Bank of India (RBI) projected a headline inflation rate of 6.8% for FY 2022-23, which falls outside its target range. However, this level of inflation is not expected to affect private consumption or discourage investments significantly. Inflation is likely to exceed the central bank's upper target limit of 6% until early Current Year 2023, but it may gradually decrease once higher interest rates are implemented.

Outlook

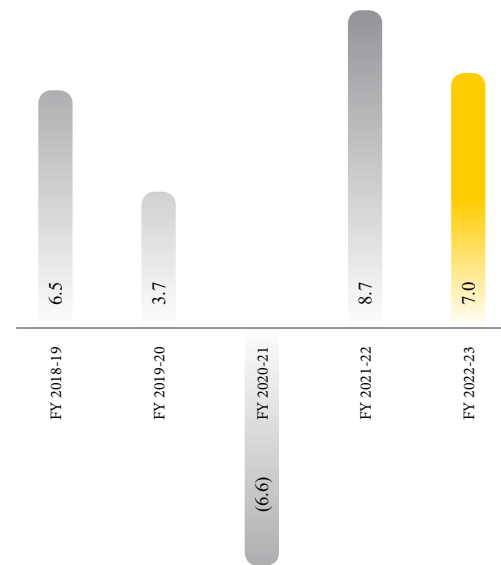
As observed in FY 2022-23, the fundamentals of the country's economy remained resilient despite the challenges felt by the global economy. India is further expected to witness a growth of 6.0% in FY 2023-24. RBI projects CPI inflation for Q1 - FY 2023-24 at 5.0% and for Q2 -FY 2023-24 at 5.4% on the assumption of a normal monsoon. Whereas on the inflationary front, it is anticipated that the rates would remain moderate somewhere between 5-6%, due to the Government's adherence to calibrated monetary policies. The Government's continued focus on infrastructure development, coupled with rising private investment, is providing the necessary momentum for the country's economy to flourish, backed by robust GST collections and forex reserves. The total gross collection for FY 2022-23 stands at Rs. 18.10 Lac crore with revenue increased by 22% that FY 2021-22. Way forward the GST collections would grow in the coming years and will be utilised in the economic development. The forex reserve stood at USD 595.976 Billion in the first week of May 2023 marking second consecutive weekly rise in reserves. However, a high degree of synchronisation between India's growth cycle with advanced countries urges to remain cautious about plausible hindrances. This could have a significant impact on India's deepening trade and financial connections with advanced economies.

(Source: MOSPI, NSO, <https://www.outlookindia.com/business/growth-premium-news-244264>

<https://www.deccanherald.com/business/business-news/indias-gdp-to-grow-at-6-in-2023-24-sp-1204173.html>

<https://rbidocs.rbi.org.in/rdocs/PressRelease/PDFs/PR88MINUTESOFMPC507ABE3E36B346B6A843FCDCDD9F6207.PDF>

INDIAN ECONOMY GDP GROWTH RATE (IN %)



(Source: MoSPI, <https://www.reuters.com/world/india/india-sees-gdp-growth-slowing-6-68-202324-govt-survey-2023-01-31/>

(Source: <https://pib.gov.in/PressReleasePage.aspx?PRID=1769229>

https://www.business-standard.com/budget/article/union-budget-2023-24-allocates-nearly-rs-8-083-crore-for-pfi-schemes-123020201654_1.html/budget/union-budget-2023-24-allocates-nearly-rs-8-083-crore-for-pfi-schemes-123020201654_1.html)

INDIAN FINANCIAL SERVICES SECTOR OVERVIEW

The Indian financial services sector is a vital component of the country's economy, comprising a diverse range of players such as commercial banks, insurance companies, non-banking financial companies, pension funds, mutual funds and other smaller financial entities. The sector has been evolving over the years, coupled with changes and reforms by the Government and regulatory bodies to strengthen the industry, enhancing its growth prospects.

One of the key growth drivers for the sector has been the increasing focus on financial inclusion and providing better access to finance for the underbanked and underserved sections of the society. This has led to the emergence of digital banking, microfinance, and fintech collaborations that are disrupting traditional banking models.

Despite the uncertain global environment since early 2020, the Indian financial sector has remained stable and resilient. Furthermore, the Non-Banking Financial (NBFC) sector has played a crucial role in bridging the credit gap and supporting the growth of various sectors such as micro,



small and medium enterprises (MSMEs), agriculture and affordable housing, among others.

INDUSTRY OVERVIEW AND FINANCING

The financial institutions have a vital role in promoting stability and implementing regulatory measures to support households and businesses, especially amid economic crises. At present, the geopolitical conflicts have slowed down countries' post-pandemic recoveries, hastening the normalisation of monetary and fiscal policies.

In India, NBFCs have emerged as the principal institutions providing credit financing to the unorganised and underserved sectors. NBFCs have revolutionised the lending system in India by providing financial inclusion for those who lack easy access to credit. They offer a range of services, including MSME financing, home finance, microfinance, gold loans and other retail segments. On the back of digitalisation and technology, NBFCs are further offering quick and convenient customer financing experience, especially for low-income and untapped segments of the creditworthy population. These companies have unlocked industrial opportunities by leveraging a hybrid model of physical and digital delivery.

Despite facing competition from banks in traditional segments, NBFCs have raised Rs. 700 Billion in equity over the past 3.5 years, improving their gearing levels. With more robust balance sheets, lower leverage and steadily improving funding access, NBFCs are well-positioned to capitalise on credit demand. This could lead to an increase in Assets Under Management (AUM) by 13-14% in FY 2023-24, with a strategic focus on non-traditional segments such as unsecured loans, used vehicles and the MSME sector.

The steady momentum of NBFCs is heavily backed by robust demand for personal loans, which they need for their growth and working capital. According to ICRA Analysis, NBFCs are expected to witness 8-10% growth in AUM in FY 2022-23 compared to 5-7% growth in FY 2021-22. Despite yield pressure, the sector is also expected to improve its asset quality metrics.

According to the Reserve Bank of India (RBI) data, outstanding bank credit to NBFCs has significantly increased from Rs. 3.68 Lac crore in 2017 to Rs. 13.20 Lac crore as of December 2022. NBFCs are expected to play a crucial role in financing India's transition from the world's fifth-largest to the third-largest economy by the end of this decade. The Government is also focusing on developing NBFCs with high emphasis on driving quality corporate governance across

these entities. Following sluggish years amid liquidity stress, NBFCs have bounced back strongly with higher capital levels, reasonable stability in delinquency accounts, better asset quality and larger balance sheets. Stronger risk assessment frameworks, Government support such as debt moratorium and liquidity enhancement measures and broader economic revival have helped them tide through these challenges and pursue innovative strategies to meet evolving opportunities.

(Source: CRISIL NBFC Report 2021, <https://economictimes.indiatimes.com/industry/banking/finance/non-bank-lenders-surpassed-banks-in-microlending-segment-in-september-2022-report/articleshow/97703891.cms?from=mdr>

<https://assets.kpmg.com/content/dam/kpmg/in/pdf/2022/11/role-of-nbfc-and-hfcs-in-driving-sustainable-gdp-growth-in-india.pdf>

<https://www.icraresearch.in/research/ViewResearchReport/4225>

Commercial Vehicle (CV)

The Indian commercial vehicle (CV) industry has recovered post the COVID-19 pandemic. In F.Y. 2022-23, commercial vehicles witnessed the second-highest domestic sales growth in India. As per SIAM, the sales of overall Commercial Vehicles increased from 7,16,566 units in FY 2021-22 to 9,62,468 units in FY 2022-23, representing 34% substantial growth rate. Furthermore, the sales of Medium and Heavy Commercial Vehicles (MHCVs) increased from 2,40,577 units in FY 2021-22 to 3,59,003 units in FY 2022-23 indicating a growth of ~50%. Additionally, Light Commercial Vehicles increased from 4,75,989 units in FY 2021-22 to 6,03,465 units in FY-2022-23 indicating a growth of 27%. MHCVs' market share poised to grow further, driven by increased activity in the construction and infrastructure sectors, while truck utilization reached an all-time high of 90%. LCVs' growth levels have been increased due to rural consumption and e-commerce. In F.Y. 2022-23, the CV industry in India is expected to witness positive volume growth of 22-24%, driven by positive demand drivers from multiple industries and growing freight movements.

Several Original Equipment Manufacturers (OEMs) are testing the introduction of E-variants in the commercial vehicle category. Higher E-LCV adoption is expected to be seen in Tier-1 cities due to the factors such as higher last-mile delivery demand and the urge to reduce pollution. However, we feel there would be gradual but continuous upgradation of vehicle technology with alternative fuels and hybrid variants increasing the cost of acquisition of vehicles which will bring in efficiency and reduced cost of logistics.

(Source: KPMG)



NBFCs are collaborating with various dealers, vendors in the ecosystem to provide finance beyond asset purchases, such as fuel and tyre credit, repairs and annual maintenance of vehicles and leveraging third-party providers for insurance and security needs. The growth momentum of CV industry in India remains intact owing to Government push on infrastructure development and improvements in economic activities.

(Source: KPMG Report November 2022)

Passenger Vehicle

The Indian Passenger Vehicle (PV) industry is a significant segment of the country's automobile industry, accounting for approximately 18% of domestic sales volume. PVs are classified into three categories: Passenger cars, Vans, and Utility Vehicles (UVs). In FY 2022-23, domestic sales of PVs exhibited significant growth, primarily due to the improvement in sentiments and the ease in the supply of semi-conductors. This growth reflects a strong recovery after the pandemic-induced disruption, which adversely affected sales in FY 2021-22.

According to data from the auto industry body SIAM, India witnessed significant growth in passenger vehicle sales during the FY 2022-23. This growth was attributed to the alleviation of chip shortages and a surge in demand for sport utility vehicles (SUVs). Domestic wholesales of passenger vehicles reached 3.89 Million units for the fiscal year ending on March 31, 2023, compared to 3.07 Million units in the previous year. Sales of Passenger Cars increased from 1.47 Million units to 1.74 Million units, indicating a growth rate of 19%. Utility Vehicles experienced a substantial growth from 1.49 Million units to 2.0 Million units, representing a growth rate of 34%. Vans also witnessed growth, with sales increasing from 1.13 Lac units to 1.39 Lac units, reflecting a growth rate of 23%.

In the same period, car sales for fleet operations, including those to app-based cab aggregators such as Ola and Uber, experienced an almost two-fold increase. These sales are expected to significantly surpass the overall industry growth, approaching pre-pandemic levels this year. The industry estimates that fleet operators purchased approximately 137,000 vehicles in the last financial year, marking a growth of 95% compared to FY 2021-22. Additionally, the new model launches, ease in supplies of chips and semi-conductors, and increased competitiveness in the economy are expected to support volume growth.

The positive growth is expected to be led by factors such as product mix, ease in supply chain issues, discounts and offers, and the increasing shift towards bigger-sized and feature-rich vehicles in the utility vehicle sub-segment. In the future, the demand for PVs is expected to improve further due to investments from the PLI scheme, new vehicle launches, better traction of ICE models, and a strong order book. Moreover, India's enhanced manufacturing capabilities is also expected to support the passenger vehicle industry's demand in the long term.

(Source: Automobiles Passenger Vehicle Outlook, CareEdge

https://economictimes.indiatimes.com/industry/auto/auto-news/car-sales-on-fleet-street-accelerate-95-in-fy23/articleshow/100085686.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

The Indian passenger vehicle financing opportunity is expected to grow at a compound annual growth rate (CAGR) of around 20% to reach USD 50 Billion in annual disbursements during FY 2021-22 – FY 2025-26, driven by strong underlying demand, rising premiumisation, and improving finance penetration in the used/preowned vehicles segment. The PV financing opportunity is supported by a massive under-penetrated market, with only around 40% of mid-income and above households in India owning a passenger vehicle, compared to an average ownership of 1.2-2x per household (all income households) in other economies.

(Source: Vehicle Financing, HDFC Securities)

Two-wheeler (2W)

In the Indian automobile industry, the two-wheeler segment dominates with a share of approximately 79% in total domestic sales volume. This segment is divided into three categories, namely Motorcycles, Scooters, and Mopeds. The domestic 2-Wheeler industry posted a year on year double digit growth in FY 2022-23 after three consecutive year of decline, reaching 15.86 Million units from 13.57 Million units in the previous year.

Furthermore, Electric Two-wheelers (E2W) are also experiencing steady demand. The E2W segment has started to exert an influence on its ICE counterparts. Currently, 5% of 2-wheeler sales come from electric vehicles (EVs), with EVs accounting for 15% of sales in the scooter segment specifically. The incumbent 2W OEMs have strong execution capabilities, coupled with a focus on the EV product pipeline, leading to an increase in the order book.



According to a CRISIL study, if there are no major challenges on the supply side, the electric 2-wheeler industry in India is projected to achieve sales of 1.2 Million units in 2023-24. The demand will be driven by factors such as a gradual pick-up in the rural economy on the back of winter crop harvesting, timely arrival of monsoon, and higher MSPs. The premium segment, faster growth in Scooters and ramp-up in export are also anticipated to contribute to the demand.

(Source: *Automobiles Two- Wheelers Outlook, CareEdge*)

Tractor and Farm Equipment

The Indian tractor industry witnesses a robust demand in the FY 2022-23. The incremental traction is majorly backed by the good agricultural conditions as well as the prices for the farmers. The total foodgrain production in the country is estimated at record 3,235.54 Lac tonnes which is higher by 79.38 LMT as compared to FY 2021-22. This was owing to the handsome monsoon received during the time with 6% greater rainfall than average as per India Meteorological Department. In continuation of the same, the current reservoir position stood at 48,347.510 m in May 2023.

Backed by these robust driving factors, the Government is further strategising to boost the production in FY 2023-24. This provides a fertile ground for the tractor industry to expand its growth and maximise outcome. During the FY 2022-23, according to Tractor & Mechanisation Association (TMA) the tractor industry achieved a ground breaking sales record of 945,311 units with a growth of 12%. A report by the Allied Market research predicts that the industry is poised to grow with 7.9% CAGR between 2021-2023 to reach the valuation of USD 12,700.8 Million.

In recent years, there has been a discernible and noteworthy progression within the realm of agriculture mechanisation. A substantial segment of farmers in the nation has already undergone a transition, forsaking animate sources in favour of adopting mechanical equipment to streamline and optimise their farming operations. This notable shift can be primarily attributed to a confluence of contributing factors, encompassing the enhanced accessibility of credit, the provision of government incentives, the consequential amplification of agricultural productivity, the burgeoning prevalence of contract farming, and the steadfast ascent of rural incomes.

Significantly, the Indian agricultural equipment market has achieved a substantial magnitude, reaching a noteworthy valuation of Rs. 1,023.2 Billion in the year 2022. According to projections furnished by the IMARC Group, this market is

poised for further expansion, with estimations anticipating a momentous augmentation to Rs. 1,852.6 Billion by the year 2028. Such anticipated growth is projected to be characterised by a CAGR of 10.5% throughout the period spanning from 2023 to 2028.

The COVID-19 pandemic had a limited impact on the tractor segment due to sustained rural demand and the agriculture sector's resilience. This led to the NBFCs financing 54% of the tractor segment in 2022. Moreover, the agriculture and rural sector has seen the rise of several agricultural technologies to assist lenders in understanding crop patterns and local geography for accurate credit assessment. These technologies can also be leveraged for holistic tractor and agriculture-based financing. As a result, rural financing has extended beyond asset financing, including tractor and farm equipment, to encompass a broad spectrum of agriculture technology-enabled financing

(Source: *KPMG Report November 2022*)

Construction Equipment

According to ICRA, the Mining and Construction Equipment (MCE) industry is expected to witness a growth in volumes from FY 2022-23, with an expected 10-12% YoY increase in sales volumes. This growth is expected to be supported by infrastructure spending by the government, as well as the robust order book across end-user industries. In FY 2021-22, the overall NBFC Construction Equipment (NBFC-CE) AUM is estimated to have grown by 2.1%. However, ICRA expects NBFC-CE AUM growth to revive to about 7-9% in FY 2022-23 due to an increase in volumes and loans, although competition from banks could pose a downside risk.

(Source: *ICRA Research*)

Micro, Small and Medium Enterprises (MSME)

The MSME sector in India plays a crucial role in providing employment opportunities and contributing significantly to the country's GDP. The outbreak of the Covid-19 pandemic accelerated the adoption of digital technologies, resulting in increased efficiency and revenue for small business owners. However, the MSME sector is currently facing a credit gap from formal financial institutions, with only 15% of the total addressable market being served by them. This situation presents a promising opportunity for NBFCs to offer customised products and digital solutions to help the sector grow.



Regarded as the cornerstone of the Government's Make in India campaign, the Indian Government's numerous supportive measures aimed at creating a favorable environment for MSMEs will continue to propel a positive growth outlook. It is expected to lay strong emphasis on providing MSMEs with access to easy and secure funding to overcome credit-starvation and the hazards of credit fraud. The numerous Government initiatives supporting this positive outlook include tax exemptions, access to funding and expansion of financing, marketing and technology. Some other notable policies in this direction are the Pradhan Mantri MUDRA Yojana (PMMY), Special Credit Linked Capital Subsidy Scheme (SCLCSS), SAMBHAV and National MSME Policy.

NBFCs have played a significant role in boosting credit flow to MSMEs, especially in underbanked areas of the country. These companies have adopted innovative tools, unconventional risk modelling and personalised offerings to cater to the specific requirements of small businesses. Additionally, NBFCs have leveraged technology for data analytics and streamlined their processes for faster disbursement of credit.

Compared to banks, they have been more agile and introduced personalised products based on the risk profiles and demands of different segments of the sector. Furthermore, NBFCs have partnered with fintech players, banks and alternative lenders to extend credit and bundled products for businesses.

(Source: <https://assets.kpmg.com/content/dam/kpmg/in/pdf/2022/11/role-of-nbfc-and-hfcs-in-driving-sustainable-gdp-growth-in-india.pdf>)

Gold Loan

Gold loans have become a popular option for borrowers to manage their working capital needs, especially in rural areas where unorganised players hold 65% of the total pledged chunk in the country. In terms of organised players such as banks and NBFCs are increasing their penetration into this sector, banks comprise a larger share in the organised gold loan sector due to lower interest rates and larger ticket sizes.

NBFCs are focussed on customer convenience, quick disbursement, and flexibility. In FY 2020-21, NBFCs retained a 23% stake in the Indian gold finance sector, with the total NBFC gold loan AUM increasing by an astounding 44% to surpass Rs. 4.7 trillion, fuelled by a 30% YoY uptick in gold prices in the same period.

The gold loan market is expected to maintain its outstanding performance due to the increasing digitisation of financial services, a wider physical branch network, minimal

documentation, faster turnaround times, and increased demand following the COVID-19 pandemic. The sector is transforming, shifting from unorganised to organised and from organised to digital means. The growth in the online gold loan space is projected to drive the gold loan book by 11-12% in FY 2022-23. Specialised gold loan NBFCs are expected to play a significant role in driving AUM growth due to their focussed approach and new technology initiatives that enable customers to transact online with ease. The gold industry contributes 1.3% to Indian GDP and the popularity of gold loans is expected to continue to grow in the future as a secure and flexible medium to meet short-term cash emergencies.

Housing Finance

The housing finance industry in India is witnessing significant growth, with financial institutions contributing to a loan book growth of 24.1% between FY 2018-19 and FY 2022-23. This growth is expected to continue, with the housing loan segment projected to contribute about 13% to India's GDP by FY 2024-25, while rising at a CAGR of 20.58% between FY 2021-22 and FY 2030-31, driven by affordable housing, declining property prices, attractive tax incentives, and an increase in household income. Furthermore, a reduction in housing market inventory was seen due to widespread vaccination coverage, rising consumer spending on contact-based services, and the return of migrant workers to construction sites. In FY 2022-23, the loan book outstanding stood at approximately Rs. 9.1 Lac crore.

The housing finance industry is undergoing significant structural changes with a focus on credit quality and collection efficiency. It is anticipated that the assets under management of HFCs will exhibit a growth of 10%-12% during the FY 2022-23, primarily owing to the growth of home loans. The NBFCs have a loan outstanding of Rs. 8.9 trillion with an addressable loan market of Rs. 21 trillion.

In FY 2021-22, there was a cumulative shortage of 9.5 Cr housing units with an aggregated loan demand of Rs. 35 trillion. The credit growth outlook for affordable HFCs is looking robust with 9-11% growth in FY 2022-23, backed by various Government initiatives for the housing sector like PMAY, tax incentives, RERA, GST, and special financing windows. Additionally, significant regulatory measures implemented by the RBI and NHB's focus on fuelling the affordable housing sector with easy flow of credit to help bridge the demand-supply gap in the sector.

(Source: KPMG Report November 2022)



COMPANY OVERVIEW

The Company is a prominent NBFC in the retail finance industry in India. The name of the Company was changed to Shriram Finance Limited to reflect its diversified financial product portfolio consequent upon merger of Shriram City Union Finance Limited (SCUF) and Remaining undertaking of Shriram Capital Limited (SCL) with the Company. The Company is a leader in organised financing of pre-owned commercial vehicles and two-wheelers. It has vertically integrated business model and finances passenger vehicles, Construction Equipment, Farm Equipment, MSMEs Gold, Personal loan and Working Capital Loans, among others.

The merger is expected to bring significant synergies, primarily from the cross-selling of loan and insurance products. Additionally, the combined entity will benefit from lower cost of funds and operational expenses, including improved employee productivity resulting in lower customer acquisition costs. The technological framework of the merged entity will facilitate seamless data mining and the use of advanced artificial intelligence and machine learning techniques to provide best-in-class service to customers. Throughout this process, our time-tested philosophy of customer centricity will continue to guide each step of our journey.

With over 7.32 Million customers, the Company focuses on offering prompt borrowing solution to customers and delivering value to stakeholders. The Company has a broad reach with 2,922 branches across India and recorded an AUM of Rs. 185,682.86 crore as on March 31, 2023.

Post amalgamation of SCUF with the Company, Shriram Housing Finance Limited which was a subsidiary of SCUF, became the Company's subsidiary. It is a housing finance company registered with the National Housing Bank (NHB). The primary operation of the Company is providing loans for the purchase or construction of residential space and loans against property.

The regulatory framework for NBFCs to introduce scale-based regulation came into effect from October 01, 2022. Under the new framework, NBFCs are placed in one of the four layers viz., Base Layer (BL), Middle Layer (ML), Upper Layer (UL) and a possible Top Layer (TL) based on their size, activity, and perceived risks. The new framework tightens regulatory oversight of the sector with stringent norms for

the Upper layers. The Company has been classified as Upper Layer under Scale Based Regulatory Framework for NBFCs as per the list issued by RBI in its Press Release 2022-2023/975 dated September 30, 2022. The Company has in place SBR Framework Implementation Roadmap and policies required thereunder. The Company is on schedule in implementing the applicable guidelines and regulatory framework.

Key Highlights for FY 2022-23

- The MSME loan and two-wheeler loan segments drove growth in FY 2022-23
- Achieved strong financial growth through higher NIM of 8.37%
- Longer tenure resources were raised through fresh long-term borrowings
- Credit fundamentals were reinstated through strong credit ratings received from multiple credit rating agencies
- Collection efficiency and asset quality were improved through a state-of-the-art coverage network and distribution systems
- Strong focus on technology platforms to leverage opportunities emanating from digital-based lending trends

Super App Initiative

The Company leads the transformation journey of lending, investments, and insurance by leveraging the emerging technologies. The Company has developed the Super App with the primary objective to consolidate the entire Shriram ecosystem within a single mobile application and deliver cutting edge products and experiences to the consumers. This strategic move aims to streamline customer acquisition by providing a more accessible platform for reaching out to new customers. Additionally, the Super App will facilitate upselling and cross-selling opportunities, enabling enhanced revenue generation paving the way for digital transactions in a unified platform. To further expand its offerings, the App will establish partnerships with various entities such as BPCL/HPCL/IOCL(OMCs), vehicle dealers, tyre manufacturers and lubricant shops integrating them into its ecosystem. The App is completely owned by the Company and features a centralised KYC (Know Your Customer) system specifically designed for the Company's operations.



SWOT Analysis**Strengths**

- Pioneer in the pre-owned commercial vehicle financing sector
- Strong distribution network in India with a pan-India presence of 2,922 branches
- Serving the under-served retail markets
- A unique relationship-based business model with extensive experience and expertise in credit appraisal and collection process
- Strong brand pedigree and successful track record

Well-defined and scalable organisational structure based on product, territory and process knowledge

- Technology platform integrated across process as well as for onboarding customers
- Consistent financial track record with rapid growth in AUMs
- Robust financial management with balanced ALMs and lower NPAs
- Experienced senior management team
- Strong relationships with public, private and foreign banks, institutions and investors
- Serving over 7.32 Million customers across India

Weakness:

- Business and growth are directly linked with the GDP growth of the country.
- The Company's customers, MSMEs, SRTOs (Small Road Transport Operators) are more vulnerable to the negative effects of economic downturns.

Opportunities:

- Growth in the commercial vehicle, passenger vehicle and tractors market, presents opportunities for financing.
- Meeting working capital needs of the customers in the commercial vehicle eco-system
- Partnerships with private financiers for enhancing reach without significant investments
- Penetration into rural markets for financing cargo light commercial vehicles

- Onboarding customers on the technology platform
- Higher budgetary allocation by the Government to boost the infrastructure sector, involving the construction of roads, new airports, ports, etc., creates a huge demand for commercial vehicles
- Cross-selling of insurance products, invoice discounting, etc also create opportunities
- Leveraging the strong parentage of being one of the largest financial conglomerates in India
- Brand equity to garner higher acceptability among the underprivileged sections of society
- Increasing Government regulations and tightening of norms to restrict competition and deter the entry of unorganised players, thus benefiting the leaders in the industry
- Increasing geographical reach and a higher customer base create opportunities to penetrate further into the hinterland
- Increasing disposable income, change in consumption pattern and shift in mindset to spend bringing in higher demand for consumer loans
- Government initiatives to increase spending in the MSME segment to increase start-up businesses and thus demand MSME loans
- India's financial inclusion is still at a nascent stage, providing an opportunity for NBFCs to fill the gap and reach the unbanked and underbanked population
- NBFCs have opportunity to provide financing solutions to MSMEs, which have traditionally struggled to access credit from banks
- With the Government's focus on affordable housing, NBFCs have opportunity to extend housing finance to the underserved segments of the population
- Market for second hand truck financing is under penetrated with 55-60% of the market with private financiers / money lenders who charge high interest rates
- Stringent traffic regulations in major cities limiting movement of higher tonnage vehicles, stricter emission norms and legislative pressure on banning trucks > 15 years to trigger replacement demand



- Freight capacity expected to grow at 1.25x GDP growth going forward, company to benefit from exponential growth for cargo LCV's with increased penetration into rural areas

Threats:

- Competition from captive finance companies, small banks, FinTechs and new entrants
- Inadequate availability of bank finance and an upsurge in borrowing costs

- External risks associated with liquidity stress, political uncertainties, fiscal slippage concerns, etc.
- Increasing competition from global and local competitors in terms of product development and technology innovations, leaving very thin margins of error
- Regulatory and compliance-related changes in the sector affecting NBFCs
- Growing commoditisation of financial products remains the toughest challenge for the Company

Financial Performance

In view of coming into effect of the Scheme of Arrangement and Amalgamation, the following figures for the year ended March 31, 2023 are not comparable with the figures for the previous year ended March 31, 2022.

(Rs. in crores unless otherwise stated)			
Particulars	FY 2022-23	FY 2021-22	% Change
Total Income	29,802.89	19,274.23	54.63%
Net Interest Income	16,963.00	9,316.00	82.08%
Assets Under Management	1,85,682.86	1,27,040.86	46.16%
Securitisation/Direct assignment done during the year	19,136.45	14,147.25	35.27%
Net worth	43,202.07	25,904.55	66.77%
Profit after tax	5,979.34	2,707.93	120.81%
Earnings per Share	159.69	101.74	56.96%
Capital Adequacy Ratio	22.61%	22.97%	-1.57%
Return on total assets	2.89%	1.88%	53.72%
Debt equity ratio	3.65	4.42	-17.42%
Net Interest margin	8.37%	6.62%	26.44%
Interest coverage ratio	2.35	1.95	20.51%
Net profit margin	20.06%	14.05%	42.78%
Return on Net Worth	14.84%	11.14%	33.21%
Gross Stage 3 Assets Ratio	6.21%	7.07%	-12.16%
Net Stage 3 Assets Ratio	3.19%	3.67%	-13.08%
Return on equity	14.84%	11.14%	33.21%

During the FY 2022-23, the Stage 3 Assets was 6.21% as compared to 7.07% in FY 2021-22. The Stage 3 Assets net of Stage 3 Provision was 3.19% in FY 2022-23 as compared to 3.67% in FY 2021-22 due to more provision made on stage 3 assets during the year. There are significant changes in the key

financial ratios of the Company for FY 2022-23 as compared to FY 2021-22 on account of the Scheme of Arrangement and Amalgamation coming into effect from the Appointed Date i.e., April 01, 2022. Refer note 52 of the Standalone financial statements.



HUMAN RESOURCES

The Company values its human resources and believes that the success of an organisation is directly linked to the competencies, capabilities, contributions, and experience of its employees. The Company’s core philosophy is centered around promoting a safe, healthy, and happy workplace while fostering a conducive work environment among its employees. The HR department promotes a culture of integrity, honesty and a constant learning attitude, while also maintaining cordial relationships, equal opportunities and policies to prevent harassment. The Company constantly works towards promoting a respectful and secure workplace and aims to provide its employees with careers, not just jobs, and creating an environment of trust, confidence and transparency.

The HR policies of the Company are designed to empower its workforce with knowledge and build their capabilities to grow and prosper in a healthy work environment. Through a performance-driven culture, the Company motivates its employees to deliver excellence, which adds value to its brand while responding successfully to business challenges. As we scale up our business and strive to build a future-ready organisation, talent attraction and retention, employee development and well-being, equal opportunities and harmonious relationships are key areas of focus. Our HR processes are guided by well-defined competencies and Company values.

The Company’s field employees used mobile applications to educate customers on financial products. The Company

is also ensuring employee health and well-being even after the pandemic and exploring a phased combination of work-from-place and WFH for cost optimisation and increased efficiency.

As of March 31, 2023, the total number of employees was 64052, with a net addition of 10,599 employees during FY 2022-23.

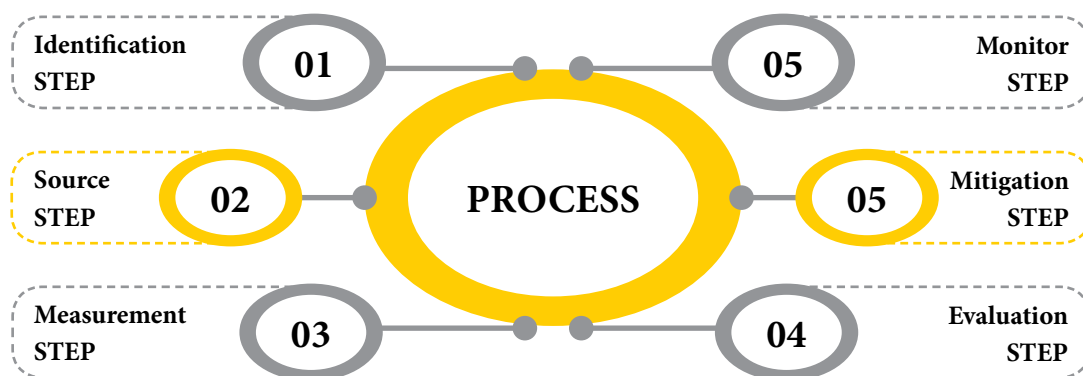
RISK MANAGEMENT

The Company prioritises risk management to protect the interest of customers, colleagues, shareholders, and the Company while ensuring sustainable growth. Our risk management framework aligns with industry standards, and a strong control framework forms the foundation for effective risk management. The Risk Management Committee identifies major risk classes, including Credit, Market, legal and regulatory, operational, liquidity, interest rate, cyber security, information technology, strategic, and economic risks.

We address increasingly complex risks through our risk management system, which conducts risk analysis and implements preventive measures. Our risk-focused culture is supported by standards, guidelines, processes, procedures, and controls. Policies are reviewed and approved by the Board and its Committees encompassing independent identification, assessment, and management of risk across business verticals.

Our philosophy is to ensure a sustainable and ethical business environment, reflected in our risk management practices.

Risk Management Framework



Key Risks and Mitigation

Risk Type and Definition	Mitigation
<p>Credit Risk</p> <p>The risk of potential loss arising from the failure of borrowers and/or counterparties to meet their contractual obligations. The Company is exposed to credit risk from the lending activities</p>	<p>With over four decades of experience, the Company manages credit risk through strict credit norms and robust procedures. This is achieved through various measures including a robust credit appraisal process for all business segments, underwriting borrowed capital while considering the inherent cash flows of customers, and taking effective inputs from credit bureaus' information reports. Regular stress testing and scenario analysis of the entire credit portfolio are also undertaken to implement corrective actions.</p> <p>In addition, the Company uses defined credit ratings from established credit rating agencies as mandated by its process, to make portfolio investment decisions with systematic tracking of the portfolio. Appropriate risk exposures are taken through rigorous analysis of counterparty fundamentals, industry, and sectoral risks. To ensure portfolio risk concentration, prudent allocation strategies are implemented across different asset classes, industry sectors, geographical regions, single liability, and joint liability groups.</p>
<p>Market Risk</p> <p>Market risk is the potential risk of financial loss arising from adverse movements in market factors, such as interest rates, credit spreads, foreign exchange rates, commodity prices, and others, that impact earnings and capital</p>	<p>The Company's market risk is managed through a framework of policies and processes that are regularly reviewed to comply with market practices and regulatory guidelines. The Asset Liability Management Committee (ALCO) monitors market movements, government policies, and regulatory changes affecting the NBFC industry, adjusting strategies prudently and promptly. We proactively monitor market risks and de-risk the loan book portfolio through a well-organised Market Risk Management System. We also perform periodic stress testing across asset classes to simulate the impact of sudden market shocks.</p>
<p>Operational Risk</p> <p>The risk of loss resulting from inadequate or failed internal process, people, systems, organisation, regulatory and internal compliance or from external events</p>	<p>The Company's operational risk framework aids departments in achieving their objectives by identifying, assessing, measuring, controlling, and mitigating risks. Pillars for mitigating operational risks include state-of-the-art corporate governance practices, a code of conduct, corporate ethos, and organisation-wide risk management approaches. To ensure a standard and homogeneous workforce, the Company provides skill development programs and seminars. The Company has standard operating procedures and structures to improve governance on transactions, portfolio assessment, and regulatory compliance. Risk-oriented audit procedures occur at systematic intervals to reduce enterprise risk exposure. Regular stress testing and audits of the Disaster Recovery (DR) plan and Business Continuity Plan (BCP) assess the Company's preparedness against contingencies. Efficient contingency plans are in place for data security and recovery against potential 'force majeure' contingencies.</p>
<p>MSME Finance Risk</p> <p>MSME financing risk refers to the potential for financial losses or adverse outcomes associated with providing financial services to Micro, Small, and Medium Enterprises. This risk arises from factors such as creditworthiness, market conditions, operational challenges, regulatory compliance, interest rate fluctuations, technological advancements, and external shocks.</p>	<p>In order to mitigate risks, the Company employed a range of strategies. They conduct thorough credit assessments, evaluating factors like financial statements, cash flows, collateral valuations, and credit history. Risk diversification is practiced by spreading the loan portfolio across different industries, geographies, and borrower profiles. Technological integration enables efficient risk management through data analytics and AI-driven decision-making. These strategies are implemented to ensure responsible lending practices, minimise concentration risk, and enhance the overall stability and sustainability of the Company in MSME financing.</p>
<p>Interest Rate Risk</p> <p>The risk arising from a financial loss, owing to unfavourable interest rates for both lending and treasury operations. It has a significant influence upon a company's net-interest income and profitability</p>	<p>The Company has established comprehensive policies and procedures to ensure compliance with regulatory guidelines regarding assets and liabilities exposure. It conducts rate-sensitive asset-liability maturity analysis to evaluate the correlation between the maturity profiles of its loan book and changes in interest rates. The Company determines interest spreads by categorising assets and liabilities into various time periods based on their contracted maturities or anticipated re-pricing dates. The difference between the maturity of assets and liabilities, or their potential for repricing at any given time, indicates the level of exposure to the risk of potential changes in margins on newly issued or re-priced assets and liabilities.</p>



Risk Type and Definition	Mitigation
<p>Liquidity Risk</p> <p>The risk that arises from the Company's inability to meet its financial obligations as and when the need arises/within predetermined timelines.</p>	<p>The Company's liquidity risk is managed through a comprehensive framework of policies and processes approved by the Asset Liability Management Committee (ALCO). We have implemented a range of policies, procedures, and controls to manage liquidity risk, in alignment with our Asset Liability Management (ALM) policies and procedures. We use a maturity ladder and cumulative surplus/deficit of funds calculation technique to standardise the determination of liquidity risk on any specific maturity date. Additionally, we have a contingency plan in place for liquidity management during times of crisis.</p> <p>We proactively monitor capital adequacy and asset exposure levels to assess potential funding requirements and maintain a diversified source of funding including borrowings from banks, financial institutions, capital markets, and public fixed deposits to facilitate flexibility in meeting funding requirements. Regular training programs on cash management and asset-liability management are conducted to ensure the Company's long-term financial stability.</p>
<p>Cash Management Risk</p> <p>The cash management risk associated with the collection of loan instalments refers to the potential challenges and risks faced by a financial institution when it comes to receiving timely and complete payments from borrowers.</p>	<p>The Company has maintained its focus on onboarding customers onto its technology platform, emphasising the use of digitisation. It has established a robust cash management service network and actively engages with customers through digital collections via the MyShriram Mobile Application. Various modes, including BBPS (Wallets), have been enabled to facilitate customer payments for their loan accounts. Additionally, the Company has obtained NACH mandates from select customers, implementing stringent checks and internal controls across all branches. Regional branch collections are closely monitored and reconciled on a daily basis.</p> <p>In the near future, the Company plans to launch a Super-App that will consolidate all its existing and new lending products under a single umbrella. This initiative aims to provide customers with easy access to the entire Shriram ecosystem, enhancing their experience through a seamless interface. By leveraging this platform, the Company intends to gather valuable insights and analytics, paving the way for continued innovation in the future.</p>
<p>Climate Risk</p> <p>Climate change has emerged as a significant and comprehensive global concern, affecting various aspects of human existence. The financial sector, including non-banking financial companies (NBFCs), is not exempt from this concern. Given the evident and disruptive impact of climate-related events, there is a growing effort to incorporate sustainability practices into the business operations.</p>	<p>We have implemented a robust ESG framework to address climate-related risks. We prioritise sustainability through strong governance and oversight at the highest level. We have made significant progress in reducing energy consumption, emissions, and implementing tree plantation initiatives. Moving forward, we will continue to adopt technological solutions and operational measures to further reduce energy usage. Our commitment to mitigating climate risks is unwavering as we strive to contribute to a greener future.</p>
<p>Information Technology Risk</p> <p>The risk arising as a result of IT infrastructural failure or data loss/threats causing operational setback and financial losses.</p>	<p>The Company has implemented a cutting-edge technology infrastructure and platform for processing its business information systems. To manage the IT risks that may arise from such a setup, the Company has put in place an efficient IT risk management mechanism with adequate measures, checks, and controls. The Company conducts regular security drills and employee awareness programs to ensure the security of its IT infrastructure and network architecture, both from internal and external threats. To achieve better Recovery Point Objective (RPO) and Recovery Time Objective (RTO), the Company has deployed a Security Operations Centre (SoC) that operates 24x7, conducts systematic disaster recovery drills, and performs rigorous security tests and evaluations before launching any application. The Company also conducts periodic vulnerability assessment and penetration testing, using internal resources and under the guidance of external experts. In case of any functional section becoming non-functional, the Company has a contingency plan in place to ensure the continuity of crucial business functions to its customers.</p>

Risk Type and Definition	Mitigation
<p>Cyber Security Risk</p> <p>The risk arising out of cyber-attacks and hacking, owing to increased usage of internet and digital means.</p>	<p>The Company has implemented a robust cybersecurity framework to effectively manage and mitigate cyber threats. Our critical assets are protected 24x7 by a dedicated Security Operations Centre (SoC), and we have made significant investments in state-of-the-art security systems and hired skilled professionals to ensure the highest level of preparedness against cyber threats.</p> <p>To ensure information security across the organisation, we have established a comprehensive security framework, policies, and procedures aligned with industry best practices. Our employees receive all-inclusive training and workshops to raise awareness of potential cyber threats such as malware, phishing, ransomware, and spoofing.</p> <p>Furthermore, we have obtained ISO 27001 certification for our Information Security Management System, which covers all IT processes. We have also installed Email Threat Prevention (ETP) services to quarantine potential email threats before they reach our employees.</p> <p>To ensure the effectiveness of our cybersecurity measures, we conduct regular penetration testing to assess vulnerabilities in our IT infrastructure and network. Additionally, we scrutinise fraud protection measures to authenticate risk-based transactions.</p>

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has a well-defined organisational structure, documented policy guidelines, and a defined authority matrix that ensures efficiency of operations, compliance with internal policies and applicable laws and regulations, as well as protection of resources. The Company believes that a strong internal control system and processes play a critical role in the day-to-day operations of the Company.

To this end, the Company has put in place an effective internal control system to synchronise its business processes, operations, financial reporting, fraud control, and compliance with extant regulatory guidelines and compliance parameters. Strict internal control and systems are devised as a depiction of the principles of the highest standards of governance. The Company ensures that a standard and effective internal control framework operates throughout the organisation, providing assurance about safekeeping of the assets and execution of transactions as per the authorisation in compliance with the internal control policies of the Company.

The internal control system is supplemented by extensive internal audits, regular reviews by the management and standard policies and guidelines, which ensure reliability of financial and all other records. The Management periodically reviews the framework, efficacy, and operating effectiveness of the Internal Financial Controls of the Company, broadly in accordance with the criteria established under the Internal

Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organisations of the Treadway Commission (“COSO”).

The Internal Audit reports are periodically reviewed by the Audit Committee. The Company has, in material respect, an adequate internal financial control over financial reporting and such controls are operating effectively. Internal Audits are carried out to review the adequacy of the internal control systems, compliance with policies and procedures. Internal Audit areas are planned based on inherent risk assessment, risk score and other factors such as probability, impact, significance and strength of the control environment. Its adequacy is assessed, and the operating effectiveness was also tested. The Company has framed risk-based internal audit policy as part of its oversight function. The objective of risk-based internal audit review is to identify the key activities and controls in the business processes, review effectiveness of business processes and controls, assess the operating effectiveness of internal controls and provide recommendations for business process and internal control improvement.

FUTURE STRATEGY

The Board has established a comprehensive set of medium-term and long-term strategies to drive the achievement of its corporate goals over the next 3-5 years, navigate the dynamic business landscape and continue to deliver value to the stakeholder. These strategies encompass various key areas and initiatives, which are outlined below:



- Periodic business plan reviews and effective liquidity management
- Synergising business operations and expanding the product range across branches
- Implementation of SuperApp, a comprehensive digital platform consolidating the entire Shriram ecosystem
- Utilising data analytics for loan disbursement and recovery processes
- Strengthening the leadership position through continuous improvement and innovation
- Enhancing loan portfolio quality through rigorous risk assessment and management
- Maintaining customer loyalty and satisfaction through winning relationships.

CAUTIONARY STATEMENT

Statements made in this Management Discussion and Analysis Report may contain certain forward-looking statements based on various assumptions on the Company's present and future business strategies and the environment in which it operates. Actual results may differ substantially or materially from those expressed or implied due to risk and uncertainties. These risks and uncertainties include national and global effect of economic conditions, political conditions, volatility in interest rates, changes in regulations and policies impacting Company's businesses and other related factors. The information contained herein is as referred. The Company does not undertake any obligation to update these statements. The Company has obtained the data and information referred here from sources believed to be reliable or from its internal estimates, the accuracy or completeness of which cannot be guaranteed.



DIRECTORS’ REPORT

To the Members,

Your Directors have pleasure in presenting their Forty-Fourth Annual Report and the Audited Statements of Accounts for the Financial Year ended March 31, 2023.

COMPOSITE SCHEME OF ARRANGEMENT AND AMALGAMATION

The Board of Directors in its meeting held on December 13, 2021 approved a Composite Scheme of Arrangement and Amalgamation (“Scheme of Arrangement and Amalgamation”), inter-alia, involving amalgamation of (i) Remaining undertaking of Shriram Capital Limited (SCL) after de-merger of a few undertakings from the said SCL with the Company and (ii) Shriram City Union Finance Limited (SCUF) with the Company, under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“the Act”). The Members of the Company and Secured Creditors and Unsecured Creditors of the Company in their respective meetings held on July 04, 2022 approved the Scheme of Arrangement and Amalgamation with overwhelming majority. The Hon’ble National Company Law Tribunal, Special Bench – II, Chennai vide its Common Order dated November 14, 2022 read with corrigendum dated November 17, 2022 to the Common Order sanctioned the Scheme of Arrangement and Amalgamation. The Appointed Date of the Scheme of Arrangement and Amalgamation is April 01, 2022.

In order to reflect the diversified business profile of the Company consequent upon coming into effect of the

Scheme of Arrangement and Amalgamation which has been expanded beyond financing of transportation vehicles, the name of the Company has been changed from “Shriram Transport Finance Company Limited” to “Shriram Finance Limited” with effect from November 30, 2022, pursuant to Clause 6.9 of the Scheme of Arrangement and Amalgamation and ‘Certificate of Incorporation pursuant to change of name’ issued by the Registrar of Companies, Chennai.

Post coming into effect of the Scheme of Arrangement and Amalgamation, your Company’s nature of business continues to offer retail suite of financial products to customers with focus on serving the financially underbanked and under-served customer segments in India. Your Company’s asset-based product offerings now include: (i) financing pre-owned and new commercial vehicles, commercial passenger vehicles, construction equipment, multi-utility vehicles, tractors, two and three-wheelers and tractors & farm equipment to First-Time Buyers (FTBs) and Small Road Transport Operators (SRTOs) (ii) financing to MSME customers typically consisting of self-employed professionals, wholesale and retail dealers, merchants, builders, small and medium scale manufacturing concerns and service providers; (iii) gold loans primarily to individuals who own gold jewellery, but do not have access to formal credit within a reasonable time or to whom credit may not be available at all to meet their short-term requirements; and (iv) personal loans to customer segments that do not have easy access to banks or other modes of financing for immediate short or medium-term funding requirements.

FINANCIAL HIGHLIGHTS

Upon coming into effect of the Scheme of Arrangement and Amalgamation and the Appointed Date being April 01, 2022, the financial performance figures contained in the financial statements for the year ended March 31, 2023 are not comparable with the financial performance figures for the previous year ended March 31, 2022.

Particulars	(Rs. in crores)	
	F.Y. 2022-23	F.Y. 2021-22
Profit Before Depreciation And Taxation	8,709.07	3,684.62
Less: Depreciation, amortisation and impairment	524.18	135.37
Profit Before Tax	8,184.89	3,549.25
Less: Provision for taxation	2,205.55	841.32
Profit After Tax	5,979.34	2,707.93



(Rs. in crores)		
Particulars	F.Y. 2022-23	F.Y. 2021-22
Add: Balance brought forward from previous year	12,193.92	10,384.13
Balance available for appropriation	18,173.26	13,092.06
Appropriations		
General reserve	(597.94)	(270.80)
Statutory reserve	(1,195.87)	(541.59)
Debenture redemption reserve	(111.85)	614.13
Dividend on equity shares of Rs.10/- each	(561.64)	(699.88)
Effects of Business Combination	(83.65)	-
Amount transferred from share option outstanding on account of forfeiture of share options	(0.90)	-
Balance carried to Balance Sheet	15,623.21	12,193.92

CREDIT RATING

The credit rating of the securities/ instruments/ loans, credit facilities and other borrowings of the Company as on March 31, 2023 was as follows:

Name of Rating Agency	Securities / Instruments/ Loans, Credit Facilities and other Borrowings	Ratings
CRISIL	Bank Loan Long Term	CRISIL AA+/Stable
	Bank Loan Short Term	CRISIL A1+
	Long Term Principal Protected Market Linked Debentures	CRISIL PPMLD AA+/Stable
	Non-Convertible Debentures	CRISIL AA+/ Stable
	Subordinated Debt	CRISIL AA+/Stable
	Commercial Paper	CRISIL A1+
India Ratings & Research Private Limited	Non-Convertible Debentures	IND AA+/ Stable
	Dual Recourse Bond	IND AAA (CE)/Stable
	Subordinated Debt	IND AA+ /Stable
	Commercial Paper	IND A1+
	Term deposits	IND AA+/ Stable
	Bank Loans	IND AA+/ Stable
CARE	Non-Convertible Debentures	CARE AA+/Stable
	Subordinated Debt	CARE AA+/ Stable
	Commercial Paper	CARE A1+
ICRA	Fixed Deposit	[ICRA] AA+ (Stable)
	Non-Convertible Debentures	[ICRA] AA+ (Stable)

Name of Rating Agency	Securities / Instruments/ Loans, Credit Facilities and other Borrowings	Ratings
Standard & Poor's Ratings	Long-Term Issuer Credit Rating	BB-/ Stable
	Short-Term Issuer Credit Rating	B
	U.S. Dollar Senior Secured Notes	BB-
	Offshore Rupee Denominated Bond (Masala Bonds)	BB-
Fitch Ratings	Long-Term Issuer Default Rating	BB/ Stable Outlook
	Short-Term Issuer Default Rating	B
	U. S. Dollar Senior secured Notes	BB
	Local Currency Long Term Issuer Default Rating	BB/ Stable Outlook
	Offshore Rupee Denominated Bond (Masala Bonds)	BB

DIVIDEND

Your Directors have declared interim dividend on the increased issued capital of the Company viz. 37,44,27,276 equity shares of face value of Rs.10/- each fully paid-up, resulting from issue of 17,43,44,710 new equity shares pursuant to the Scheme of Arrangement and Amalgamation to the eligible shareholders of the Amalgamating Companies viz. SCL and SCUF. The interim dividend was declared by the Board of Directors at its meeting held on December 24, 2022 @ Rs.15/- per equity share (i.e.150%) aggregating to Rs.5,616,409,140/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders for the Financial Year 2022-23. The interim dividend to the eligible shareholders was paid on January 13, 2023.

The Board of Directors in its meeting held on April 27, 2023 has recommended a final dividend of Rs.20/- per equity share of face value of Rs.10/- each fully paid up i.e. 200% for the Financial Year 2022-23, subject to approval by Members in the ensuing 44th Annual General Meeting (44th AGM) of the Company.

Thus, the total dividend (including interim dividend paid) for the Financial Year 2022-23, if approved by the members, shall be Rs.35/- per equity share (i.e.350%) as against the total dividend of i.e. Rs.20/- per equity share (i.e. 200%) for the Financial Year 2021-22.

As stipulated in Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") the Dividend Distribution Policy forms part of the Corporate Governance Report and is also available on the website of the Company at <https://tinyurl.com/5f4km2pm>

TRANSFER TO RESERVES

The amounts proposed to be transferred to General Reserve, Statutory Reserve and Debenture Redemption Reserve are mentioned in the Financial Highlights under the heading 'Appropriations'.

CAPITAL ADEQUACY RATIO

Your Company's total Capital Adequacy Ratio (CAR), as on March 31, 2023 stood at 22.61% as compared to 22.97% as on March 31, 2022 of the aggregate risk weighted assets on balance sheet and risk adjusted value of the off-balance sheet items, which is well above the regulatory requirement of minimum 15%.

The Tier 1 ratio as on March 31, 2023 improved to 21.20% as against 20.70% as on March 31, 2022. Your Company's overall gearing (Debt/Tangible Net-worth) as on March 31, 2023 improved to 4.20x as against 4.67x as on March 31, 2022.

The Tier 2 ratio as on March 31, 2023 was 1.41% as against 2.27% as on March 31, 2022.

OPERATIONS AND COMPANY'S PERFORMANCE

For the Financial Year ended March 31, 2023, your Company earned Profit Before Tax of Rs.8,184.89 crores as against Rs.3,549.25 crores in the previous Financial Year ended March 31, 2022. The Profit After Tax for the Financial Year ended March 31, 2023 was Rs. 5,979.34 crores as against Rs. 2,707.93 crores in the previous Financial Year. The total income for the year under consideration was Rs. 29,802.89 crores and total expenditure was Rs. 21,618 crores. The detailed analysis of income and expenditure and financial ratios is made in the Management Discussion and Analysis Report forming part of the Annual Report.



Mobilisation of funds during the year under review from following sources/ instruments was as under:

		(Rs. in crores)	
Sr. No.	Particulars	F.Y. 2022-23	F.Y. 2021-22
1	Non-Convertible Debentures – Institutional	7,961.70	8,800.00
2	Term loan/cash credit from Banks	36,136.96	25,210.41
3	Term Loans from Financial Institutions/ Corporates	3,100.00	3,200.00
4	Commercial Papers	-	4,325.00
5	Fixed Deposits	16,360.88	11,273.18
6	Inter Corporate Deposits	24.61	99.43
7	External Commercial Borrowings (Loans)	5,424.68	187.35
8	U.S. Dollar Senior Secured Notes	1,233.00	3,512.86
9	Subordinated Debts	165.00	-

The total Assets Under Management stood at Rs. 185,682.86 crores. During the Financial Year 2022-23, the Company securitised its assets worth Rs. 16,965.25 crores (accounting for 9.14% of the total assets under management as on March 31, 2023). With securitisation, the Company ensures better borrowing profile, leading to lower interest liability owing to its lending to priority sector. The outstanding direct assigned portfolio stood at Rs. 2,344.44 crores as on March 31, 2023. The Company had 2,922 Branches and other offices across India as on March 31, 2023.

The Company's prudent liquidity management techniques and strategy of maintaining adequate liquidity buffer throughout the Financial Year 2022-23 not only ensured seamless lending for our business operations but also ensured meeting our liabilities on time, thereby further strengthening the trust and confidence reposed on us by our creditors, fixed deposit holders and security holders. This is evident from the success of our fund raising programme implemented during

the year under review from domestic as well as international market.

CAPITAL STRUCTURE

Share Capital

Pursuant to the Scheme of Arrangement and Amalgamation coming into effect, the Authorised Share Capital of your Company has increased from Rs.15,970,000,000 divided into 647,000,000 Equity Shares of face value of Rs.10/- each and 95,000,000 preference shares of Rs.100/- each to Rs.42,655,000,000 divided into 2,975,500,000 Equity Shares of face value of Rs.10/- each and 129,000,000 preference shares of Rs.100/- each.

The Board of Directors in its meeting held on December 12, 2022 allotted 17,43,44,710 Equity Shares of face value of Rs.10/- each to the shareholders of erstwhile SCUF and erstwhile SCL as per the following details:

Name of the transferor company	Number of Equity Shares held as on Record Date i.e. November 30, 2022	Share Exchange Ratio as per the Scheme of Arrangement and Amalgamation	Number of new Equity Shares of face value of Rs.10/- each of the Company, fully paid-up allotted
SCUF	4,46,65,546 (excluding 2,23,71,594 Equity Shares held by SCL in SCUF out of total 6,70,37,140 Equity Shares)	for every 100 equity shares of Rs.10/- each fully paid up of SCUF, 155 equity shares of Rs.10/- each fully paid up of the Company	6,92,31,596
SCL	107,44,13,131	for every 10,00,00,000 Equity Shares of Rs. 1/- each fully paid up of SCL, 97,83,305 Equity Shares of Rs.10/- each fully paid up of the Company	10,51,13,114
TOTAL			17,43,44,710



Consequent to the above allotment of new Equity Shares and cancellation of 7,04,37,147 Equity Shares held by erstwhile SCL in the Company, the paid-up Share Capital of the Company stood increased from Rs.270,51,97,130/- (27,05,19,713 Equity Shares of Rs.10/- each fully paid-up) to Rs.374,42,72,760/- (37,44,27,276 Equity Shares of Rs.10/- each fully paid-up).

No Equity Shares were issued with differential rights as to dividend, voting or otherwise.

The Company has not resorted to any buy back of its Equity Shares during the year under review.

None of the Directors of the Company holds instruments convertible into Equity Shares of the Company.

No equity shares (including sweat equity shares) were issued to employees of the Company during the Financial Year 2022-23, under any scheme.

Shriram Finance Limited Employee Stock Option Scheme 2023 (No.1)

Consequent to amalgamation of erstwhile SCUF with the Company, all employees in the service of erstwhile SCUF were transferred to and became employees of the Company without interruption of their service and on the terms and conditions no less favourable than those on which they were engaged by erstwhile SCUF. The eligible employees of erstwhile SCUF were granted stock options under employee stock option plan of erstwhile SCUF titled Shriram City Union Finance Limited Employee Stock Option Scheme 2013 (SCUF ESOS 2013). As an integral part of the Scheme of Arrangement and Amalgamation and in order to continue the stock option benefits of the eligible employees of erstwhile SCUF, the Board of Directors of the Company in its meeting held on March 15, 2023 approved “Shriram Finance Limited Employee Stock Option Scheme 2023 (No.1)” or “SFL ESOS 2023 (No.1)” created in lieu of SCUF ESOS 2013. The Nomination and Remuneration Committee of the Company in its meeting held on April 26, 2023 (i) granted 21,26,875 Fresh Options under SFL ESOS 2023 (No.1) to the eligible employees in lieu of 13,71,779 unvested and unexercised stock options under the SCUF ESOS 2013 and (ii) vested 20,82,059 Fresh Options out of 21,26,875 Fresh Options granted under SFL ESOS 2023 (No.1) to the eligible employees taking into account the share exchange ratio as provided for in the Scheme of Arrangement and Amalgamation to restore the value of the stock options post amalgamation of erstwhile SCUF with the Company in the

manner provided in terms of clause 3.35.17 of the Scheme of Arrangement and Amalgamation.

The SFL ESOS 2023 (No.1) is in line with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SBEB & SE Regulations”). Disclosure pursuant to the provisions of Regulation 14 of the SBEB & SE Regulations as at March 31, 2023 is annexed as **Annexure-I**. The same is also hosted on the website of the Company at <https://www.shriramfinance.in/investors/financials>.

Non-Convertible Debentures

During the year under review, the Company has raised Rs. 7,961.70 crores through issuance of privately placed Listed, Secured, Redeemable, Non-Convertible Debentures. The proceeds of the issue have been utilised for financing of commercial vehicles, small enterprise finance segment, two wheelers, gold, auto loans, personal loans, refinancing of existing debt and other general purposes of the Company.

Subordinated Debts

During the year under review, the Company has raised Rs. 165.00 crores through issuance of subordinated, unsecured, rated, listed, privately placed, redeemable Non-convertible Debentures in the form of subordinated debt for inclusion as Tier II Capital.

External Commercial Borrowings (Senior Secured Notes & Loans)

Commitment towards socio-economic advancement is at the core of the Company’s business. Your Company is primarily engaged in providing financial assistance to FTBs and SRTOs by offering affordable finance on pre-owned commercial vehicles who typically do not qualify for financial assistance from organised sources due to the lack of stable income. Your Company also provides financial services for the underbanked and under-served individuals, communities and micro, small and medium enterprises (MSMEs) that struggle to access conventional financial services in India. Considering the additional financing avenue, the Company had updated the Social Finance Framework in December 2022 for issuance of Social Bonds and/or availing Loans to finance or refinance a portfolio of new and/or existing Eligible Social Projects to promote sustainability. In the past the Company availed loans from various international agencies including Asian Development Bank (ADB), US Development Finance Corporation (DFC), MUFG International Financial Corporation, Proparco, OeEB etc. The Company’s Social Finance Framework meets the criteria and guidelines



for the allocation of proceeds of the Social Bonds as per International Capital Market Association ("ICMA") Social Bond Principles 2021 ("SBP") and Social Loan Principles 2021 ("SLP"). More details in this regard are available in the ESG Report forming part of the Annual Report. The Social Finance Framework is available on the Company's website at: <https://tinyurl.com/ycxjjh8f>

During the year, the Company availed Loans of USD 675 Million under the Company's Social Finance framework.

On March 29, 2023, the Company issued USD 150,000,000 Senior Secured Floating Rate Notes due 2026 (Social Bonds) equivalent to Rs.12,326,445,000/- under the USD 3,500,000,000 Global Medium Term Note Programme through updated Offering Circular dated March 23, 2023 to the eligible investors outside United States under Regulation S of the U.S. Securities Act, 1933. The said Social Bonds are listed on the India International Exchange (IFSC) Limited ('India INX').

The proceeds of Loans and Senior Secured Notes issued have been utilised by the Company to finance investments in Eligible Social Projects in accordance with International Capital Market Association Social Bond Principles 2021 and Social Loan Principles 2021 as permitted by the ECB Guidelines.

All External Commercial Borrowings are fully hedged to mitigate risk of exchange rate volatility.

FIXED DEPOSITS

The mobilisation of funds of the Company is broad-based through diversified sources. The fixed deposits mobilisation during the Financial Year ended March 31, 2023 continues to be encouraging on account of popularity of the Company's Fixed Deposit Schemes due to its long track record of offering better return and safety of investment and giving good services to fixed deposit holders.

During the Financial Year ended March 31, 2023, the Company's fund mobilisation from fixed deposits was higher at Rs. 16,360.88 crores as against Rs.11,273.18 crores in the Financial Year ended March 31, 2022. As on March 31, 2023, there were 9,275 fixed deposits aggregating to Rs.134.21 crores that have matured but remained unclaimed. There were no deposits, which were claimed but not paid by the Company. The unclaimed deposits have since reduced to 6,424 deposits amounting to Rs.74.67 crores. Appropriate steps are being taken continuously to obtain the depositors'

instructions so as to ensure renewal/ repayment of the matured deposits in time.

In accordance with the Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016, the Company has created a floating charge on the statutory liquid assets comprising of investment in government securities (face value) to the extent of Rs.5,346.44 crores in favour of trustees on behalf of the public deposit holders of the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointment of Directors

The Board of Directors based on the recommendation of the Nomination and Remuneration Committee and in terms of Article 21 of the Articles of Association of the Company and Section 161(1) of the Act in its meeting held on December 04, 2022 appointed Mr. Jugal Kishore Mohapatra (DIN 03190289) and Mrs. Maya S. Sinha (DIN 03056226) as Additional Directors of the Company, in the category of Non-executive Independent Directors, not liable to retirement by rotation, for a term of 3 (three) consecutive years and 2 (two) consecutive years respectively with effect from December 04, 2022, subject to approval of Members of the Company. On February 21, 2023, the Members of the Company passed the Special Resolutions through Postal Ballot for the appointment of Mr. Jugal Kishore Mohapatra (DIN 03190289) and Mrs. Maya S. Sinha (DIN 03056226) as Independent Directors of the Company.

Mr. Y. S. Chakravarti, was Managing Director & CEO of erstwhile SCUF. He also held directorship of the Company in the capacity of non-executive, non-independent director from December 13, 2021. The Board of Directors in its meeting held on December 04, 2022 appointed Mr. Y. S. Chakravarti (DIN 00052308) as Managing Director & CEO of the Company from December 05, 2022, subject to approval of the Members of the Company. On February 21, 2023, the Members of the Company passed the Ordinary Resolution through Postal Ballot for the appointment of Mr. Y. S. Chakravarti (DIN 00052308) as Managing Director & CEO of the Company and payment of remuneration to him w.e.f. December 05, 2022.

Change in designation of Director

The Board of Directors in its meeting held on December 04, 2022 re-designated Mr. Umesh Revankar (DIN 00141189) as Executive Vice Chairman of the Company. On February 21, 2023, the Members of the Company passed the Ordinary Resolutions through Postal Ballot for re-designation of



Mr. Umesh Revankar (DIN 00141189) as Executive Vice Chairman of the Company and for restructuring and revision of remuneration of Mr. Umesh Revankar w.e.f. December 05, 2022.

Cessation of Directors

Mr. S. Lakshminarayanan (DIN 02808698), Independent Director and Chairman of the Board and Mrs. Kishori Udeshi (DIN 01344073), Independent Director resigned from directorship of the Company with effect from commencement of business hours on December 05, 2022. Mr. S. Lakshminarayanan was associated with the Company as director for more than 13 years from September 22, 2009, out of which he was Chairman of the Board for about 8 years. Mrs. Kishori Udeshi held directorship of the Company for more than 10 years from October 30, 2012. The Company and senior management was immensely benefited from their mature advice and guidance. The Board had expressed its sincere gratitude and placed on record its appreciation of their significant contribution during their tenure as Directors of the Company.

Retirement of director by rotation

Mr. D. V. Ravi (DIN 00171603), non-executive, non-independent director of the Company will retire by rotation at the ensuing 44th AGM and being eligible, offers himself for re-appointment. The Board of Directors in its meeting held on April 27, 2023 based on the recommendation of Nomination and Remuneration Committee recommended to the Members re-appointment of Mr. D. V. Ravi as a director of the Company retiring by rotation.

Mr. D. V. Ravi is the Vice Chairman and Managing Director of Shriram Capital Private Limited (formerly known as Shriram Financial Ventures (Chennai) Private Limited), Promoter of the Company. He has been part of the Shriram Group since 1992 and has an extensive experience and expertise in the financial services and insurance domains and has gained expertise in Corporate Strategies, Building Teams and creating Synergy, Mergers & Acquisitions, Risk Management, Corporate Finance, Leadership development and Technology initiatives. Your Company continues to immensely benefit from his guidance in strategic matters and expert knowledge and advice. His profile is given in the Notice of the ensuing 44th AGM forming part of the Annual Report.

The Nomination and Remuneration Committee and the Board of Directors recommends to the Members passing of the ordinary resolution for re-appointment of Mr. D. V. Ravi

as a director retiring by rotation.

Declaration by Independent Directors

Pursuant to the provisions of Section 149 of the Act the independent directors have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations. There has been no change in the circumstances affecting their status as independent directors of the Company.

Policies on appointment of Directors and Remuneration

The management of the Company is immensely benefitted from the guidance, support and mature advice from members of the Board of Directors who are also members of various committees. The Board consists of directors possessing diverse skill, rich experience to enhance quality of its performance. The Company has adopted a Policy on Board Diversity formulated by the Nomination and Remuneration Committee. The Company's Remuneration Policy is framed for remuneration of Directors (Executive and Non-Executive), Key Managerial Personnel and Senior Management Personnel in line with the requirement of the Section 178 of the Act, Regulation 19 read with Part D of Schedule II of the Listing Regulations and Scale Based Regulation framework issued by the Reserve Bank of India ("RBI") and as per the Guidelines on Compensation of Key Managerial Personnel and Senior Management in NBFCs issued by RBI. These Policies are available on the Company's website at the weblink: <https://tinyurl.com/ycxf4rnj> and <https://tinyurl.com/45y352cc>. The Company has formulated policy on Succession Planning for Directors and Key Managerial Personnel for continuity and smooth functioning of the Company.

Number of Meetings of the Board

10 (Ten) Board Meetings were held during the Financial Year 2022-23. The details of the Board and various Committee meetings are given in the Corporate Governance Report.

Performance evaluation at Board and Independent Directors' Meetings

The Board, the Committees of the Board and independent directors continuously strive for efficient functioning of Board and its Committees and better corporate governance practices. A formal performance evaluation was carried out at the meeting of the Board of Directors held on March 15, 2023 where the Board made an annual evaluation of its own performance, the performance of directors individually as



well as the evaluation of the working of its various Committees for the Financial Year 2022-23 on the basis of a structured questionnaire on performance criteria. The Board expressed its satisfaction with the evaluation process. The observations made during the evaluation process were noted and based on the outcome of the evaluation and feedback of the Directors, the Board and the management agreed on various action points to be implemented in subsequent meetings.

The evaluation process endorsed cohesiveness amongst directors, the openness of the management in sharing the information with the Board and placing various proposals for the Board's consideration and approval.

The Independent Directors met on March 16, 2023 without the presence of other directors or members of Management. All the Independent Directors were present at the meeting. In the meeting, the Independent Directors reviewed performance of Non-Independent Directors, the Board as a whole and the Chairman. They assessed the quality, quantity and timeliness of flow of information between the Management of the Company and the Board. The Minutes of the Independent Directors' meeting were placed before the Board Meeting held on April 27, 2023 and the same were noted by the Board. The Independent Directors expressed satisfaction over the performance and effectiveness of the Board, individual Non Independent Directors and the Chairman.

They also expressed satisfaction with regard to the flow of information between the Management of the Company and the Board. The Management took note of various suggestions made in the meeting of Independent Directors.

The Independent Directors played active role in Board as well as Committee Meetings in which they are members. The members of the Audit Committee without the presence of members of Management had a separate meeting with the Joint Statutory Auditors which covered Audit issues in general and the framework and the process of Internal Audit in specific. The members of the Audit Committee without the presence of members of Management also had a separate meeting with credit rating agencies.

KEY MANAGERIAL PERSONNEL

Mr. Vivek Achwal, Company Secretary & Compliance Officer retired from services of the Company upon attaining the age of superannuation with effect from the close of business hours on August 31, 2022.

The Board of Directors in its meeting held on July 28, 2022 placed on record its appreciation of his performance,

knowledge, skills and commitment demonstrated by him during his tenure as Company Secretary & Compliance Officer of the Company and appointed Mr. U Balasundararao as Company Secretary & Compliance Officer of the Company on the recommendation of the Nomination and Remuneration Committee with effect from September 01, 2022.

The Nomination and Remuneration Committee periodically reviews career growth plan of senior management personnel who possess ability to build teams and nurture leaderships for future growth plans of the Company. The Board of Directors at its meeting held on December 04, 2022, on the recommendation of Nomination and Remuneration Committee, appointed/designated Mr. R. Chandrasekar, Joint Managing Director & Chief Compliance Officer, Mr. G M Jilani, Joint Managing Director, Mr. K. Srinivas, Joint Managing Director and Mr. Aseem Gandhi, Executive Director as Key Managerial Personnel of the Company pursuant to Section 2(51) of the Act in addition to the existing Key Managerial Personnel.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3)(c) and Section 134(5) of the Act the Directors confirm that, to the best of their knowledge and belief:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) That such accounting policies as mentioned in note 1 to 7 to the Standalone financial statements and note 1 to 8 to the Consolidated financial statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of the profit of the Company for the year ended on that date;
- c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The annual accounts have been prepared on a going concern basis;
- e) The Company had followed the internal financial controls laid down by the directors and that such internal financial controls are adequate and were



operating effectively; and

- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

RBI GUIDELINES

The Company continues to comply with the Master Direction for Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and all the applicable laws, regulations, guidelines, etc. prescribed by RBI from time to time.

The Company has been identified for categorisation as NBFC-Upper Layer under Scale Based Regulation (SBR), a Revised Regulatory Framework for NBFCs as per the list issued by RBI in its Press Release 2022-2023/975 dated September 30, 2022. In compliance with the requirement of Scale Based Regulatory Framework read with Notification dated April 11, 2022 for Compliance Function and Role of Chief Compliance Officer (CCO) – NBFCs, the Company has appointed Mr. R. Chandrasekar, Joint Managing Director as Chief Compliance Officer of the Company for a period of 3(three) years with effect from December 04, 2022.

The Board of Directors have framed various policies as applicable to the Company including Risk based internal audit policy. The Board periodically reviews the policies and approves amendments as and when necessary.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Pursuant to Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility and Sustainability Report is annexed and forms part of the Annual Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR Committee comprises of following directors namely, Mr. Umesh Revankar – Chairman, Mr. Pradeep Kumar Panja and Mr. Y. S. Chakravarti. The CSR Report for the Financial Year 2022-23 is annexed to this report as **Annexure-II**. The details of the ongoing CSR projects/ programmes/ activities are included in the CSR Report/section. The CSR Policy is uploaded on the Company's website at the web link: <https://tinyurl.com/8uypxf76>

ANNUAL RETURN

In accordance with the provisions of Section 92(3) of the Act, Annual Return in Form No. MGT-7 of the Company is hosted on website of the Company at <https://tinyurl.com/4e2upet9>.

DISCLOSURES AS PER THE SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014

Conservation of Energy, Technical Absorption and Foreign Exchange Earnings and Outgo

The information pursuant to Section 134(3)(m) of the Act read with Companies (Accounts) Rules, 2014 is as follows:

- The Company continues its initiatives for conservation of energy, the details of which are given in Business Responsibility and Sustainability Report. The Company's business operations do not involve any activity for technology absorption.
- The Company earned Foreign Exchange Earnings of Rs. 1.17 crores.
- Outgo under Foreign Exchange – Rs. 109.21 crores.

Loans, guarantee or investments in securities

The loan made, guarantee given or security provided in the ordinary course of business by a NBFC registered with RBI are exempt from the applicability of the provisions of Section 186 of the Act. As such, the particulars of loans and guarantee have not been disclosed in this Report.

During the year under review, the Company has invested surplus funds in various securities in the ordinary course of business. For details of the investments of the Company, refer to Note 13 of the financial statements.

Contracts or Arrangements with Related Parties

All the related party transactions were entered into in the ordinary course of business on an arm's length basis. Hence, no disclosure in Form AOC-2 is necessary and the same does not form part of this report. For details of the transactions with related party entered into in the ordinary course of business on an arm's length basis, refer to Note 50 to the financial statements.

As required under the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, the policy on materiality of related party transactions and dealing with related party transactions



as approved by the Board is uploaded on the Company's website at the web link: <https://tinyurl.com/zuwy4knp>

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. None of the Directors has any pecuniary relationship or transaction vis-à-vis the Company save and except the payment of sitting fees and commission paid to the Independent Directors, remuneration to Directors apart from transactions in the ordinary course of business and on arm's length basis at par with any member of general public. The Company did not advance any loans to any of its Directors. The details of the transactions with Related Parties are provided in the Note 50 to the Financial Statements.

Whistle Blower Policy/ Vigil Mechanism

The Company's Whistle Blower policy provides a mechanism under which an employee/director of the Company may report unethical behaviour, suspected or actual fraud, violation of code of conduct and personnel policies of the Company. The Vigil Mechanism ensures standards of professionalism, honesty, integrity and ethical behaviour. The Whistle Blower Policy/Vigil Mechanism is uploaded on the Company's website: <https://tinyurl.com/hrtapv3s>

Financial summary/highlights

Income for the Financial Year 2022-23 increased by 54.63% to Rs.29,802.89 crores as compared to Rs.19,274.23 crores in the previous Financial Year 2021-22;

Income from operations for the Financial Year 2022-23 was Rs.29,772.16 crores as compared to Rs.19,255.17 crores in the previous Financial Year 2021-22, a growth of 54.62%;

Profit before tax for the Financial Year 2022-23 was Rs.8,184.89 crores as compared to Rs.3,549.25 crores in the previous Financial Year 2021-22;

Profit after tax for the Financial Year 2022-23 was Rs.5,979.34 crores as compared to Rs.2,707.93 crores in the previous Financial Year 2021-22.

The overall disbursement during Financial Year 2022-23 stood at Rs.1,11,848.44 crores as compared to Rs. 61,808.60 crores in the previous Financial Year 2021-22.

Our interest income increased by 53.42% from Rs.18,646.26 crores for the year ended March 31, 2022 to Rs. 28,607.36 crores for the year ended March 31, 2023.

Finance costs increased by 28.88 % from Rs.9,734.31 crores for the year ended March 31, 2022 to Rs.12,545.76 crores for

the year ended March 31, 2023.

Other expenses increased from Rs.905.61 crores for the year ended March 31, 2022 to Rs.1,579.17 crores for the year ended March 31, 2023.

Our fees and commission expenses for the financial year 2022-23 was Rs.303.61 crores as compared to Rs.91.74 crores in FY 2021-22.

Risk Management and Internal Financial Control System

The Company's Risk Management Policy deals with identification, mitigation and management of risks across the organisation. This has been dealt with the Management Discussion and Analysis annexed to the Annual Report.

The Company's well-defined organisational structure, documented policy guidelines, defined authority matrix and internal financial controls ensure operational effectiveness, reliability of financial data and compliance with applicable laws, regulations and Company's policies.

The financial control framework includes internal controls, delegation of authority procedures, segregation of duties, system access controls and document filing and storage procedures. The Internal Auditor ensures the continued effectiveness of the Company's internal control system. The Audit Committee reviews internal financial control reports prepared by the internal auditor. The Company has framed risk based internal audit policy as part of its oversight function. The objective of risk based internal audit review is to identify the key activities and controls in the business processes, review effectiveness of business processes and controls, assess the operating effectiveness of internal controls and provide recommendations for business process and internal control improvement.

Composition of Audit Committee

The Audit Committee comprises of the following Independent Directors namely, Mr. S. Sridhar – Chairman, Mr. Pradeep Kumar Panja and Mrs. Maya S. Sinha.

Others

- There were no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year of the Company and the date of the Directors' report.
- There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future. For other orders, please refer to Note 49 of the financial statement containing details of the contingent liabilities.



- There was no fraud reported by the Statutory Auditors and the Secretarial Auditors of the Company under the Section 143(12) of the Act to the Audit Committee.
- Your Company adopted ISO 27001 standards, practices its processes and upgrades its implementation on regular basis to maintain the information security as per the market trend. The Company is prepared to face emerging cyber threats such as Zero-day attacks, remote access threats and targeted threats. Your company has established disaster recovery centers and various security controls in place to mitigate risks, also safeguard the Company against security breaches and technological lapses located in different seismic zones, periodic upgrading of servers and data storage, adopting new technology for data management. On regular basis different type of system audits is conducted by the external and internal auditors. Board represented strategy committee governs the security policies and its implementation as per the Company's corporate governance process.
- The Company has a policy for prevention of Sexual Harassment for Women at Workplace. An Internal Complaints Committee has been constituted in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH'). During the year under review, there were no cases filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. On February 01, 2023, the Company had arranged an online orientation programme, for its Internal Committee Members under POSH Act, at PAN India Level, in order to make them proficient to discharge their duties. The training was attended by all the Internal Committee Members at PAN India. The Company has in place a Module on "PREVENTION OF SEXUAL HARASSMENT IN WORKPLACE (POSH) in - MyCoach E-Learning Platform, for sensitising the employees with the provisions under the POSH.
- Disclosure regarding details relating to deposits covered under Chapter V of the Act is not applicable since our Company is a Non-Banking Financial Company regulated by RBI. The Company accepts deposits as per the Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016.
- The Company has obtained a certificate from the statutory auditor certifying that the Company has complied with the requirements of the Regulation 9

of the Master Direction – Foreign Investment in India with regard to downstream investments.

- The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings, General Meetings and Dividend.
- The Company, in the capacity of Financial Creditor, has not filed any applications with National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 during the Financial Year 2022-23 for recovery of outstanding loans against any customer being Corporate Debtor.
- The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof – Not Applicable
- The provision of Section 148 of the Act relating to maintenance of cost records and cost audit are not applicable to the Company.
- The Company has not defaulted in repayment of loans from banks and financial institutions. There were no delays or defaults in payment of interest/principal of any of its debt securities.
- The equity shares of the Company were not suspended from trading during the year on account of corporate actions or otherwise.
- Disclosures pursuant to RBI Master Directions, unless provided in the Directors' Report and Corporate Governance Report, form part of the notes to the standalone financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

Consequent to the Scheme coming into effect, Shriram Housing Finance Limited, unlisted subsidiary of erstwhile SCUF became a subsidiary of the Company. Shriram Housing Finance Limited CIN - U65929TN2010PLC078004 ("SHFL") is a housing finance company registered with the National Housing Bank and regulated by RBI (Registration Number- 08.0094.11). The equity shares of SHFL are not listed on any stock exchange, but has its debt securities listed on BSE Limited. The primary operation of SHFL is providing loans for the purchase or construction of residential space and loans against property.

SHFL is not a material subsidiary within the meaning of the Listing Regulations. The Company's policy for determination of material subsidiary, as adopted by the Board of



Directors, in conformity with Regulation 16 of the Listing Regulations, can be accessed on the Company's website at <https://tinyurl.com/tkn8vhbu>

Provision of Regulation 24 of the Listing Regulations relating to subsidiary companies, to the extent applicable, have been duly complied with.

Mr. Y. S. Chakravarti, Managing Director & CEO of the Company is a Non-Executive, Non-Independent Director on the Board of SHFL.

SHFL has 131 branches as on March 31, 2023 across India. SHFL has 35,575 customers with loans in its portfolio as on March 31, 2023. The total employee strength of SHFL as on March 31, 2023 was 1,748. The CAGR of loan disbursement of SHFL over last five years was around 40% with total disbursement during the year being Rs.4,146 crores. The total borrowings of SHFL as on March 31, 2023 was Rs.6,296.06 crores out of which Rs.1,252.42 crores was by way of issuance of NCDs and the balance amount of Rs.5,043.64 crores was through borrowings from Banks, National Housing Bank, Financial Institutions and securitisation through banks & financial institutions.

Shriram Automall India Limited (SAMIL), associate of the Company provides fee-based facilitation services for the sale of pre-owned commercial and passenger vehicles, agricultural and construction equipment, dealer's stock of pre-owned two wheelers, etc. repossessed by banks and financing companies. SAMIL has 136 Automalls (Feeder Yards and Park and Sale point Yards) located across the Country. As per the audited financial statements of SAMIL for the year ended March 31, 2023, its total income from operations and Net Profit was Rs.223.02 crores and Rs.19.20 crores respectively, on consolidated basis. The said financial statements of SAMIL will be made available to Members on request.

Pursuant to Section 129 of the Act read with Rule 5 to the Companies (Accounts) Rules, 2014, the statement containing salient features of the financial statement of subsidiary and associate company in Form AOC-1 forms part of the Annual Report. The consolidated financial statements forming part of this Annual Report are prepared in compliance with the applicable Indian Accounting Standards and Listing Regulations. Pursuant to the provisions of Section 136 of the Act, the financial statements of the Company and its subsidiary (SHFL) are placed on the Company's website at <https://www.shriramfinance.in/investors/financials>.

The annual report and the annual accounts of SHFL shall be made available to the Members of the Company seeking

such information. The annual accounts shall also be kept for inspection by the Members at the Registered Office of the Company and of SHFL. The Company shall furnish hard copy of details of accounts of SHFL to any shareholder on demand.

During the Financial Year 2022-23, there was no other entity which became or ceased to be subsidiary, joint venture or associate company of the Company.

PARTICULARS OF EMPLOYEES AND REMUNERATION

Disclosures required under the provisions of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, containing, inter-alia, the ratio of remuneration of directors to median remuneration of employees, percentage increase in the median remuneration, are annexed to this Report as **Annexure-III**.

Statement containing the particulars of top ten employees and the employees drawing remuneration in excess of limits prescribed under Section 197(12) of the Act read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is an annexure forming part of this Report. In terms of the proviso to Section 136(1) of the Act, the Report and Accounts are being sent to the Members excluding the aforesaid annexure. The said statement is available for inspection with the Company. Any Member interested in obtaining a copy of the same may write to the Company Secretary at secretarial@shriramfinance.in

The Managing Director & CEO of the Company as per the terms of his appointment, does not draw any commission or remuneration from SHFL, subsidiary company. Hence, no disclosure as required under section 197(14) of the Act has been made.

AUDITORS

In compliance with the RBI Guidelines on appointment of statutory auditor(s) by Non-Banking Financial Company ("NBFC") vide Circular RBI/2021-22/25 Ref. No. DoS. CD.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 ("RBI Guidelines") and pursuant to Section 139(8)(i) of the Act, the Members of the Company appointed M/s. Sundaram & Srinivasan Chartered Accountants, Chennai (ICAI Firm Registration No. 004207S) and KKC & Associates LLP, Mumbai (ICAI Firm Registration No. 105146W/ W-100621)



as the Joint Statutory Auditors of the Company at the 43rd Annual General Meeting held on Thursday, June 23, 2022 to hold office from conclusion of 43rd Annual General Meeting till the conclusion of 45th Annual General Meeting of the Company to conduct the audit of accounts of the Company for the financial year ending March 31, 2023 and March 31, 2024 on such remuneration plus out of pocket expenses, if any, as may be mutually agreed upon between the Board of Directors of the Company and the said Joint Statutory Auditors. The Joint Statutory Auditors holds a valid peer review certificate as prescribed under Listing Regulations.

The Auditors' Report to the Members for the year under review is unmodified, i.e. it does not contain any qualification, reservation or adverse remark or disclaimer.

In terms of the RBI Master Directions – Non-Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 2016, Joint Statutory Auditors have also submitted an additional report dated April 27, 2023, for the Financial Year 2022-23 which has been filed with RBI. There were no comments or adverse remarks in the said report as well.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Listing Regulations, the Secretarial Audit Report in Form MR-3 for the Financial Year 2022-23 issued by SPNP & Associates, Practicing Company Secretaries (Peer Review No.: 1913/2022) is annexed to this report as **Annexure-IV**. The report does not contain any qualification, reservation or adverse remark.

CORPORATE GOVERNANCE

Pursuant to Schedule V of the Listing Regulations the following Reports/ Certificates form part of the Annual Report:

- the Report on Corporate Governance;
- the Certificate duly signed by the Managing Director & CEO and the Joint Managing Director & Chief Financial Officer on the Financial Statements of the Company for the year ended March 31, 2023 as submitted to the Board of Directors at its meeting held on April 27, 2023;
- the declaration by the Managing Director & CEO regarding compliance by the Board members and senior management personnel with the Company's Code of Conduct; and
- the Management Discussion & Analysis Report

The Auditors' Certificate on Corporate Governance is annexed to this report as **Annexure-V**.

ACKNOWLEDGEMENT

The Board of Directors would like to place on record their gratitude for the guidance and co-operation extended by RBI and the other regulatory authorities. The Board of Directors also thank the Shareholders, Secured Creditors and Unsecured Creditors for having approved the Scheme of Arrangement and Amalgamation with overwhelming majority. The Board takes this opportunity to express its sincere appreciation for the excellent patronage received from the Banks and Financial Institutions and for the continued enthusiasm, total commitment, dedicated efforts of the executives and employees of the Company at all levels. We are also deeply grateful for the continued confidence and faith reposed on us by all the Stakeholders including Shareholders, Depositors, Debenture holders and Debt holders.

For and on behalf of the Board of Directors

Jugal Kishore Mohapatra

New Delhi
April 27, 2023

Chairman
(DIN 03190289)



ANNEXURE - I

Disclosure pursuant to Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 for the financial year ended March 31, 2023

- A. Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time.**

The disclosures are provided in the Note 51 to the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2023.

- B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by Central Government or any other relevant accounting standards as issued from time to time.**

Diluted EPS Financial Year ended March 31, 2023 is Rs.158.99.

- C. Details Related to "Shriram Finance Limited Employee Stock Option Scheme 2023 (No.1)" or "SFL ESOS 2023 (No.1)" during the Financial Year ended March 31, 2023:**

Sr. No	Particulars	Details
(i)	A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including:	<p>SFL ESOS 2023 (No.1) was approved by the Board of Directors of the Company in its meeting held on March 15, 2023, on the recommendation of the Nomination and Remuneration Committee, in terms of clause 3.35.17 read with clause 3.35.11 of the composite scheme of arrangement and amalgamation, inter alia, involving amalgamation of Shriram City Union Finance Limited (SCUF/Transferor Company) with the Company sanctioned by the Hon'ble National Company Law Tribunal, Chennai, (NCLT) vide its common order dated November 14, 2022 (Scheme of Arrangement and Amalgamation). For more details of the Scheme, please refer to Page 52 of the Directors' Report.</p> <p>SFL ESOS 2023 (No.1) is created for the benefit of certain eligible employees of erstwhile SCUF whom stock options were granted/vested under SCUF ESOS 2013 who became employees of the Company upon dissolution of SCUF without winding up and coming into effect of the Scheme.</p>
(a)	Date of shareholders' approval	July 4, 2022, the date on which the Scheme of Arrangement and Amalgamation was approved by the shareholders of the Company and the same shall be deemed to be their consent in relation to all matters pertaining to the revised employee stock options scheme created by the Company titled SFL ESOS 2023 (No.1).

Sr. No	Particulars	Details
(b)	Total number of options approved under SFL ESOS 2023 (No.1)	24,79,508
(c)	Vesting requirements	<p>Fresh Options granted under SFL ESOS 2023 (No.1) would vest after completion of a minimum period of 12 (twelve) months but not later than 5 (five) years from the date of grant of such Fresh Options.</p> <p>Where Fresh Options are granted by the Company under the SFL ESOS 2023 (No.1) in lieu of options held by eligible employee of erstwhile SCUF the period during which the options granted by erstwhile SCUF under SCUF ESOS 2013 were held by him/her shall be adjusted against the minimum Vesting Period required under SFL ESOS 2023 (No.1).</p> <p>Where options granted by erstwhile SCUF/ the Transferor Company under SCUF ESOS 2013 have completed the Vesting Period, such options shall stand cancelled and Fresh Options (as per clause 2.1) shall be granted under SFL ESOS 2023 (No.1) pursuant to SFL ESOS 2023 (No.1) and such Fresh Options shall vest immediately and be available for Exercise.</p> <p>Vesting of Fresh Options would be subject to continued employment of the eligible employee with the Company and subject to satisfaction of performance of Employees or other conditions as may be determined by the Nomination and Remuneration Committee</p> <p>As a pre-requisite for a valid Vesting, an Employee is required to be in employment or service of the Company, on the date of Vesting and must neither be serving his notice for termination of employment/ service, nor be subject to any disciplinary proceedings pending against him on the such date of Vesting.</p>
(d)	Exercise price or pricing formula	<p>Exercise Price is Rs.193.55/- per Fresh Option under the SFL ESOS 2023 (No.1).</p> <p>The manner of computation of the Exercise Price is as under:</p> <ol style="list-style-type: none"> As per the Scheme of Arrangement and Amalgamation, for every one hundred equity shares held by shareholders in the of erstwhile SCUF/ Transferor Company, they are entitled for one hundred and fifty-five equity shares in the Transferee Company. Hence, the Employees who were entitled for one hundred Options under the SCUF ESOS 2013 are entitled for one hundred and fifty-five Fresh Options under SFL ESOS 2023 (No.1). The Exercise Price under SCUF ESOS 2013 was Rs.300/- for each option. Hence, the Exercise Price under the SFL ESOS 2023 (No.1) is Rs.193.55 per Fresh Option (Rs.300*100 options /155 options). Upon payment of this Exercise Price and the applicable taxes, if any, the Employee shall be entitled to one equity share of face value of Rs.10/- each fully paid up for each Fresh Option exercised by him/ her.



Sr. No	Particulars	Details
(e)	Maximum term of options granted	<p>1. 10 years from the date of Vesting of Fresh Options vested on April 26, 2023.</p> <p>Where Fresh Options are granted and vested under SFL ESOS 2023 (No.1), the exercise period from date on which the options vested to the Employee by the Transferor Company under SCUF ESOS 2013 shall be adjusted against the Exercise Period required under SFL ESOS 2023 (No.1).</p> <p>2. 10 years from the date of Vesting of balance Fresh Options.</p>
(f)	Source of shares	Primary
(g)	Variation in terms of options	Nil
(ii)	Method used to account for ESOS - Intrinsic or fair value	Fair value method
(iii)	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	Not Applicable, as Fair value method is followed.
(iv)	Option movement during the year:	Not Applicable for SFL ESOS 2023 (No.1)
	Number of options outstanding at the beginning of the period	Nil
	Number of options granted during the year	Nil
	Number of options forfeited / lapsed during the year	Nil
	Number of options vested during the year	Nil
	Number of options exercised during the year	Nil
	Number of shares arising as a result of exercise of options	Nil
	Money realized by exercise of options (INR), if scheme is implemented directly by the Company	Nil
	Loan repaid by the Trust during the year from exercise price received	Not Applicable
	Number of options outstanding at the end of the year	Nil
	Number of options exercisable at the end of the year	Nil

Sr. No	Particulars	Details
(v)	Weighted-average exercise prices and weighted-average fair values of options for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Exercise Price is Rs.193.55/- per Fresh Option under the SFL ESOS 2023 (No.1)
(vi)	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to -	Not Applicable
(a)	Senior managerial personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;	
(b)	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and	
(c)	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	
(vii)	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:	
(a)	The weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;	
(b)	The method used and the assumptions made to incorporate the effects of expected early exercise;	Not Applicable as there were no grants during the year under SFL ESOS 2023 (No.1)
(c)	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	
(d)	Whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition.	

ANNEXURE - II

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR FINANCIAL YEAR 2022 – 23

1. Brief outline on CSR Policy of the Company.

The objective of CSR Policy of the Company is to continue to contribute towards social welfare projects focusing on providing education, vocational training, promoting health care facilities to economically weaker and underprivileged section of the Society and to do such other activities as may be permissible under Section 135 of the Companies Act, 2013('the Act') and the Companies (Corporate Social Responsibility Policy) Rules, 2014('the Rules').

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation /Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Umesh Revankar- Chairman	Executive Vice Chairman	2	2
2	Mr. Pradeep Kumar Panja	Non-Executive Independent Director	2	2
3	Mr. Y. S. Chakravarti (*)	Managing Director & CEO	2	1
4	Mr.S. Lakshminarayanan (**)	Non-Executive Independent Director	2	1

(*) Mr. Y. S. Chakravarti was appointed as a member of Corporate Social Responsibility committee with effect from December 05, 2022.

(**) Mr. S. Lakshminarayanan resigned as Non-Executive Independent Director from the directorship with effect from December 05, 2022

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company

The Company's CSR committee and CSR Policy is available on the website of the Company:

<https://tinyurl.com/mwm7aawa>

The details of Company's CSR projects are available on the website of the Company:

<https://tinyurl.com/5n8n2enf>

4. Provide the executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 if applicable :

Yes

<https://tinyurl.com/5n8n2enf>

Securing good health and well-being through Mobile Medical Units MMU's – A Good Health Ecosystem building Platform for transport fraternity. Guided by the National Health Mission's (NHM) vision of ensuring that all people in the country can access quality and affordable health services, "MMUs" provide free-of-cost medical check-ups, lab tests and medicines to truckers community, that remain largely isolated from mainstream healthcare eco systems.

5. (a) Average net profit of the Company as per section 135(5) :- **Rs. 3,244.72 crores**
- (b) Two percent of average net profit of the Company as per sub-section (5) of Section 135:- **Rs.64.90 crores***
- (i) Two percent of average net profit of erstwhile Transferor Companies i.e. Shriram City Union Finance Limited (SCUF) and Shriram Capital Limited (SCL) as per sub-section (5) of Section 135 :- **Rs. 28.76 crores***
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: - **Rs.NIL**
- (d) Amount required to be set off for the financial year, if any:- **NIL**
- (e) Total CSR obligation for the financial year [(b)+b(i)+(c)+(d)]:- **Rs. 93.66 crores***
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):. **Rs. 92,90,37,474.80**



i) Details of CSR amount spent against ongoing projects for the financial year 2022-23

Sr. No	Type of the Project	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial year 2022-23 (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation -Direct (Yes/No)	Mode of Implementation -Through Implementing agency	
					State	District						Name	CSR Registration Number
1	Ongoing project	Promoting Primary & Secondary education	Education	Yes	Pan India	Pan India	3years	34,45,00,000	34,47,39,495	Not Applicable	No	Shriram Seva Sankalp Foundation, Ramakrishna Mission Student Home & Shriram Foundation	CSR000001315, CSR000006101, CSR00010975
2	Ongoing project	Higher Education Scholarship Scheme	Education	Yes	Pan India	Pan India	3years	3,37,00,000	3,37,97,075	Not Applicable	No	Buddy4study India Foundation	CSR000000121
3	Ongoing project	Promoting research in mathematics and computer science	Education	Yes	Tamilnadu	Chennai	3years	13,00,00,000	13,00,00,000	Not Applicable	No	Chennai Mathematical Institute & Shriram Seva Sankalp Foundation	CSR000001760, CSR000001315
4	Ongoing project	Single Teacher School	Education	Yes	Tamilnadu	Chennai	3years	3,00,00,000	3,00,00,000	Not Applicable	No	Swami Vivekananda Rural Development Society & Shriram Seva Sankalp Foundation	CSR000001905, CSR000001315
5	Ongoing project	Skilling & Drivers' Training Program	Training and skill development/ Road Safety awareness Program	Yes	Madhya Pradesh, Gujarat, Maharashtra, TamilNadu, Jharkhand, Chattisgarh, Uttar Pradesh, Bihar & Telangana	Bilaspur, Chanasma, Jalna, Kheralu, Korba, Madhavaram, Madurantakkam, Namakkal, Pune, Raipur, Thanjavur, Jamshedpur, Chennai, Vadnagar, Khadakwadi, Nashik, Nerul, Osmanabad, Jabalpur, Kanpur, Muzaffarpur, Warangal, Aurangabad & Salem	3years	16,60,00,000	16,60,86,673	Not Applicable	No	Terna DB Driver Training Institute, Shriram Seva Sankalp Foundation & Pratham Foundation	CSR000001159, CSR000001315, CSR00000258
6	Ongoing project	Health Care & Mobile Medical Unit	Preventive Health Care	Yes	Rajasthan, Maharashtra, Andhra Pradesh, Gujarat, Jharkhand, Assam, WestBengal, Bihar, Odisha, TamilNadu, Karnataka & Telengana	Jaipur, Nagpur, Vishakhapatnam, Vapi, Ranchi, Silchar, Guwahati, Kolkata, Hooghly, Patna, Bhubaneswar, Chennai & Bangalore	2years	7,42,00,000	7,42,62,268	Not Applicable	No	Shriram Seva Sankalp Foundation	CSR000001315
7	Ongoing project	Promotion of art & culture - The South India Club	Preservation of art, culture and heritage	No	New Delhi	New Delhi	3years	8,25,00,000	8,25,00,000	Not Applicable	No	Shriram Seva Sankalp Foundation	CSR000001315
								Total (i)	86,09,00,000	86,13,85,511			



ii) Details of CSR amount spent against other than ongoing projects for the financial year 2022-23

Sr. No	Type of the Project	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project		Amount allocated for the project (in Rs.)	Amount spent for the project (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation -Direct (Yes/No)	Mode of Implementation - Through Implementing agency	
					State	District					Name	CSR Registration Number
1	Other than ongoing project	Shri Shanmukhananda Fine Arts & Sangeetha Sabha	Welfare activity for Armed Force	No	Maharashtra	Mumbai	35,00,000	35,00,000	Not Applicable	No	Shriram Seva Sankalp Foundation	CSR00001315
2	Other than ongoing project	Annai Charitable Trust	Education	Yes	Tamilnadu	Chennai	25,00,000	25,82,600	Not Applicable	No	Shriram Seva Sankalp Foundation	CSR00001315
3	Other than ongoing project	Sanitation	Promoting Sanitation	Yes	Tamilnadu	Chennai	2,26,00,000	1,25,000	Not Applicable	No	Shriram Seva Sankalp Foundation	CSR00001315
				Yes	Tamilnadu	Chennai		2,25,00,000	Not Applicable	No	Swami Vivekananda Rural Development Society	CSR00001905
4	Other than ongoing project	The Association of people with disability	Preventive Health Care	No	Karnataka	Belagavi	25,00,000	26,20,988	Not Applicable	No	Shriram Seva Sankalp Foundation	CSR00001315
5	Other than ongoing project	Promotion of art & culture - The Fine Arts Society Sri Swathi Narasimha Maha Yagna Trust	Preservation of art, culture and heritage	Yes	Tamil Nadu	Chennai	15,00,000	15,00,000	Not Applicable	No	Shriram Seva Sankalp Foundation	CSR00001315
				Yes	Tamil Nadu	Chennai	1,35,00,000	1,35,00,000	Not Applicable	No		
6		Other Project & Miscellaneous expenses					2,18,00,000	2,13,23,375.80	Not Applicable	Yes	Direct	
		Total (ii)					6,79,00,000	6,76,51,963.80				
		Total (i+ii)					92,88,00,000	92,90,37,474.80				

Note: - The Projects of CSR include projects of erstwhile SCUF and SCL. The Company has spent the entire amount allocated for the CSR Projects by erstwhile SCUF and SCL for the financial year 2022-23.



- (b) Amount spent in Administrative Overheads. **Rs. 78,26,942**
- (c) Amount spent on Impact Assessment, if applicable. **Rs. 5,61,606**
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)]. **Rs. 93,74,26,022.80***
- (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per Sub-section (6) Section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount (in Rs.)	Date of transfer.	Name of the Fund	Amount (in Rs.)	Date of transfer
Rs. 93.74 crores*	NIL	Not Applicable	Not Applicable	Nil	Not Applicable

- (f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in Rs.)
i)	Two percent of average net profit of the Company as per Sub-Section (5) of Section 135	64.90 crores*
a)	Two percent of average net profit of erstwhile Transferor Companies i.e. Shriram City Union Finance Limited (SCUF) and Shriram Capital Limited (SCL) as per sub-section (5) of Section 135	28.76 crores*
ii)	Total amount spent for the Financial Year	93.74 crores*
iii)	Excess amount spent for the financial year [(ii)-(i)]	0.08 crores
iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.08 crores

*Consequent to coming into effect of the Scheme of Arrangement and Amalgamation, inter alia, involving amalgamation of Shriram City Union Finance Limited and Shriram Capital Limited (hereinafter jointly referred to as the 'Transferor Companies'), with the Company, the CSR obligation of the Transferor Companies for the Financial Year 2022-23 is also taken into consideration. The CSR projects of the Transferor Companies implemented by the Company after coming into effect of the Scheme of Arrangement and Amalgamation are also included in serial no. 6 (a) above.

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (Rs.in crores)	Balance amount in unspent CSR account under subsection (6) of section 135 (Rs.in crores)	Amount spent in the Financial Year (Rs.in crores)	Amount transferred to a fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding financial years (Rs.in crores)	Deficiency if any
					Amount (in Rs.)	Date of transfer		
1	2021-22	Nil	Nil	69.72	Nil	Not Applicable	Nil	Nil
2	2020-21	Nil	Nil	64.96	Nil	Not Applicable	Nil	Nil
3	2019-20	Nil	Nil	53.16	Nil	Not Applicable	Nil	Nil

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **No**

If Yes, enter the number of Capital assets created/ acquired : **Not Applicable**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent (in Rs.)	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address

Not Applicable

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

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

Not Applicable since the Company has spent Rs. 93.74 crores during the financial year 2022-23 as against the prescribed CSR obligation of Rs. 93.66 crores.

For and on behalf of the Board of Directors

Umesh Revankar
Executive Vice Chairman
(Chairman, CSR Committee)
(DIN: 00141189)

Y S Chakravarti
Managing Director and
Chief Executive Officer
(DIN: 00052308)

Place: Mumbai

Date: April 27, 2023



ANNEXURE - III

Remuneration details under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended for the financial year ended March 31, 2023

Sr. No.	Name of Director/ Key Managerial Personnel	Category	Ratio of remuneration of each Director to median remuneration of employees	% Increase in remuneration in FY 2022-23
1	Mr. Jugal Kishore Mohapatra	Chairman, Independent	2.03	NA
2	Mr. S. Lakshminarayanan	Chairman, Independent	5.79	0
3	Mr. Umesh Revankar	Executive Vice Chairman	40.34	2.19
4	Mr. Y. S. Chakravarti	Managing Director & CEO	23.26	NA
5	Mr. S. Sridhar	Independent	5.79	0
6	Mr. Pradeep Kumar Panja	Independent	5.79	0
7	Mrs. Kishori Udeshi	Independent	5.79	0
8	Mrs. Maya S Sinha	Independent	2.03	NA
9	Mr. Parag Sharma	Joint Managing Director and Chief Financial Officer	25.80	23.18
10	Mr. Ignatius Michael Viljoen	Non- Executive, Non Independent	NA	NA
11	Mr. D. V. Ravi	Non- Executive, Non Independent	NA	NA
12	Mr. Vivek Achwal	Company Secretary	-	NA
13	Mr. U Balasundararao	Company Secretary	-	NA

Notes for Sr. No.:

- Mr. Jugal Kishore Mohapatra was appointed as an Independent Director w.e.f. December 4, 2022 and as Chairman w.e.f. December 5, 2022.
- Mr. S. Lakshminarayanan ceased to be an Independent Director & Chairman of the Board from the commencement of business hours on December 5, 2022.
- Mr. Umesh Revankar, Vice Chairman and Managing Director was re-designated as Executive Vice Chairman of the Company w.e.f. December 5, 2022.
- Mr. Y. S. Chakravarti, Non-Executive, Non-Independent Director of the Company was appointed as Managing Director & CEO of the Company w.e.f. December 5, 2022. He held the office of Managing Director and Chief Executive Officer of erstwhile Shriram City Union Finance Limited (SCUF) (since amalgamated with the Company) till dissolution of SCUF as per the Composite Scheme of Arrangement and Amalgamation sanctioned by the Hon'ble National Company Law Tribunal, Chennai. Hence, for the purpose of arriving the ratio of his remuneration to median remuneration of the employees, the remuneration drawn by him from erstwhile SCUF was also taken into consideration.
- Mrs. Kishori Udeshi ceased to be an Independent Director from the commencement of business hours on December 5, 2022.
- Mrs. Maya S Sinha was appointed as an Independent Director w.e.f. December 4, 2022.



7 Mr. Vivek Achwal, Company Secretary retired upon attaining the age of superannuation with effect from the close of business hours on August 31, 2022.

8 Mr. U Balasundararao was appointed as Company Secretary w.e.f. September 1, 2022.

Remuneration to Independent Directors does not include sitting fee paid to them for attending Board and/or Committee meetings. The commission to Independent Directors is paid as per the statutory provisions and within the limit approved by the Shareholders. The Non-Executive, Non-Independent Directors did not receive any remuneration from the Company.

I In the Financial Year 2022-23, there was an increase of 1.10% in the median remuneration of the employees.

II There were 64,052 permanent employees on the role of Company as on March 31, 2023.

III For employees other than Managerial Personnel who were in employment for whole of the Financial Year 2021-22 and Financial Year 2022-23, the average increase in the remuneration was 21.03%. The average increase in remuneration for Managerial Personnel in Financial year 2022-23 was 17.22% .

IV It is hereby affirmed that the remuneration paid to the Directors, Key Managerial Personnel and employees is as per the Remuneration policy of the Company.



ANNEXURE - IV

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FINANCIAL YEAR ENDED MARCH 31, 2023

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

To

The Members,

SHRIRAM FINANCE LIMITED

CIN: L65191TN1979PLC007874

Sri Towers, Plot No. 14A, South Phase,

Industrial Estate, Guindy,

Chennai - 600032

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SHRIRAM FINANCE LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of Company's books, papers, minute books, forms, statutory registers and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on March 31, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made there under;
- 2) The Securities Contracts(Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment.
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)Regulations,2018
 - d) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021
 - e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - g) The Securities and Exchange Board of India (Buy- back of Securities) Regulations,2018
 - h) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021



- 6) Reserve Bank of India Act, 1934
- 7) Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016
- 8) Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016.
- 9) Master Direction - External Commercial Borrowings, Trade Credit, Borrowing and Lending in Foreign Currency by Authorised Dealers and Persons other than Authorised Dealers as amended.
- 10) Master Direction - Information Technology Framework for the NBFC Sector
- 11) Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016.
- 12) Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All decisions were carried out with unanimous approval of the Board and there was no instance of dissent voting by any member during the period under review.

I have examined the systems and processes of the Company in place to ensure the compliance with general laws like Labour Laws, Employees Provident Funds Act, Employees State Insurance Act, considering and relying upon representations made by the Company and its Officers for systems and mechanisms formed by the Company for compliance under these laws and other applicable sector specific Acts, Laws, Rules and Regulations applicable to the Company and its observance by them.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with other applicable laws on the operation of the Company and the rules made thereunder.

I further report that during the audit period apart from the instances mentioned hereunder, there were no specific events / actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc.,

- (i) Renewal of limit to issue Non-Convertible debentures on private placement basis by way of special resolution passed by the Members of the Company on February 21, 2023.
- (ii) During the period under review, the Hon'ble National Company Law tribunal, Special Bench- II, Chennai ('NCLT') vide its order dated November 14, 2022 read with Corrigendum dated November 17, 2022 to the order ("Order") has sanctioned the Composite Scheme of Arrangement and Amalgamation ("Scheme") inter alia, involving amalgamation of Shriram Capital Limited (SCL) (after de-merger of a few undertakings from the said SCL) and Shriram City Union Finance Limited (SCUF) with the Company effective from Appointed date of the Scheme being April 01, 2022. The Scheme provides for
 - i. The amalgamation of Shrilakha Business Consultancy Private Limited (SBCPL) with Shriram Capital Limited (SCL);
 - ii. The demerger of that undertaking from SCL, which is carrying on the business of Financial Services, and the transfer and vesting thereof into Shriram Investment Holdings Limited (SIHL).



- iii. The demerger of those undertakings from SCL which are carrying on the businesses of a) Life Insurance b) General Insurance, and the transfer and vesting of the same into a) Shriram LI Holdings Private Limited (SLIH), and b) Shriram GI Holdings Private Limited (SGIH) respectively;
 - iv. The amalgamation of SCL (with its remaining undertaking and investments) with the Company
 - v. The amalgamation of Shriram City Union Finance Limited (SCUF) with the Company
- (iii) During the period under review, pursuant to the Scheme, the name of the Company is changed to Shriram Finance Limited upon receipt of necessary approval from the Registrar of Companies, Tamil Nadu, Chennai, Ministry of Corporate Affairs, with effect from November 30, 2022.
- (iv) The Company had received an Order from Directorate of Enforcement, Southern Regional Office Chennai in accordance with the Provisions of the Foreign Exchange Management Act 1999 vide Order no SDE/SRO/CEZO-I/02/2020(SK) dated March 04, 2020 imposing a penalty of Rs. 50,000,000 (Five Crores) for the Company and has also levied a penalty of Rs. 50,00,000 (Fifty Lakhs) each on the then director of erstwhile Shriram Holdings (Madras) Private Limited which includes a non-independent director of the Company.

The Company had filed a writ petition dated June 04, 2020 before the High Court of Madras, requesting, inter alia, for a stay of the order dated March 04, 2020. As on date of this report, the Writ Petitions preferred by the Company and the Directors are still pending on the file of the Hon'ble Madras High Court.

Place: Chennai
Date: April 27, 2023

P.SRIRAM
SPNP & ASSOCIATES
FCS No. 4862/C P No: 3310
PEER REVIEW NO: 1913/2022
UDIN: F004862E000203698

This Report is to be read with my testimony of even date which is annexed as Annexure A and forms an integral part of this report.



Annexure A

To
**The Members,
Shriram Finance Limited,**

My report of even date is to be read along with this supplementary testimony.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, the Company had followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.,
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Chennai
Date: April 27, 2023

**PSRIRAM
SPNP & ASSOCIATES**
FCS No. 4862/C P No: 3310
PEER REVIEW NO: 1913/2022
UDIN: F004862E000203698



ANNEXURE - V

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

To,
The Members,

Shriram Finance Limited (formerly Shriram Transport Finance Company Limited)

1. This Certificate is issued in accordance with the terms of our engagement letter dated November 15, 2022.
2. We have examined the compliance of conditions of Corporate Governance by Shriram Finance Limited ('the Company'), for the year ended March 31, 2023, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Management's Responsibility

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

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We conducted our examination in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by ICAI.

Opinion

8. Based on our examination, as above, and to the best of the information and explanations given to us and representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2023.
9. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on Use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing



Regulations, and it should not be used by any other person or for any other purpose.

Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person

to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for any events or circumstances occurring after the date of this Certificate.

For SUNDARAM & SRINIVASAN

Chartered Accountants

Firm Reg No. 004207S

P Menakshi Sundaram

Membership Number:217914

UDIN: 23217914BGWPCQ9120

Place: Mumbai

Date: April 27, 2023



REPORT ON CORPORATE GOVERNANCE

The Report for the financial year ended March 31, 2023 on compliance by the Company with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) is given below.

The Company’s philosophy on Corporate Governance is aimed at (a) enhancing long term shareholder value through assisting the top management in taking sound business decisions; and prudent financial management; (b) achieving transparency and professionalism in all decisions and activities of the Company; (c) achieving excellence in Corporate Governance by conforming to the prevalent guidelines on Corporate Governance, and excelling in, wherever possible and reviewing periodically the existing systems and controls for further improvements.

BOARD OF DIRECTORS

The Company has put in place an internal governance structure. The Board of Directors of the Company consists of professionals from varied disciplines. The day to day management of the affairs of the Company is entrusted with the senior management personnel, headed by the Executive Vice Chairman, Managing Director & CEO, who function under the overall supervision, direction and control of the Board of Directors (“the Board”) of the Company. The Board meets regularly to discuss, review and decide upon the matters such as policy formulation, setting up of goals, appraisal of performances with the goals and control functions, etc. In order to facilitate the day-to-day business affairs of the Company, the Board has constituted various committees of the Board and has delegated necessary powers to the Committees, Executive Vice Chairman, Managing Director & CEO and senior management personnel designated as Joint Managing Directors and Key Managerial Personnel. The Board thus exercises control over the overall functioning of the Company with a view to enhance the stakeholders value.

The Independent Directors on the Board of the Company have submitted their respective declarations confirming that they meet the criteria of independence and disclosures

confirming that there are no material, financial and/or commercial transactions between Independent Directors and the Company which could have potential conflict of interest with the Company at large.

BOARD MEETING AND PROCEDURES

The notes on Agenda setting out the business to be transacted at the Board Meeting, were sent to each Director seven days before the date of the Board Meeting except for the meetings which were convened at a shorter notice. The financial results were generally tabled at the Board meeting. The Board reviews and approves quarterly/ half-yearly unaudited financial results and the audited annual financial results, financial statements (both consolidated and standalone), business plans and annual budgets. The management submits to the Board Action Taken Report on status of implementation of important matters reviewed at the previous Board Meeting. The calendar of the quarterly Board meetings was finalised in advance. During the year under review, ten meetings of the Board of Directors were held on April 28, 2022, June 23, 2022, July 28, 2022, October 20, 2022, November 16, 2022, December 04, 2022, December 12, 2022, December 24, 2022, January 31, 2023 and March 15, 2023.

The maximum gap between any two meetings was not more than one hundred and twenty days. As mandated by proviso under Regulation 17A (1) of the Listing Regulations as of March 31, 2023, none of the Independent Directors of the Company served as an Independent Director in more than seven listed entities and as per Regulation 26 of Listing Regulations none of Directors is a member of more than ten Committees or acting as Chairperson of more than five Committees, across all the Indian public limited companies in which he/she is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

The names and categories of Directors, their attendance at Board Meetings held during the Financial Year and at the last Annual General Meeting (AGM), number of Memberships/ Chairmanships of Directors in other Boards and Committees of Board, Category of directorship and names of listed entities where person is a director are as follows:



COMPOSITION OF BOARD

The Company's policy is to maintain an optimum combination of Executive and Non-Executive/Independent Directors. The composition of Board of Directors is given in the table below and is in conformity with Regulation 17(1) of the Listing Regulations and other applicable regulatory requirements.

Name of the Director and Category of Directorship	No. of Board Meetings attended during the F.Y. 2022-23	Whether attended the last AGM held on June 23, 2022	Total no. of Directorships	Member-ships in Audit / Stakeholders Relationship Committee	Chairmanships in Audit / Stakeholders Relationship Committee	Category of directorship and Names of other listed entities where person is a director.
Mr. Jugal Kishore Mohapatra Chairperson (w.e.f. December 05, 2022) Non-Executive Independent Director (DIN: 03190289) #	5	NA	2	1	0	Nil
Mr. S. Lakshminarayanan Chairperson (upto December 04, 2022) Non-Executive Independent Director (DIN: 02808698) *	6	Yes	4	3	2	Non-Executive Independent Director 1. Godfrey Phillips India Limited 2. Cartrade Tech Limited
Mr. Umesh Revankar Executive Vice Chairman (DIN: 00141189) **	10	Yes	5	2	0	Nil
Mr. Yalamati Srinivasa Chakravarti Managing Director and Chief Executive Officer (DIN: 00052308) ****	10	Yes	1	0	1	Nil
Mr. Srinivasan Sridhar Non-Executive Independent Director (DIN: 00004272)	10	Yes	8	1	4	Non-Executive Independent Director 1. Strides Pharma Science Limited 2. Jubilant Pharmova Limited 3. Go Fashion (India) Limited
Mr. Pradeep Kumar Panja Non-Executive Independent Director (DIN: 03614568)	10	Yes	4	4	0	Non-Executive Independent Director 1. Brigade Enterprises Limited 2. The Karnataka Bank Limited
Mrs. Kishori Jayendra Udeshi Non-Executive Independent Director (DIN: 01344073) ***	6	Yes	7	4	2	Non-Executive Independent Director 1. Kalyan Jewellers India Limited 2. Haldyn Glass Limited 3. Thomas Cook (India) Limited 4. Cartrade Tech Limited 5. Ion Exchange (India) Limited
Mrs. Maya Swaminathan Sinha Non-Executive Independent Director (DIN: 03056226) ##	5	NA	4	2	1	Non-Executive Independent Director 1. Shreyas Shipping and Logistics Limited
Mr. D. V. Ravi Non-Executive Non Independent Director (DIN: 00171603)	9	Yes	2	0	0	Nil

Name of the Director and Category of Directorship	No. of Board Meetings attended during the F.Y. 2022-23	Whether attended the last AGM held on June 23, 2022	Total no. of Directorships	Member-ships in Audit / Stakeholders Relationship Committee	Chairmanships in Audit / Stakeholders Relationship Committee	Category of directorship and Names of other listed entities where person is a director.
Mr. Ignatius Michael Viljoen Non-Executive Non-Independent Director (Nominee Director) (DIN: 08452443)	10	Yes	0	0	0	Nil
Mr. Parag Sharma Executive, (Whole-time director) designated as Joint Managing Director and Chief Financial Officer (DIN 02916744)	10	Yes	0	0	0	Nil

Notes:

- In the above table, the total number of Directorships of a Director excludes his/her Directorship in the Company, Section 8 Company, Private Limited Companies and Foreign Companies
- The Memberships and Chairmanships of Directors in Committees do not include their Memberships and Chairmanships in the Company.
- None of the above Directors are related inter- se.
- Mr. D. V. Ravi Non-Executive Non-Independent Director of the Company holds 20 shares in the Company.
- (*) Mr. S. Lakshminarayanan resigned as Non-Executive Independent Director from the directorship of the Company and ceased to be Chairman of the Board with effect from December 05, 2022. He has resigned from the Board to pave the way to a younger person to lead the Board after the Scheme of Arrangement and Amalgamation coming into effect. The said resignation letter confirms that there is no other material reason for his resignation.
- (**) Mr. Umesh Revankar was re-designated as Executive Vice Chairman of the Company vide ordinary resolution passed by the Shareholders on February 21, 2023 through postal ballot with effect from December 05, 2022.
- (***) Mrs. Kishori Udeshi resigned as Non-Executive Independent Director from directorship of the Company with effect from December 05, 2022. She has resigned from the Board considering the need for re-constitution of the Board after the Scheme of Arrangement and Amalgamation coming into effect. The said resignation letter confirms that there is no other material reason for her resignation.
- (****) Mr. Y. S. Chakravarti was appointed as a Managing Director & CEO of the Company for a period of 3 years vide ordinary resolution passed by the Shareholders on February 21, 2023 through postal ballot with effect from December 05, 2022. He was Non-executive Non-Independent Director of the Company upto December 04, 2022.
- (#) Mr. Jugal Kishore Mohapatra was appointed as an Independent Director of the Company not liable to retire by rotation vide special resolution passed by the Shareholders on February 21, 2023 through postal ballot for the term of 3 consecutive years with effect from December 04, 2022. The Board of Directors had elected Mr. Jugal Kishore Mohapatra as Chairman of Board with effect from December 05, 2022.
- (##) Mrs. Maya S Sinha was appointed as an Independent Director of the Company not liable to retire by rotation vide special resolution passed by the Shareholders on February 21, 2023 through postal ballot for the term of 2 consecutive years with effect from December 04, 2022.
- The appointment of Whole-Time directors may be terminated by giving three months' in writing or salary in lieu thereof. There is no separate provision for the payment of severance fees.

The directors take an active part at the Board and Committee Meetings and provide valuable guidance to the senior management on various aspects of business and governance. The directors possess necessary experience, skills and ability relevant to the Company's business and affairs which enhances the quality of policy decisions. The following table gives details of the skills/expertise/competence identified by the Board of Directors pursuant to Regulation 34(3) read with Schedule V Part (C) (2)(h)(ii) of Listing Regulations and currently available with the Board.



Name of Director	Skills / Expertise / Competence of Directors						
	Leadership knowledge of Financial Service and Banking Industry	Strategic & Business Planning	Governance, Ethics & Regulatory Oversight	Audit & Risk Management	Sustainability	Human Resource	Information Technology knowledge
Mr. Jugal Kishore Mohapatra Chairman, Independent Director	✓		✓		✓	✓	
Mr. Umesh Revankar Executive Vice Chairman	✓	✓	✓	✓	✓	✓	✓
Mr. Y. S. Chakravarti Managing Director & Chief Executive Officer	✓	✓	✓	✓	✓	✓	✓
Mr. Sridhar Srinivasan Independent Director	✓	✓	✓	✓	✓	✓	✓
Mr. Pradeep Kumar Panja Independent Director	✓	✓	✓	✓		✓	✓
Mrs. Maya Sinha Independent Director	✓	✓	✓	✓	✓	✓	
Mr. D. V. Ravi Non-Executive and Non-Independent Director	✓	✓	✓	✓	✓	✓	✓
Mr. Ignatius Michael Viljoen Non-Executive and Non-Independent Director	✓	✓		✓	✓		
Mr. Parag Sharma Joint Managing Director And Chief Financial Officer	✓	✓	✓	✓	✓	✓	✓

The brief profiles of Directors are also available on the website of the Company <https://tinyurl.com/2mkca2ar>

Pursuant to Clause C(2)(i) of Schedule V read with Regulation 34(3) of Listing Regulations, in the opinion of the Board the Independent Directors fulfill the conditions as specified in the Listing Regulations and are Independent of the management.

MEETING OF INDEPENDENT DIRECTORS

The Independent Directors met on March 16, 2023 without the presence of Non-Independent directors and members of senior management. In its meeting held on March 16, 2023, the Independent Directors reviewed performance of non-Independent Directors, performance of Board as a whole, performance of Chairman. They evaluated functioning of the Board, frequency of meetings of the board and committees of directors, level of participation of directors at the board and committee meetings, independence of judgments, performance of duties and obligations by directors, implementation of good corporate governance. The independent directors assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board. The Independent Directors were satisfied with the overall functioning of the Board, its various Committees, Non-Independent Directors and the Chairman.

The Independent Directors also had an exclusive meeting with Joint Statutory Auditors on Audit issues in general and the framework and the process of Internal Audit in specific.

FAMILIARISATION PROGRAMME

Pursuant to Regulation 25(7) of the Listing Regulations, the Company has put in place a system to familiarise its

Independent Directors about the Company, its financial products, the industry and business model of the Company. The familiarisation commences from the stage of induction of Independent Director. The letter of appointment issued and other documents and information shared with the new Independent Director include the details about their role, rights, responsibilities, duties and liabilities under the Companies Act, 2013, Listing Regulations, RBI directions, etc. During the Financial Year 2022-23, the Independent Directors were updated from time to time on the significant changes in the regulations, duties and responsibilities of Independent Directors and redressal of customers and investors complaints, risk management framework, quarterly and financial results through the Board/Committee meetings and program(s). The Independent Directors interact with senior management during the Board and Committee meetings and familiarisation programs. The Independent Directors get familiarised with workings of the Company during the deliberations and discussions on policies of the Company.

The Company conducted 12 programs/meetings during the financial year 2022-2023 and the time spent by Independent Directors was in the range of 11 hours 50 minutes. The cumulative programs/meetings conducted till date were



70 and the time spent by Independent Directors was in the range of 59-62 hours. Pursuant to Regulation 46 of Listing Regulations the details of Familiarisation Programme is uploaded on the Company's website at the web link: <https://tinyurl.com/3jypd479>

POLICY FOR PROHIBITION OF INSIDER TRADING

Pursuant to SEBI (Prohibition of Insider Trading) Regulations 2015, as amended, the Company has adopted Prohibition of Insider Trading Code and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. The Code also provides for preclearance of transactions by designated persons. Pursuant to provisions of Regulation 3(5) and 3(6) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations), the Company has a Structured Digital Database in place and is maintained as stipulated by the SEBI Prohibition of Insider Trading Regulations, 2015. In this regard the Company has filed the compliance certificate with the Stock Exchanges on a quarterly basis.

COMMITTEES OF DIRECTORS

The constitution and terms of reference of Committees of the Board are mentioned below. The minutes of the Committee meetings were placed before the Board meeting.

AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act 2013 ('the Act') and Regulation 18 read with Part C of the Schedule II of the Listing Regulations. All the members of the Committee have wide experience in fields of Banking & Finance, Accounts, Regulatory and Financial service industry.

Terms of reference

A. The terms of reference of the Audit Committee, inter alia includes:

1. Overseeing the financial reporting process.
2. To ensure proper disclosure in the Quarterly, Half yearly and Annual Financial Statements. To recommend appointment, re-appointment of auditors, fixing of their remuneration and approval of payment to auditors for any other services rendered by them.
3. Reviewing, with the management, the financial statements before submission to the Board.

4. Reviewing the adequacy of internal audit function.
5. Reviewing the findings of any internal examinations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
6. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
7. To discuss with the management, the senior internal audit executives and the auditor/s the Company's major risk exposures, guidelines and policies.
8. To review the functioning of the Whistle Blower Mechanism.
9. Approval of appointment of CFO (i.e., the Whole Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background etc. of the candidate.
10. Review and monitor the Auditor's independence, performance and effectiveness of audit process.
11. Approval or any subsequent modification of transactions of the Company with related parties and granting omnibus approval to related party transactions which are in the ordinary course of business and on an arm's length basis and reviewing and approving such transactions.
12. Scrutiny of inter-corporate loans and investments.
13. Valuations of undertakings or assets of the Company, wherever it is necessary.
14. To review the Financial Statements, in particular, the investments made by the Unlisted Subsidiary Company.
15. To carry out any other function as is mentioned in the terms of reference of the Audit Committee.

The Company has an Internal Audit Department which is headed by a qualified Chartered Accountant, who is responsible for conducting independent Internal Audit. The Internal Auditor reports directly to the Audit Committee of the Board.

During the year under review, six meetings were held on April 28, 2022, July 28, 2022, October 20, 2022, December 24, 2022,



January 31, 2023, and March 15, 2023. The maximum gap between any two meetings was not more than one hundred and twenty days. The necessary quorum was present for all the meetings.

Composition of Audit Committee:

Name of the Member	Status	No. of Meetings Attended
Mr. S. Sridhar	Chairman	6
Mr. Pradeep Kumar Panja	Member	6
Mrs. Maya Sinha (w.e.f. December 05, 2022)	Member	3
Mr. Y S Chakravarti (ceased to be Member w.e.f. December 05, 2022)	Member	3
Mr. S Lakshminarayanan (resigned w.e.f. December 05, 2022)	Member	3
Mrs. Kishori Udeshi (resigned w.e.f. December 05, 2022)	Member	2

The Company Secretary acts as the Secretary for the Audit Committee. The Statutory Auditors, Internal Auditor, the Executive Vice Chairman, Managing Director & Chief Executive Officer Heads of Finance and Accounts Department and other persons attend the meeting on invitation.

On March 16, 2023, the Committee held a separate meeting with the Joint Statutory Auditors without the presence of management representatives.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (NRC) has been constituted by the Board as per the requirements of the provisions of Section 178 of the Act and Regulation 19 read with Part D of the Schedule II of the Listing Regulations.

Terms of reference

The terms of reference of the NRC, inter alia includes:

- To oversee the framing, review and implementation of Remuneration/Compensation policy of the Company, approved by the Board.
- Formulation of the criteria for determining qualifications, positive attributes, and independence of a Director and recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. The Committee shall ensure that –
 - the level and composition of remuneration is reasonable and sufficient to attract, retain and

motivate directors of the quality required to run the Company successfully;

- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - remuneration to directors, Key Managerial Personnel and Senior Management Personnel involves a balance between fixed and variable pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
 - The Committee may revisit the principles basis industry and regulatory context, company context and emerging best practices from time to time
- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down by the Committee, recommend to the Board their appointment and removal.
 - The Committee shall formulate the criteria and specify the manner for effective evaluation of performance of Board, its committees and individual directors (Independent & Non-Independent Directors) to be carried out either by the Board or by the Nomination and Remuneration Committee and review its implementation and compliance.
 - To determine whether to extend or continue the term of appointment of the Independent Director on the basis of the report of their performance evaluation. The tenure of extension or continuity of Independent Director shall be computed as per the provisions of sub-section (10) and (11) of Section 149 of the Companies Act, 2013 read with Explanation there to and Regulation 16(1)(b) of the Listing Regulations.
 - To recommend to the Board, all remuneration, in whatever form, payable to Senior Management Personnel.
 - Devising a policy on Board diversity
 - For every appointment of an independent director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:



- a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates.
9. Formulation of Succession policy and Succession plan for Executive Vice Chairman, Managing Director and CEO, Key Managerial personnel and Senior Management Personnel.
 10. To work in close coordination with Risk Management Committee of the Company to achieve effective alignment between compensation and risks to ensure that the compensation outcomes are symmetric with risk outcomes.
 11. To ensure that compensation levels are supported by the need to retain earnings of the Company and the need to maintain adequate capital based on Internal Capital Adequacy Assessment Process (ICAAP).
 12. To ensure 'fit and proper' status of proposed directors and that there is no conflict of interest in appointment of directors on Board of the Company, Key Managerial Personnel and senior management.

During the year, the Committee met six times on April 19, 2022, July 19, 2022, December 04, 2022, December 24, 2022, January 27, 2023 and March 15, 2023.

The necessary quorum was present for all the meetings.

Composition of Nomination and Remuneration Committee:

Name of the Member	Status	No. of Meetings Attended
Mr. Pradeep Kumar Panja (w.e.f. December 05, 2022)	Chairman	6
Mr. Jugal Kishore Mohapatra (w.e.f. December 05, 2022)	Member	3
Mrs. Maya S Sinha (w.e.f. December 05, 2022)	Member	3
Mr. D.V. Ravi (w.e.f. December 05, 2022)	Member	2
Mrs. Kishori Udeshi (resigned w.e.f. December 05, 2022)	Chairperson	3
Mr. S. Lakshminarayanan (resigned w.e.f. December 05, 2022)	Member	3

CRITERIA FOR PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS

The criteria and manner for evaluation of performance

of Independent Directors provide certain parameters like quality, commitment to the Company's vision, level of participation at Board/Committee Meeting, level of engagement and contribution, Independence of judgment, understanding duties, responsibilities, qualifications, disqualifications and liabilities as an Independent Director, up-to-date knowledge / information pertaining to business of the Company in which the Company is engaged in, implementation of good corporate governance practices, enhancing long term shareholders' value, professional approach, openness to ideas, providing guidance and counsel to senior management in strategic matters and rendering independent and unbiased opinion at the meetings etc., monitoring the Company's internal controls & review compliance Reports on applicable laws, regulations and guidelines.

The Board completed the performance evaluation of directors as per requirement of law and made a few observations. The Independent Directors fulfilled the requirement of independence as laid down in the Act and Listing Regulations and are independent of management.

REMUNERATION OF DIRECTORS

Independent Directors of the Company were paid sitting fees Rs. 1,00,000/- for every meeting of Board, Rs. 75,000/- for every Audit Committee meeting, Rs. 35,000/- for every Committee meeting and Rs. 35,000/- for every meeting of Independent Directors attended by them.

The Company is being benefited from the expertise, advice and inputs provided by the Independent Directors. The Independent Directors devote their valuable time in deliberating on the strategic and critical issues in the course of the Board and Committee meetings of the Company and give their valuable advice, suggestion and guidance to the management of the Company from time to time.

The commission is being paid to all Independent Directors as decided by the Board of Directors. The shareholders of the Company in their 43rd Annual General Meeting held on June 23, 2022 have approved payment of commission to all Independent Directors of the Company for an aggregate amount not exceeding Rs. 200 lac for every financial year over the period for three financial years ending on March 31, 2025 subject to the statutory limits. The Board on April 27, 2023 had approved the commission to be paid to each Independent Director for the financial year ended March 31, 2023 as given in the below table.



The details of sitting fees/remuneration paid to the Directors during the Financial Year 2022-23 are as under:

Sr. No.	Name of the Director	Sitting Fees for attending Meetings (Rs.)	Salary, Perquisites & ESOS (Rs.)	Commission (to be paid) (Rs.)	Total (Rs.)
1	Mr. Jugal Kishore Mohapatra Chairman (Appointed as an Independent Director on December 04, 2022)	705,000	-	700,000	1,405,000
2	Mr. S. Lakshminarayanan (Ceased to be Independent Director from December 05, 2022)	1,150,000	-	2,000,000	3,150,000
3	Mr. Umesh Revankar (Executive Vice Chairman)	-	13,935,025	-	13,935,025
4	Mr. Y. S. Chakravarti (Appointed as Managing Director & Chief Executive Officer w.e.f December 05, 2022)	-	92,25,208	-	92,25,208
5	Mr. Sridhar Srinivasan, Independent Director	1,700,000	-	2,000,000	3,700,000
6	Mr. Pradeep Kumar Panja, Independent Director	1,875,000	-	2,000,000	3,875,000
7	Mrs. Kishori Udeshi (Ceased to be Independent Director from December 05, 2022)	1,040,000	-	2,000,000	3,040,000
8	Mrs. Maya S Sinha (Appointed as an Independent Director on December 04, 2022)	930,000	-	700,000	1,630,000
9	Mr. D. V. Ravi Non-executive Non-Independent Director	-	-	-	-
10	Mr. Ignatius Michael Viljoen Non-executive Non-Independent Director	-	-	-	-
11	Mr. Parag Sharma (Whole-time Director designated as Joint Managing Director and Chief Financial Officer)	-	8,913,185	-	8,913,185
	GST on sitting fees paid to the Directors	666,000	-	-	666,000

Notes:

- Mr. S. Lakshminarayanan and Mrs. Kishori Udeshi resigned as Independent Directors of the Company with effect from commencement of business hours on December 05, 2022. Mr. Jugal Kishore Mohapatra and Mrs. Maya S. Sinha were appointed as Independent Directors from December 04, 2022.
- Mr. Umesh Revankar, was re-designated as Executive – Vice Chairman of the Company for the remainder of his tenure i.e. up to October 25, 2024. His remuneration includes salary of Rs. 12,010,380/- contribution to Provident Fund and NPS is Rs. 1,049,806/- and Rs. 874,839/- respectively. His remuneration was restructured and revised vide ordinary resolution passed by the Shareholders on February 21, 2023 through postal ballot with effect from December 05, 2022
- Mr. Y. S. Chakravarti held the office of Non-Executive Non-Independent director of the Company up to December 04, 2022 and hence he was not paid any sitting fee and commission in that capacity as per Remuneration policy of the Company. He held the office of Managing Director and Chief Executive Officer of erstwhile Shriram City Union Finance Limited (SCUF) (since amalgamated with the Company) till dissolution of SCUF as per the Composite Scheme of Arrangement and Amalgamation (Scheme) sanctioned by the Hon'ble National Company Law Tribunal, Chennai. The Board of Directors of the Company appointed him as Managing Director & CEO of the Company for a period of 3 years with effect from December 05, 2022 to December 04, 2025 (both days inclusive) and the same was approved by the shareholders of the Company through Post Ballot on February 21, 2023. Out of the total remuneration of Rs. 9,225,208/-, mentioned above, he drew remuneration includes salary of Rs. 5,531,852/-, contribution to Provident Fund is Rs.464,736/- and NPS is Rs. 387,280/- respectively from erstwhile SCUF and the balance remuneration of Rs. 2,503,176/-, contribution to Provident Fund is Rs. 239,754/- and NPS is Rs. 98,410/- respectively was paid by the Company.
- Mr.Parag Sharma is Whole-time Director designated as Joint Managing Director and Chief Financial Officer of the Company. His remuneration was restructured and revised vide ordinary resolution passed by the Shareholders on February 21, 2023 through postal ballot. His remuneration includes salary of Rs. 79,89,185/-, contribution to Provident Fund and NPS is Rs. 5,04,000/- and Rs. 4,20,000/- respectively
- As per Remuneration Policy, no remuneration, sitting fee and commission was paid to Non-Executive Non-Independent Directors.

Refer Remuneration Policy uploaded on the Company's website <https://tinyurl.com/nhdn75ne>

For further details kindly refer paragraph titled 'Composition of Board' forming part of this report.



STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee is constituted in line with the provisions of Section 178 (5) of the Companies Act, 2013 and Regulation 20 of Listing Regulations.

Terms of reference

The Committee is responsible for assisting the Board of Directors in the Board's overall responsibilities relating to attending and redressal of the grievances of the security holders of the Company.

The Committee in particular looks into:

- To oversee and reviews redressal of shareholder and investor grievances, on matters relating to transfer / transmission of securities, non-receipt of annual report, non-receipt of declared dividends/interests.
- To issue duplicate share/debenture certificate(s) reported lost, defaced or destroyed as per the laid down procedure and to resolve the grievances of security holders of the Company.
- Attending to complaints of security holders routed by SEBI (SCORES)/Stock Exchanges/RBI or any other Regulatory Authorities.
- Taking decision on waiver of requirement of obtaining the Succession Certificate/Probate of Will on case to case basis within the parameters set out by the Board of Directors.
- To monitor transfer of the amounts/shares transferable to Investor Education and Protection Fund.
- To list the securities of the Company on Stock Exchanges.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports / statutory notices by the shareholder of the Company.
- Any other matters that can facilitate better investor services and relations.

During the year, the Committee met two times on April 19, 2022 and October 19, 2022. The necessary quorum was present for the meetings.

Composition of Stakeholders Relationship Committee:

Name of the Member	Status	No. of Meetings Attended
Mr. Jugal Kishore Mohapatra (w.e.f. December 05, 2022)	Chairman	NA
Mr. Pradeep Kumar Panja	Member	2
Mr. Umesh Revankar	Member	2
Mr. Y. S. Chakravarti (w.e.f. December 05, 2022)	Member	NA
Mr. S. Lakshminarayanan (resigned w.e.f. December 05, 2022)	Chairman	2
Mrs. Kishori Udeshi (resigned w.e.f. December 05, 2022)	Member	2

Mr. U Balasundararao, Company Secretary also acts as the Compliance Officer of the Company.

The status of security holders grievances is monitored by the Committee periodically and the minutes of the Committee are made available to the Board.

Security Holders Complaints:

Particulars	No. of Complaints	
	Equity Shares	Non-Convertible Debentures
Complaints pending as on April 01, 2022	Nil	Nil
Complaints received during the period April 01, 2022 to March 31, 2023.	7	1
Complaints identified and reported under Regulation 13(3) of Listing Regulations.	7	1
Complaints disposed of during the year ended March 31, 2023.	7	1
Complaints unresolved as of March 31, 2023.	Nil	Nil

All the complaints received from investors were attended within 30 days of receipt of the complaint. Continuous efforts are made to ensure that grievances are more expeditiously redressed. SEBI Complaints Redress System (SCORES) SEBI administers a centralised web-based complaints redress system (SCORES). It enables investors to lodge and follow up complaints and track the status of online redressal. All the activities starting from lodging of a complaint till its disposal are carried online in an automated environment and the status of every complaint can be viewed online at any time. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status. The



Company has registered itself on SCORES and endeavours to resolve all investor complaints received through SCORES within the stipulated period of receipt of the complaint.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility (CSR) Committee has been constituted in line with the provisions of Section 135 of the Act and the rules made thereunder. The committee also monitors implementation of Business Responsibility Policy of the Company.

Terms of reference

The terms of reference of the CSR Committee broadly comprises of:

- 1) Formulating and recommending to the Board of Directors the CSR Policy and monitoring the same from time to time.
- 2) The Committee will review and evaluate the sustainability agenda, suggest modifications, discuss and recommend action plan to take the CSR activities forward.
- 3) The Committee will monitor the amount spend on CSR activities by the Company as well as ensure that the Company spends atleast the minimum sum as may be prescribed from time to time pursuant to the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014 or such higher sum as may be decided by the Board of Directors of the Company. The CSR projects of the erstwhile Shriram City Union Finance Limited and Shriram Capital Limited , Transferor Companies, amalgamated with the Company upon the Composite Scheme of Arrangement and Amalgamation coming into effect were monitored by the Committee. For details, please refer to the Corporate Social Responsibility Report forming part of the Annual Report.

During the year under review, the Committee met two times on April 28, 2022, and December 24, 2022. The necessary quorum was present for all the meetings.

Composition of Corporate Social Responsibility Committee:

Name of the Member	Status	No. of Meetings Attended
Mr. Umesh Revankar	Chairman	2
Mr. Pradeep Kumar Panja	Member	2
Mr. Y. S. Chakravarti (w.e.f. December 05, 2022)	Member	1
Mr. S. Lakshminarayanan (resigned w.e.f. December 05, 2022)	Member	1

RISK MANAGEMENT COMMITTEE

The Risk Management Committee has been constituted in line with the Regulation 21 of Listing Regulations as amended.

The terms of reference of the Risk Management Committee shall be as follows:

- 1) Reviewing Risk Management Policy.
- 2) Approval of Risk Management Plan, implementing and monitoring the Risk Management Plan.
- 3) Roll out and implementation of the Risk Management System.
- 4) Such other matters as may be delegated by Board from time to time.

During the year under review, the Committee met two times on September 01, 2022 and February 24, 2023. The necessary quorum was present for all the meetings.

Composition of Risk Management Committee:

Name of the Member	Status	No. of Meetings Attended
Mr. Umesh Revankar	Chairman	2
Mr. S. Sridhar	Member	2
Mr. D. V. Ravi (ceased to be Member w.e.f. December 05, 2022)	Member	1
Mr. S. Sunder	Member	1
Mr. Y. S. Chakravarti (w.e.f. December 05, 2022)	Member	1
Mr. Hardeep Singh (w.e.f. December 05, 2022)	Member	1

Pursuant to Reserve Bank of India Circular No.DNBR(PD) CC.No.099/03.10.001/2018-19 dated May 16,2019 the Company had appointed Mr.Hardeep Singh as Chief Risk Officer (CRO) for a period of upto 5 years in order to carry out all functions and discharge all responsibilities as per the terms of the aforesaid RBI circular.

ASSET LIABILITY MANAGEMENT COMMITTEE

Terms of reference

The terms of reference of Asset Liability Management Committee (ALM) are as follows:

The ALM Committee is responsible for assisting the Board of Directors in Balance Sheet planning from risk-return perspective including the strategic management of interest and liquidity risk. Its function includes –

1. Liquidity risk management.
2. Management of market risks.
3. Funding and capital planning.



4. Profit planning and growth projection.
5. Forecasting and analysing future business, environment and preparation of contingency plans.

During the year under review, the Committee met four times on April 28, 2022, July 28, 2022, October 20, 2022 and January 31, 2023. The necessary quorum was present for all the meetings.

Composition of Asset Liability Management Committee:

Name of the Member	Status	No. of Meetings Attended
Mr. Y. S. Chakravarti (w.e.f. December 05, 2022)	Chairman	1
Mr. Parag Sharma	Member	4
Mr. Hardeep Singh	Member	4
Mr. S Sridhar (w.e.f. December 05, 2022)	Member	1
Mr. Umesh Revankar (w.e.f. December 05, 2022)	Member	4
Mr. S. Lakshminarayanan (resigned w.e.f. December 05, 2022)	Member	3
Mrs. Kishori Udeshi (resigned w.e.f. December 05, 2022)	Member	3

BANKING AND FINANCE COMMITTEE

The Banking and Finance Committee has been formed to monitor resource mobilisation and to ensure efficient and timely decisions on the matters relating to Banking and Finance activities of our Company.

Terms of reference

The terms of reference of the Banking and Finance Committee comprises of:

1. Opening, operating and closing of Bank Accounts;
2. Issuance of Non-Convertible Debentures/Subordinated Debentures on Private Placement basis;
3. Issuance of Commercial Paper;
4. Borrowing of money from Bank, Financial Institutions and Corporates etc. and providing Bank Guarantee; within the permissible limit either by way of short term loan or long term loan by whatever name called i.e. term loan, working capital loan, cash credit. Working capital demand loan, over draft, commercial papers, External Commercial Borrowings (ECB) securities and assignment or securitization of any assets of the Company to any bank or institution within permissible limits and to do activities thereof with respect to such borrowings including creation of security on assets, registration of charges and execution of any agreements or deeds with banks, financial institution and corporates etc.

5. Securitization of receivables by way of sell down through PTC/ Direct Assignment;
6. Availing and giving Inter Corporate Deposit;
7. Availing Foreign Currency Term Loan, FCNR (B);
8. Investment of Surplus funds in Fixed Deposit for Short Term/ Mutual Funds etc., Invest, deposit or otherwise the funds of the Company in any form with banks/ mutual funds, any funds, any institutions, Companies or any bodies, and transfer/ change/ modify/ encash/ liquidate any or all of these.
9. Monitoring asset coverage of the loan and issuance of NOC and release of security;
10. Giving confirmation to Bank in respect of loans availed by signing Acknowledgement of Debt;
11. Applying for any license/affiliation for business purpose
12. Entering into Service Provider Agreement for Electronic Toll collection program;
13. Authorizing official of the Company to appear on behalf of the Company before various regulatory and law enforcing authorities/government department/local administration or authority/market intermediaries under applicable laws, rules and regulations and submitting documents undertaking, affidavits, papers etc. ;
14. Authorizing officials of the Company to sign various agreements in connection with purchase/sale/ registration of property etc;
15. Fixing Record Date for payment of monthly, half yearly and annual Interest and redemption of Debentures/Bonds/ Notes;
16. Revision in Terms and Conditions including interest rates of Fixed Deposit / Recurring Deposit Scheme.
17. Availing 'Corporate Internet Banking', Payment & Collection Services, online viewing facility, E-commerce –payment gateway Merchant Account from Banks;
18. Authorizing to procurement of Digital Signature Certificates from e Mudhra Limited/NSEIT Limited;
19. Authorizing to creation of the Login ID with CERSAI (Central Registry of Securitization Asset Reconstruction and Security Interest of India);
20. To Give approval/authorization for the matters required for day to day management of the affairs of the Company.
21. To borrow for the purpose of the business of Company from time to time on such terms and conditions as the Committee may deem fit
22. To take all steps and exercise power to issue the notes/ bonds and to implement the same



23. To approve the buy-back of Non-Convertible Debentures.
24. Enter into derivative transactions & execute the required documents thereof.
25. To issue, allot, finalise and decide all matters with respect to External Commercial Borrowings, Global Medium Term Note (“GMTN”) Programme, issuance of the Notes including but not limited to appointment of various agencies related thereto including, lead manager(s), paying agent(s), Trustee(s), fiscal agent(s), printer(s), auditor(s), registrar(s), transfer agent(s), calculation agent(s), listing agent(s), process agent(s), advertisement agent(s), legal counsel(s)/adviser(s) various aspects of the Notes and structure thereof including currency, price, tenor, duration, maturity creation, registration and satisfaction as well as perfection of charges or security/ collateral, applying to/ filing with and obtaining necessary approvals from various authorities in India or outside India seek ratings from ratings agencies, the Final Offering Circular, supplemental/ addendum Offering Circular, and related documentation
26. Appointment of valuers under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 and others, if any.

The Committee meets regularly to discharge its functions. During the year under review, the Committee met 102 times. The necessary quorum was present for all the meetings.

Composition of Banking and Finance Committee:

Name of the Member	Status	No. of Meetings Attended
Mr. Y. S. Chakravarti (w.e.f. December 05, 2022)	Chairman	39
Mr. Parag Sharma	Member	102
Mr. S. Sunder	Member	102
Mr. Umesh Revankar (w.e.f. December 05, 2022)	Member	83

IT STRATEGY COMMITTEE

Terms of reference

The terms of reference of the IT Strategy Committee shall include:

1. Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;
2. Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
3. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;

4. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
5. Ensuring proper balance of IT investments for sustaining NBFC’s growth and becoming aware about exposure towards IT risks and controls,
6. Any other role and responsibility as per the directions of RBI issued from time to time.

During the year under review, the Committee met two times on June 01, 2022 and November 25, 2022. The necessary quorum was present for the meeting.

Composition of IT Strategy Committee:

Name of the Member	Status	No. of Meetings Attended
Mr. S. Sridhar	Chairman	2
Mr. Umesh Revankar	Member	1
Mr. Gayadhar Behera	Member	2
Mr. U Balasundararao (ceased to be Member w.e.f. December 05, 2022)	Member	2
Mr. Prashant Deshpande	Member	2
Mr. Y. S Chakravarti (w.e.f. December 05, 2022)	Member	NA
Mr. S. Varadachary (w.e.f. December 05, 2022)	Member	NA

ENVIRONMENTAL AND SOCIAL GOVERNANCE COMMITTEE (ESG)

Terms of reference

The terms of Reference of the ESG Committee comprises of:

1. Recommending to the Board the Company’s overall general strategy with respect to ESG Matters.
2. Overseeing the Company’s policies, practices and performance with respect to ESG matters and Social Finance Framework.
3. Overseeing the Company’s reporting standards in relation to ESG matters and Social Finance Framework.
4. Approval of ESG Report.
5. Delegating authority to the Managing Director and or Chief Financial Officer or other authorised officers to do any acts, deeds, matters and things as may be necessary.

During the year under review, the Committee met two times on April 19, 2022 and March 31, 2023.



The necessary quorum was present for the meeting.

Composition of Environmental and Social Governance Committee:

Name of the Member	Status	No. of Meetings Attended
Mr. Jugal Kishore Mohapatra (w.e.f. December 05, 2022)	Chairman	1
Mr. Umesh Revankar	Member	2
Mr. Parag Sharma	Member	2
Mr. S. Sunder	Member	1

Name of the Member	Status	No. of Meetings Attended
Mrs. Maya Sinha (w.e.f. December 05, 2022)	Member	1
Mr. Y. S Chakravarti (w.e.f. December 05, 2022)	Member	1
Mr. S. Lakshminarayanan (resigned w.e.f. December 05, 2022)	Chairman	1
Mrs. Kishori Udeshi (resigned w.e.f. December 05, 2022)	Member	1

GENERAL BODY MEETING

(i) Annual General Meeting (AGM):

Details of the last three Annual General Meetings (AGM) and Special Resolutions passed thereat are given below:

Year	AGM	Location	Date & Time	Details of Special Resolutions passed
FY 2019-20	41st AGM	The Company conducted the AGM through video conferencing (VC) / other audio visual means (OAVM) pursuant to the MCA circular.	August 19, 2020 at 3.30 P.M	(i) To enhance the limit to sell/ assign/ securitise receivables, (ii) To approve conversion of loan into equity or other capital of the Company in case of Event of Default and (iii) To authorise capital raising through issuance of Equity Shares and/or other Eligible Securities.
FY 2020-21	42nd AGM	The Company conducted the AGM through video conferencing (VC) / other audio visual means (OAVM) pursuant to the MCA circular.	June 24, 2021 at 2.00 P.M	(i) To renew authorisation for raising capital through issuance of Equity Shares and/or other Eligible Securities with an enhanced limit upto Rs.4,000 crores
FY 2021-22	43rd AGM	The Company conducted the AGM through video conferencing (VC) / other audio visual means (OAVM) pursuant to the MCA circular.	June 23, 2022 at 2.00 P.M	No Special Resolution was passed

(ii) The Hon'ble National Company Law Tribunal Court Convened Meeting:

As per the directions of the Hon'ble National Company Law Tribunal, Special Bench II at Chennai ('NCLT'), by its Order dated May 11, 2022, a meeting of the Equity Shareholders, Secured and Unsecured Creditors of the Company were convened on July 04, 2022, to consider and approve the Scheme of Arrangement and Amalgamation by way of the resolution as set out in the Notice dated May 27, 2022 in the matter of the Composite Scheme of Arrangement and Amalgamation between Shrilekha Business Consultancy Private Limited and Shriram Financial Ventures (Chennai) Private Limited and Shriram Capital Limited and Shriram Transport Finance Company Limited and Shriram City Union Finance Limited and Shriram LI Holdings Private Limited and Shriram GI Holdings Private Limited and Shriram Investment Holdings Limited and their respective Shareholders (Scheme). The NCLT had appointed Mr.P.Sriram, Practising Company Secretary (Membership No.FCS4862) of P.Sriram & Associates, Chennai as a scrutiniser of the meeting to conduct the voting process through remote



e-voting and voting during the meeting in a fair and transparent manner. The Company appointed Central Depository Services (India) Limited for the purpose of providing the video conferencing facility, remote e-voting facility prior to the meeting, and e-voting during the meeting. The remote e-voting commenced from Friday, July 01, 2022 (9.00 am IST) and ended on Sunday, July 03, 2022 (5.00pm IST). The Company filed the voting results and scrutiniser report with the BSE Limited and National Stock Exchange of India Limited on July 06, 2022.

1. Voting results of Equity shareholders:

Particulars	Voted in the favour of the resolution		Voted against the resolution		Votes invalid		Total
	Through Remote e-Voting	Through Voting at the Meeting	Through Remote e-Voting	Through Voting at the Meeting	Through Remote e-Voting	Through Voting at the Meeting	
Number of Members voted	848	7	24	-	-	-	879
Number of votes cast by Members	23,30,58,531	10,084	45,34,183	--	-	-	23,76,02,798
% of total number of valid votes cast	98.09%	0.004%	1.91%	--	-	-	100%

The resolution was passed with requisite majority.

2. Voting results of Secured Creditors:

Particulars	Voted in the favour of the resolution		Voted against the resolution		Votes invalid		Total
	Through Remote e-Voting	Through Voting at the Meeting	Through Remote e-Voting	Through Voting at the Meeting	Through Remote e-Voting	Through Voting at the Meeting	
Number of Secured Creditors voted	185	11	9	-	-	-	205
Number of votes cast by Secured Creditors	4,29,90,20,67,746	72,92,33,19,588	85,52,386	-	-	-	5,02,83,39,39,720
% of total number of valid votes cast	85.49%	14.5%	0.01%	-	-	-	100%

The resolution was passed with requisite majority.



3. Voting results of Unsecured Creditors:

Particulars	Voted in the favour of the resolution		Voted against the resolution		Votes invalid		Total
	Through Remote e-Voting	Through Voting at the Meeting	Through Remote e-Voting	Through Voting at the Meeting	Through Remote e-Voting	Through Voting at the Meeting	
Number of Unsecured Creditors voted	876	89	35	-	-	-	990
Number of votes cast by Unsecured Creditors	6,79,78,08,326	4,74,96,73,941	2,09,62,439	-	-	-	11,56,84,44,706
% of total number of valid votes cast	58.76%	41.06%	0.18%	-	-	-	100%

The resolution was passed with requisite majority.

(iii) Postal Ballot

- Pursuant to the special resolution passed by shareholders with requisite majority on February 21, 2023 through postal ballot notice dated December 24, 2022 for : Appointment of Mr. Jugal Kishore Mohapatra (DIN 03190289) as an Independent Director of the Company, Appointment of Mrs. Maya S. Sinha (DIN 03056226) as an Independent Director of the Company, Enhancement of limits of creation of security by the Board in connection with borrowing and Renewal of limit to issue debentures on private placement basis by the Board.

The Board of Directors on December 24, 2022 had appointed Mr. P. Sriram (Membership No. FCS 4862), Practising Company Secretary (PCS No. 3310) or failing him Ms. Nithya Pasupathy (Membership No. FCS 10601), Practising Company Secretary (PCS No. 22562) of SPNP & Associates, Chennai as the Scrutiniser to Scrutinise the remote e-voting / Postal ballot process in a fair and transparent manner for conducting process of remote e-voting in accordance with the provisions of the Act read with Rules and the MCA Circulars.

The details of voting pattern of the Special Resolutions passed through Postal Ballot are as follows –

1. Appointment of Mr. Jugal Kishore Mohapatra (DIN 03190289) as an Independent Director of the Company

Particulars	Total No. of Valid Votes	Votes Assenting the Resolution	% of Votes Cast	Votes Dissenting the Resolution	% of Votes Cast
Votes cast through Electronic Mode	330533593	329220423	99.60	1313170	0.39
Votes cast through Physical Mode	0	0	0	0	0
Total	330533593	329220423	99.60	1313170	0.39

The resolution was passed with requisite majority.

2. Appointment of Mrs. Maya S. Sinha (DIN 03056226) as an Independent Director of the Company.

Particulars	Total No. of Valid Votes	Votes Assenting the Resolution	% of Votes Cast	Votes Dissenting the Resolution	% of Votes Cast
Votes cast through Electronic Mode	330533643	329540671	99.69	992972	0.30
Votes cast through Physical Mode	0	0	0	0	0
Total	330533643	329540671	99.69	992972	0.30

The resolution was passed with requisite majority.



3. Enhancement of limits of creation of security by the Board in connection with borrowing

Particulars	Total No. of Valid Votes	Votes Assenting the Resolution	% of Votes Cast	Votes Dissenting the Resolution	% of Votes Cast
Votes cast through Electronic Mode	330535406	324654723	98.22	5880683	1.77
Votes cast through Physical Mode	0	0	0	0	0
Total	330535406	324654723	98.22	5880683	1.77

The resolution was passed with requisite majority.

4. Renewal of limit to issue debentures on private placement basis by the Board

Particulars	Total No. of Valid Votes	Votes Assenting the Resolution	% of Votes Cast	Votes Dissenting the Resolution	% of Votes Cast
Votes cast through Electronic Mode	330535437	327112489	98.96	3422948	1.03
Votes cast through Physical Mode	0	0	0	0	0
Total	330535437	327112489	98.96	3422948	1.03

The resolution was passed with requisite majority.

The procedure for Postal Ballot /electronic voting (e-voting) for aforesaid special resolutions was mentioned in the said Postal Ballot Notice.

SHARE CAPITAL AUDIT

The Share Capital Audit as required under Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018, read with SEBI Circular No. CIR/MRD/DP/30/2010 Dated 6 September 2010, a Qualified Practicing Company Secretary carries out Capital Audit to reconcile the total admitted equity capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity capital. This audit is carried out every quarter and the reconciliation of share capital audit report thereon is submitted to the Stock Exchanges and to the Board of Directors.

CERTIFICATION BY MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER AND JOINT MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER

In terms of Listing Regulations, the certification by the Managing Director & Chief Executive Officer and the Joint Managing Director & Chief Financial Officer is annexed to this Annual Report.

MEANS OF COMMUNICATION

The Company utilizes various means of communications to keep its shareholders and stakeholders informed of its financial performance, events and updates. The Board recognises the importance of two-way communication with shareholders and giving a report of results and progress and responding to questions and issues raised in a timely and consistent manner. The Company follows a robust process of communicating with its investors the Audited financial results, the quarterly results and half yearly results of the Company are published in English (Financial Express) and Tamil newspaper (Makkal Kural). In addition to this all quarterly results are emailed to shareholders/fixed deposit holders and debenture holders whose email addresses are registered with the Company/ RTA. Press release is also given in the leading newspapers upto date financial results, press releases, quarterly investor updates/ presentations made to institutional investors, investors/ earning conference calls or to the analysts, official news releases and other general information about the Company are also available on the Company's website <https://tinyurl.com/mwm7aawa>

The aforesaid financial results are disseminated to the Stock Exchanges within thirty minutes from the close of the Board meetings at which these are considered and approved. Shareholders have been provided with an opportunity to provide their email id for receiving correspondence and annual report in electronic form. The annual report and quarterly financial results have been sent in electronic form to shareholders and debenture holders who have registered their email ids. Our Company does online filing with National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) through web based application: NEAPS (NSE Electronic Application Processing System), Digital Exchange and BSE Listing Centre.



The Company discloses to the Stock Exchanges, all information required to be disclosed under Regulation 30 read with Part A of Schedule III of the Listing Regulations including material information having a bearing on the performance / operations of the Company or other price sensitive information.

The Company sends reminders to its shareholders to claim their unclaimed dividend and also to update their Permanent Account Number (PAN), Bank account details, signatures, nomination or other important details that may affect their shareholdings. Shareholders can claim back their shares and unclaimed dividends transferred to the Investor Education Protection Fund (IEPF) by following the prescribed procedure under the IEPF Rules. The shareholder/claimant must make an online application to the IEPF Authority in e-Form No. IEPF-5 (available at www.iepf.gov.in) and submit the necessary documents to the Company/RTA.

The Board of Directors has approved a policy for determining materiality of events and a team comprising of Senior Managerial Personnel for the purpose of determining materiality of an event or information and making disclosures to Stock Exchanges. For details, please refer the link : <https://tinyurl.com/ye5dfrcv> and <https://tinyurl.com/3ec45m6a>

GENERAL SHAREHOLDER INFORMATION

44TH Annual General Meeting (44th AGM)

Particulars	As on March 31, 2023
a. Day and Date	Friday, June 23, 2023
b. Time	2.00 PM (IST)
c. Venue	The Company is conducting meeting through video conferencing (VC)/other audio visual means(OAVM)pursuant to the MCA circular. For details please refer to the Notice of 44th AGM.
d. Financial Year	FY 2022-23
e. Dividend Payment Date	The Board of Directors had declared Interim dividend for the Financial Year 2022-23 of Rs.15/- per equity share of Rs.10/- each fully paid-up (150%) at its meeting held on December 24, 2022. The same is already paid to the eligible members on January 13, 2023 after deducting tax at source at applicable rates. The Board of Directors have recommended a final dividend of Rs.20/- per equity share of face value of Rs.10/- each fully paid up (i.e.200%)for Financial Year ended March 31,2023 subject to shareholders approval at the upcoming 44 th AGM to be paid on or before July 22, 2023, subject to deduction of tax at source as per the applicable rates to the eligible shareholders
f. The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s)	BSE Limited P J Towers, Dalal Street, Mumbai – 400 001. National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot no. C/1, G Block, Bandra- Kurla Complex, Bandra (East), Mumbai – 400 051 The Company has paid the annual listing and custodian fees for the financial year 2023 – 2024 to the Stock Exchanges and Depositories.
g. Stock Code	
BSE Limited	511218
National Stock Exchange of India Limited	SHRIRAMFIN
Singapore Exchange Securities Trading Limited	Masala Bonds - XS1789364418 (Regulation S)
NSE IFSC Limited	Social Bonds - US825547AC63 (Rule 144A), USY7758EEF44 (Regulation S), US825547AD47 (Rule 144A), USY7758EEG27 (Regulation S), US825547AE20 (Rule 144A), USY7758EEH00 (Regulation S)
India International Exchange (IFSC) Limited	
India International Exchange (IFSC) Limited	Social Bonds - XS2606114457 (Regulation S)
Demat ISIN in NSDL & CDSL	INE721A01013



The Company's Non-Convertible Debentures (NCDs) offered for subscription to public under the Shelf Prospectus dated June 22, 2018 in tranches vide Tranche I Prospectus dated June 25, 2018, Tranche II Prospectus dated October 08, 2018 Tranche III Prospectus dated December 27, 2018, Shelf Prospectus dated July 09, 2019 & Tranche I Prospectus dated July 12, 2019 and Tranche II Prospectus dated December 26, 2019 are listed on National Stock Exchange of India Limited and BSE Limited. The erstwhile Shriram City Union Finance Limited Non-Convertible Debentures (NCDs) offered for subscription to public under the Tranche I Prospectus dated March 27, 2019 and Tranche 2 Prospectus dated August 16, 2019 are listed on BSE Limited. The ISIN details of these NCDs are as under:

Security Description	ISIN	Codes in Stock Exchanges	Coupon (%) p.a.	Coupon Duration and Interest Payable	Date of Allotment	Maturity Dates
NCD 8 - Tranche 1 (June 2018)						
Secured NCDs (Series I)	INE721A07NT3	BSE - 936228 NSE - YH	(**) (AI##) 8.93% p. a.	MONTHLY	June 12, 2018	June 12, 2023
Secured NCDs (Series II)	INE721A07NU1	BSE - 936230 NSE - YI	(**) (AI##) 9.03% p. a.	MONTHLY	June 12, 2018	June 12, 2028
Secured NCDs (Series IV)	INE721A07NW7	BSE - 936234 NSE - YK	(**) (AI##) 9.30% p. a.	ANNUAL	June 12, 2018	June 12, 2023
Secured NCDs (Series V)	INE721A07NX5	BSE - 936236 NSE - YL	(**) (AI##) 9.40% p. a.	ANNUAL	June 12, 2018	June 12, 2028
Secured NCDs (Series VII)	INE721A07NZ0	BSE - 936240 NSE - YN	NA Cumulative	(*@##)	June 12, 2018	June 12, 2023
NCD 8 - Tranche 2 (October 2018)						
Secured NCDs (Series I)	INE721A07OB9	BSE - 936324 NSE - YO	(**) 9.12% p. a.	MONTHLY	November 02, 2018	November 02, 2023
Secured NCDs (Series II)	INE721A07OC7	BSE - 936326 NSE - YP	(**) 9.30% p. a.	MONTHLY	November 02, 2018	November 02, 2028
Secured NCDs (Series IV)	INE721A07OE3	BSE - 936330 NSE - YR	(**) 9.50% p. a.	ANNUAL	November 02, 2018	November 02, 2023
Secured NCDs (Series V)	INE721A07OF0	BSE - 936332 NSE - YS	(**) 9.70% p. a.	ANNUAL	November 02, 2018	November 02, 2028
Secured NCDs (Series VII)	INE721A07OH6	BSE - 936336 NSE - YU	NA Cumulative	(RM##) (SC****)	November 02, 2018	November 02, 2023
NCD 8 - Tranche 3 (December 2018)						
Secured NCDs (Series I)	INE721A07OM6	BSE - 936452 NSE - YV	(**) (AI##) 9.12% p.a.	MONTHLY	February 06, 2019	February 06, 2024
Secured NCDs (Series II)	INE721A07ON4	BSE - 936454 NSE - YW	(**) (AI##) 9.30% p.a.	MONTHLY	February 06, 2019	February 06, 2029
Secured NCDs (Series IV)	INE721A07OP9	BSE - 936458 NSE - YY	(**) (AI##) 9.50% p. a.	ANNUAL	February 06, 2019	February 06, 2024
Secured NCDs (Series V)	INE721A07OQ7	BSE - 936460 NSE - YZ	(**) (AI##) 9.70% p. a.	ANNUAL	February 06, 2019	February 06, 2029
Secured NCDs (Series VII)	INE721A07OS3	BSE - 936464 NSE - Z2	NA Cumulative	(RM##) (SC****)	February 06, 2019	February 06, 2024
NCD 9 - Tranche 1 (July 2019)						
Secured NCDs (Series II)	INE721A07OZ8	BSE - 936782 NSE - Z4	(**) (AI##) 9.22% p.a.	MONTHLY	August 22, 2019	August 22, 2024
Secured NCDs (Series III)	INE721A07PA8	BSE - 936784 NSE - Z5	(**) (AI##) 9.31% p.a.	MONTHLY	August 22, 2019	August 22, 2026
Secured NCDs (Series VI)	INE721A07PD2	BSE - 936790 NSE - Z8	(**) (AI##) 9.60% p.a.	ANNUAL	August 22, 2019	August 22, 2024

Security Description	ISIN	Codes in Stock Exchanges	Coupon (%) p.a.	Coupon Duration and Interest Payable	Date of Allotment	Maturity Dates
Secured NCDs (Series VII)	INE721A07PE0	BSE - 936792 NSE - Z9	(**) 9.70% p.a.	ANNUAL	August 22, 2019	August 22, 2026
Secured NCDs (Series IX)	INE721A07PG5	BSE - 936796 NSE - ZB	NA Cumulative	(RM%) (SC%)	August 22, 2019	August 22, 2024
Secured NCDs (Series X)	INE721A07PH3	BSE - 936798 NSE - ZC	NA Cumulative	(RM%) (SC%)	August 22, 2019	August 22, 2026
NCD 9 - Tranche 2 (December 2019)						
Secured NCDs (Series II)	INE721A07PJ9	BSE - 937063 NSE - ZE	(**) 8.66% p.a.	MONTHLY	January 28, 2020	January 28, 2025
Secured NCDs (Series III)	INE721A07PK7	BSE - 937065 NSE - ZF	(**) 8.75% p.a.	MONTHLY	January 28, 2020	January 28, 2027
Secured NCDs (Series V)	INE721A07PM3	BSE - 937069 NSE - ZH	(**) 9.00% p.a.	ANNUAL	January 28, 2020	January 28, 2025
Secured NCDs (Series VI)	INE721A07PN1	BSE - 937071 NSE - ZI	(**) 9.10% p.a.	ANNUAL	January 28, 2020	January 28, 2027
Secured NCDs (Series VIII)	INE721A07PP6	BSE - 937075 NSE - ZK	NA Cumulative	(RM%%) (SC%%)	January 28, 2020	January 28, 2025

ERSTWHILE SHRIRAM CITY UNION FINANCE LIMITED

Security Description	ISIN	Codes in Stock Exchanges	Coupon (%) p.a.	Coupon Duration and Interest Payable	Date of Allotment	Maturity Dates
NCD 2019 - Tranche 1						
Secured NCDs (Series VI)	INE722A07935	BSE - 936602	9.75%	Annual	April 30, 2019	April 30, 2024
Secured NCDs (Series VII)	INE722A07943	BSE - 936604	9.35%	Monthly	April 30, 2019	April 30, 2024
Secured NCDs (Series VIII)	INE722A07950	BSE - 936606	NA Cumulative	(RM%%%)	April 30, 2019	April 30, 2024
NCD 2019 - Tranche 2						
Secured NCDs (Series VI)	INE722A07AB6	BSE - 936882	9.85%	Annual	September 25, 2019	September 25, 2024
Secured NCDs (Series VII)	INE722A07AC4	BSE - 936884	9.45%	Monthly	September 25, 2019	September 25, 2024
Secured NCDs (Series VIII)	INE722A07AD2	BSE - 936886	NA Cumulative	(RM@%%)	September 25, 2019	September 25, 2024

Subject to applicable tax deducted at source, if any.

Note:

- (**) - Senior Citizens (only First Allottee) shall be entitled to an additional yield at the rate of 0.25 % per annum.
- (AI##) - Additional incentive of 0.10% available to Category III and IV investors provided the NCDs issued under the Tranche -1 Issue are continued to be held by such investors under Category III and Category IV on the relevant Record Date applicable for payment of coupon.
- (*@##)- For NCD Holders who fall under Category I and/or Category II on the record date the amount payable on redemption for NCDs will be Rs. 1,560.30 per NCD. For NCD holders who fall under Category III and/or Category IV on the record date the amount payable on redemption for NCDs will be Rs. 1567.45 per NCD.



4. (RM%) - The amount payable on redemption for NCDs under Series IX and Series X are Rs.1,582.25 per NCD and Rs. 1,912.80 per NCD respectively on the relevant Record Date for the relevant Redemption Payment date for Series IX and Series X.
5. (SC%) - The amount payable on redemption to such Senior Citizens for NCDs under Series IX and Series X are Rs. 1,600.40 per NCD and Rs. 1,943.55 per NCD respectively provided the NCDs issued under the NCD 9 Tranche 1 Issue are continued to be held by such investors under Category III and Category IV on the relevant Record Date for the relevant Redemption Date for Series IX and Series X.
6. (RM%%) - The amount payable on redemption for NCDs under Series VIII is Rs. 1,539.35 per NCD on the relevant Record Date for the relevant Redemption Payment date for Series VIII.
7. (SC%%) - The amount payable on redemption to such Senior Citizens for NCDs under Series VIII is Rs. 1,557.11 per NCD provided the NCDs issued under the NCD 9 Tranche 2 Issue are continued to be held by such investors under Category III and Category IV on the relevant Record Date for the relevant Redemption Date for the Series VIII.
8. (SC****) - The amount payable on redemption to such Senior Citizens for NCDs under Series VII is Rs. 1,592.70 per NCD provided the NCDs issued under the NCD 8 Tranche 2 & Tranche 3 are continued to be held by such investors under Category III and Category IV on the relevant Record Date for the relevant Redemption Payment date for Series VII.
9. (RM%%%) - The amount payable on redemption for NCDs under Series – VIII is Rs. 1593.15 per NCD on the relevant Record Date for the relevant Redemption Payment date for Series VIII.
10. (RM@%%) - The amount payable on redemption for NCDs under Series – VIII is Rs. 1600.40 per NCD on the relevant Record Date for the relevant Redemption Payment date for Series VIII.
11. (RM##) - The amount payable on redemption for NCDs under Series – VII is Rs. 1574.63 per NCD on the relevant Record Date for the relevant Redemption Payment date.

Wherever redemption payment due date falls on a nonworking day, then the Company will make the payment on the previous working day and wherever NCDs interest payment due date falls on a non-working day, then the Company will make the payment on the next working day.

RIGHTS EQUITY SHARES

As on March 31, 2023, there were 6 Eligible shareholders holding 914 Rights Shares allotted on August 06, 2020 who did not furnish the demat account details to the Registrars to the Issue / the Company. Hence, the said rights shares are lying in separate demat account “STFC Rights Allotment Demat Suspense Account” of the Company.

DIVIDEND DISTRIBUTION POLICY

The dividend distribution policy of the Company is enclosed. The same is also available on the website. For details click on the link for <https://tinyurl.com/5f4km2pm>



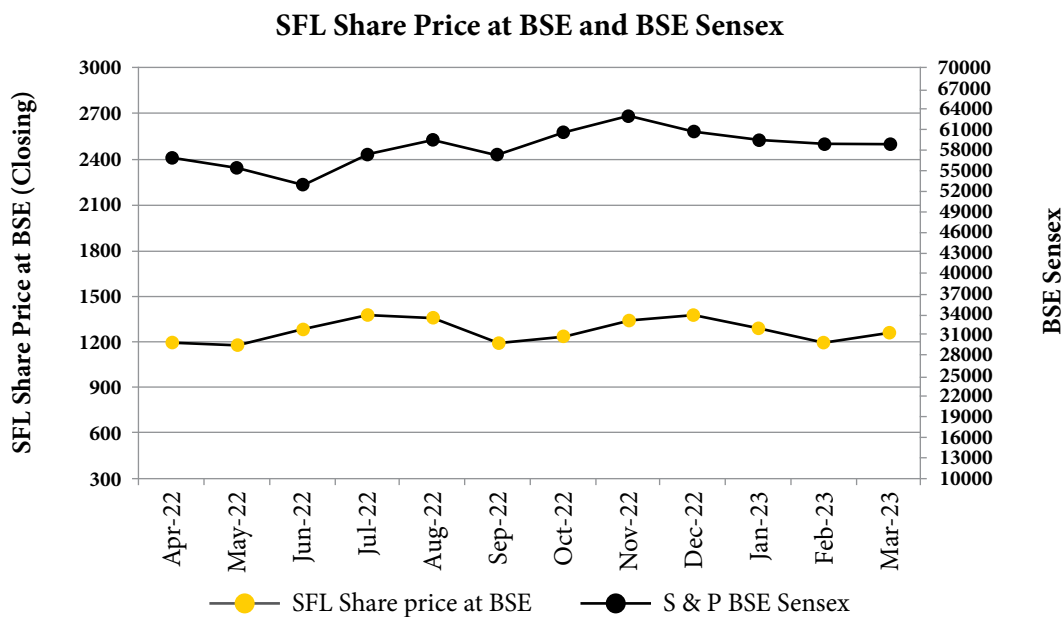
GENERAL SHAREHOLDER INFORMATION

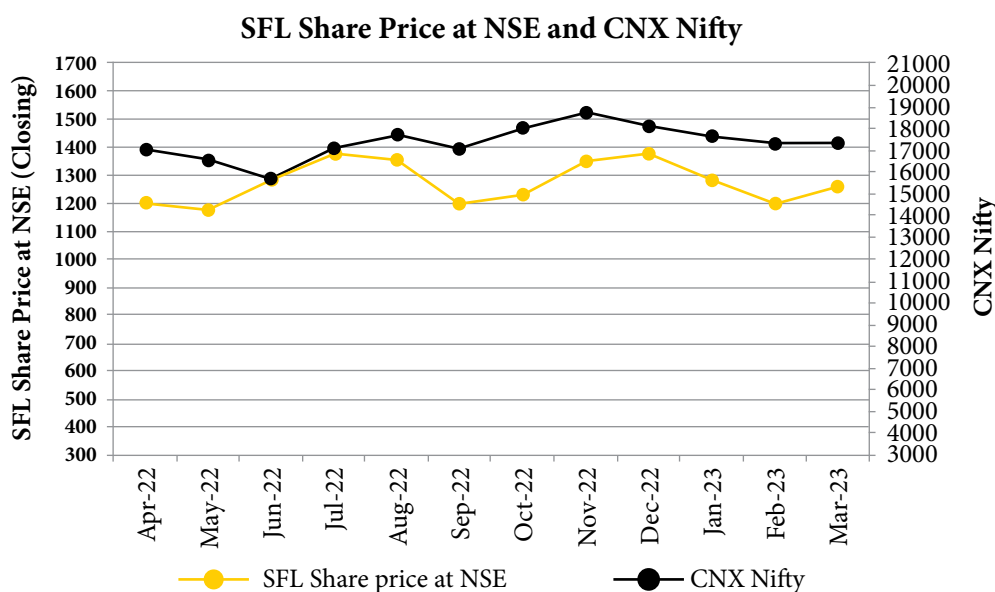
h. Stock Market

The high and low market price and volume of shares traded during each month of the financial year ended March 31, 2023 are given below:

Months	BSE Limited			National Stock Exchange of India Limited		
	Share Prices		Volume (No. of Shares)	Share Prices		Volume (No. of Shares)
	High (Rs.)	Low (Rs.)		High (Rs.)	Low (Rs.)	
April 2022	1238.95	1076.75	9,90,758	1239.00	1076.35	2,84,77,104
May 2022	1257.10	1058.50	16,45,418	1257.45	1064.00	2,85,94,057
June 2022	1297.25	1123.00	5,76,891	1297.20	1121.00	1,96,47,754
July 2022	1509.25	1234.25	8,03,322	1509.00	1233.70	1,99,35,553
August 2022	1425.00	1303.55	6,64,955	1425.30	1300.00	1,70,90,535
September 2022	1390.95	1155.05	7,63,638	1391.55	1146.00	1,85,91,579
October 2022	1283.95	1164.10	10,99,238	1283.85	1164.00	1,20,32,045
November 2022	1374.00	1199.40	5,76,855	1375.00	1200.00	2,54,76,913
December - 2022	1419.05	1268.10	5,90,658	1419.50	1268.00	2,25,43,959
January - 2023	1390.00	1228.00	82,81,263	1390.00	1227.40	1,12,76,278
February - 2023	1365.00	1190.00	3,65,482	1366.90	1190.00	1,19,23,620
March - 2023	1314.75	1194.00	39,72,615	1314.70	1193.00	2,32,38,499

SFL Share Price performance in comparison to BSE Sensex and S & P CNX Nifty





i. No equity shares were suspended from trading during the Financial Year 2022 - 23.

j. Registrar to an issue and Share Transfer Agents

The Registrar and Share Transfer Agents of the Company are:

Integrated Registry Management Services Private Limited

2nd Floor, Kences Towers, No. 1, Ramakrishna Street,

North Usman Road, T Nagar, Chennai - 600 017

Ph: 044 - 2814 0801 - 03 Fax no: 044 - 28142479

Email: csdstd@integratedindia.in Website :www.integratedindia.in

k. Trustees for Masala Bonds and Senior Secured Notes

(a) Note Trustee : The Hongkong and Shanghai Banking Corporation Limited, Level 30, 1 Queen's Road Central, Hong Kong and

(b) Security Trustee : Axis Trustee Services Limited, The Ruby, 2nd Floor, SW, 29 Senapati Bapat Marg, Dadar West, Mumbai - 400028.

l. Share Transfer System:

The Securities Transfer Committee meets as and when required to, inter alia consider issue of duplicate share certificates in lieu of original share certificates reported as lost/stolen/misplaced by the shareholders of the Company.

In terms of amended Regulation 40 of the SEBI Listing Regulations w.e.f. April 01, 2019, transfer of securities in physical form shall not be processed unless the securities are held in the demat mode with a Depository Participant. Further, SEBI has made it mandatory for listed companies to issue securities in demat mode only while processing any investor service requests viz. issue of duplicate share certificates, exchange/sub-division/ splitting/ consolidation of securities, transmission/ transposition of securities. Vide its Circular dated January 25, 2022, SEBI has clarified that listed entities/ RTAs shall now issue a Letter of Confirmation in lieu of the share certificate while processing any of the aforesaid investor service request.

m. Distribution of shareholding as on March 31, 2023

Sr. No	No. of Equity Shares	No of Shareholders	% of Shareholders	No of Shares held	% of Shareholding
1	1 - 500	95799	93.42	5465991	1.46
2	501 - 1000	3530	3.44	2568530	0.69
3	1001 - 2000	1474	1.44	2051214	0.55
4	2001 - 3000	420	0.41	1015285	0.27
5	3001 - 4000	188	0.18	654631	0.17
6	4001 - 5000	123	0.12	556753	0.15
7	5001 - 10000	228	0.22	1597796	0.43
8	10001 and above	787	0.77	360517076	96.28
	Total	1,02,549	100.00	37,44,27,276	100.00

n. Categories of shareholders as on March 31, 2023

Sr. No.	Category	Total	
		No. of Shares held	% of shareholding
1	Promoter and Promoter Group	9,55,16,276	25.51%
2	Foreign Portfolio Investors 1&2	17,64,73,235	47.13%
3	Insurance Company	2,06,66,534	5.52%
4	Mutual Fund	2,26,16,488	6.04%
5	Resident Indian	1,40,92,110	3.76%
6	IEPF	12,40,727	0.33%
7	Bank	2285	0.00%
8	Bodies Corporate	3,18,93,803	8.52%
9	Alternative investment fund	6,58,294	0.18%
10	N R I	4,66,872	0.12%
11	Clearing Member	1,56,089	0.04%
12	Trusts	2,77,187	0.07%
13	HUF	1,98,408	0.05%
14	FI-Others and Corporate body central	85	0.00%
15	Unclaimed securities suspense Account	1,87,528	0.05%
16	FII	12,734	0.00%
17	Limited liability partnership	11,780	0.00%
18	Foreign Direct Investment	99,18,348	2.65%
19	Foreign Portfolio Investors (IND-3)	519	0.00%
20	NBFC	37,060	0.01%
21	Rights Allotment Demat Suspense Account	914	0.00%
	Grand Total	37,44,27,276	100.00%

o. Dematerialisation of shares and liquidity

The Company's scrip forms part of the compulsory Demat segment for all investors effective from July 24, 2000. To facilitate the investors in having an easy access to the demat system, the Company has signed up with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The connectivity has been established through Integrated Registry Management Services Private Limited. As on March 31, 2023, the total of 37,25,74,775 equity shares constituting 99.51 % of the paid up capital, have been dematerialised.

- p.** The Company has not issued any outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments.
- q.** Commodity price risk or foreign exchange risk and hedging activities: Commodity price risk: Not Applicable. The Company has fully hedged its foreign exchange risks associated with External Commercial Borrowings through issue of senior secured notes / bonds in the offshore market under GMTN Programme and Loans through various derivatives/hedging products.

r. Locations

List of branches are mentioned in the "Our Reach" Section on page no. 13 in the Annual Report.

s. Address for correspondence & Registered Office:

Registered Office: Sri Towers, Plot No. 14A, South Phase, Industrial Estate, Guindy, Chennai – 600 032, Tamil Nadu. Phone: 91- 44- 48524666 Fax: +91 44 4852 5666.

Corporate Office: Wockhardt Towers, Level-3, West Wing, C-2, G-Block, Bandra- Kurla Complex, Bandra - (East), Mumbai - 400 051. Phone: 91-22 - 40959595, Fax: 91-22 - 40959597, Website: www.shriramfinance.in

Email ID for Investor Grievance:

The following email ID has been designated for communicating investors' grievances.

- For Equity Shares related queries/complaints: secretarial@shriramfinance.in
- For Public Issue of Non-Convertible Debentures 2018 Shelf and Tranche I Prospectus- related queries/complaints: sflncd8t1comp@shriramfinance.in
- For Public Issue of Non-Convertible Debentures 2018 Tranche II Prospectus - related queries/complaints: sflncd8t2comp@shriramfinance.in
- For Public Issue of Non-Convertible Debentures 2018 Tranche III Prospectus- related queries/complaints: sflncd8t3comp@shriramfinance.in
- For Public Issue of Non-Convertible Debentures 2019 Tranche I Prospectus- related queries/complaints: sflncd9t1comp@shriramfinance.in
- For Public Issue of Non-Convertible Debentures 2019 Tranche II Prospectus- related queries/complaints: sflncd9t2comp@shriramfinance.in



- For erstwhile Shriram City Union Finance Limited Public Issue of Non-Convertible Debentures 2019 Tranche I & II Prospectus- related queries/complaints: scufncd9@shriramfinance.in

The aforesaid email ids has been displayed on the Company's website

- t. The list of all credit ratings for all debt instruments, fixed deposit, masala bonds, U.S. Dollar senior secured notes for details refer **Note 94** to the financial statements.

u. Other Disclosures

- A. There are no materially significant Related Party Transactions (RPTs) with the Company's Promoters, Directors, Key Managerial Personnel or their relatives or any other related parties of the Company, which may have potential conflict with the interests of the Company at large. Disclosures on transactions with related parties, as required under the Indian Accounting Standard 24, have been incorporated in the Notes to the Accounts. The statement of RPTs is placed before the Audit Committee and the Board on quarterly basis. Omnibus approval was obtained for the transactions of repetitive nature. The Policy on Materiality of RPTs and dealing with RPTs as approved by the Board is uploaded on the Company's website at the web link: <https://bit.ly/42jKPFo>. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company save and except the payment of sitting fees and commission to Independent Directors, remuneration to Directors apart from transactions in the ordinary course of business and on arm's length basis at par with any member of general public. The Company did not advance any loans to any of its Directors. The details of the transactions with Related Parties are provided in the notes to the Financial Statements.
- B. There were no instances of non-compliance by the Company for which any penalties or strictures were imposed on the Company by the Stock Exchanges and SEBI, or any statutory authority on any matter related to capital markets during the last three years.
- C. The Company has adopted the Whistle Blower Policy and has established the necessary mechanism in line with the Stock Exchanges, for employees to report concerns about unethical behaviour. No person has been denied access to the Audit Committee. The Vigil Mechanism as per Regulation 22 of Listing Regulations ensures standards of professionalism, honesty, integrity and ethical behaviour. The Whistle Blower Policy/Vigil Mechanism is uploaded on the Company's website at the web link of <https://bit.ly/3nv71xD>.
- D. Details of compliance with Mandatory requirements and adoption of non-mandatory requirements
The Company has complied with all mandatory requirements of the Listing Regulations for Financial Year 2022-23 and details of discretionary requirements under Part E of Schedule II of the Listing Regulations are mentioned below:
- Maintenance of Chairman's office:
The Company does not maintain a separate office for the Non-executive Chairman
 - Shareholders' Rights:
The quarterly/half/yearly financial results are published in the newspapers of wide circulation and sent to individual shareholders through email to those shareholders registered their email ids with the Company, Financial Results are also available on the website of the Company (<https://bit.ly/3HDKntI>), BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (www.nseindia.com)
 - Modified Opinion in Auditors' Report:
The Company's financial statements for the Financial year 2022- 23 do not contain any modified audit opinion.
 - The Chairman of the Board is Non-Executive Director and not related to the Managing Director & Chief Executive Officer of the Company:
A clear distinction exists between the roles and duties of the Chairman and those of the Managing Director & Chief Executive Officer.
 - Reporting of Internal Auditor:
The Internal Auditor functionally reports to the Audit Committee and makes detailed presentation at quarterly Audit Committee meetings.
- E. The Company does not have any material listed/ unlisted subsidiary companies as defined in Regulation 24 (1) of Listing Regulations. However, the Company has Shriram Housing Finance Limited, a debt listed non material subsidiary. The Company has framed the Policy on Material Subsidiaries and the same is uploaded on the Company's website at the web link: <https://tinyurl.com/2p97ux4h>
- F. The policy on dealing with related party disclosures is uploaded on the Company's website at the web link of <https://bit.ly/44rzIw6>
- G. The disclosure of commodity price risks and commodity hedging activities: Not applicable.
- H. Pursuant to Schedule V Para C clause (10) (i) of the Listing Regulations, the Company has obtained certificate from SPNP & Associates Practicing Company Secretaries confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority is annexed to this report as Annexure A



- I. In the financial year 2022 - 23 the board has accepted all recommendations of its committees.
- J. The Company has paid the following fees on a consolidated basis for all services rendered by statutory auditor.
The details of total fees for all services paid by the Company to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditors is a part, are as follows -

Particulars	Amount (Rs. in crores)
Statutory Audit Fees	1.55
Tax Audit Fees	0.09
Others	0.93
Total	2.57

- K. The disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, for details refer Directors' Report.
- L. The Company has complied all the requirement of corporate governance report as contained in Clause C (2) to (10) of Schedule V read with Regulation 34(3) of Listing Regulations.
- M. The Company has adopted Code of Conduct ('Code') for the Members of the Board and Senior Management Personnel as required under Regulation 17(5) of the Listing Regulations. All the Board Members and the Senior Management Personnel have affirmed compliance of the Code. The Annual Report of the Company contains a declaration to this effect signed by the Managing Director and CEO. Further, the Code of Conduct of the Company applicable to the Board and Senior Management Personnel is also uploaded on the Company's website at the web link of <https://tinyurl.com/4ddeb843>
- N. Disclosure by listed entity and its subsidiaries of Loans and advances in the nature of loans to firms/companies in which Directors are interested by name and amount: None
- O. Utilisation of funds raised through preferential allotment/qualified institutional placement :
The Company has not raised funds by issue of equity shares either on preferential basis or through qualified institutional placement during Financial Year 2022 - 23. Therefore, there are no details to be disclosed as per Regulation 32(7A) of Listing Regulations.

v. Equity Shares in the Suspense Account

As required under Schedule V of Listing Regulations, the Company has opened "STFC- Unclaimed Securities Suspense Account" with the Depository Participants for the purpose of transferring unclaimed equity shares held in physical form. The Company will transfer the shares lying unclaimed to the eligible shareholders as and when the request for the same has been received after proper verification. As on March 31, 2023 there were 1,87,528 unclaimed equity shares in the Unclaimed Suspense Account. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Particulars	No. of Shareholders	No. of Shares
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on April 01, 2022.	184	59,998
Add : Number of Shares Credited to Unclaimed Securities Suspense Account consequent to Arrangement and Amalgamation of Shriram City Union Finance Limited with the Company	645	1,62,086
Shares Credited to Unclaimed account by way of Demat for Letter of Confirmation (LoC) issued cases but not dematerialised within 120 days of LoC issue	1	675
Number of Shareholders / legal heirs who approached the Company for transfer of shares from the Unclaimed Suspense Account, for the period from April 01, 2022 to March 31, 2023.	20	4,826
Number of Shareholders / legal heirs to whom the shares were transferred from the Unclaimed Suspense Account upon receipt and verification of necessary documents, for the period from April 01, 2022 to March 31, 2023.	20	4,826
Number of Shareholders / legal heirs of whose the shares were transferred from the Unclaimed Suspense Account to Investor Education and Protection Fund Authority pursuant to the Government of India Gazette notification No. REGD. NO. D. L.-33004/99 dated February 28, 2017 issued by Ministry of Corporate Affairs (MCA), April 01, 2022 to March 31, 2023.	44	30,405
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on March 31, 2023.	766	1,87,528

The Company had complied all the disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of Listing Regulations (relating to disclosure on the website of the Company).



DIVIDEND DISTRIBUTION POLICY

Preamble

Dividend is the payment made by a Company to its shareholders, usually in the form of distribution of its profits. The profits earned by the Company can either be retained in business and used for acquisitions, expansion or diversification, or it can be distributed to the shareholders. The Company may choose to retain a part of its profits and distribute the balance among its shareholders as dividend. This Policy aims to reconcile between all these needs.

The objective of this policy is to ensure a regular dividend income for the shareholders and long term capital appreciation for all shareholders of the Company. The Company would ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. The Board of Directors (Board) will refer to the policy while declaring/recommending dividends. Through this policy, the Company would endeavour fairness, consistency and sustainability while distributing profits to the shareholders.

This policy also stipulates the process for recommendation/declaration of dividend and its pay-out by the Company in accordance with the provisions of the Companies Act, 2013 (the Companies Act), guidelines issued by Reserve Bank of India and other rules, regulations etc. as applicable to the Company.

Class of Shares

The Company has issued only Equity Shares and no Preference shares issued by the Company are outstanding.

Category of Dividends

The Companies Act provides for two forms of Dividend- Final and Interim. The Board shall have the absolute power to declare interim dividend during the financial year, as and when they consider it fit. Normally, the Board will endeavour to declare an interim dividend after finalisation of quarterly financial accounts. The Board may declare interim dividend based on profits of the Company, one or more times in a financial year as and when considered appropriate, in line with this policy.

After the annual accounts are prepared, the Board may recommend final dividend to the shareholders for their approval in the General Meeting of the Company. In the event the Board declares more than one interim dividend in a financial year, the Board may recommend to the shareholder to treat the last interim dividend as a final Dividend.

Recommendation / Declaration of Dividend

Subject to the provisions of the Companies Act, the Board shall recommend/declare/ pay the Dividend only out of-

- i) Current financial year's profit:
 - a) after providing for depreciation in accordance with law;
 - b) after transferring to reserves such amount as may be prescribed under the Companies Act or applicable law, regulations, norms or as may be otherwise considered appropriate by the Board at its discretion.
- ii) The profits for any previous financial year(s):
 - a) after providing for depreciation in accordance with law;
 - b) remaining undistributed; or
- iii) out of i) & ii) both.
- iv) out of free reserves in the manner permissible under the Companies Act.

Factors to be considered while declaring Dividend

The decision regarding dividend is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. The Board will endeavour to take a decision with an objective to enhance shareholders wealth and market value of the shares. However, the decision regarding dividend is subject to several factors and hence any optimal policy in this regard may be far from obvious. The Board considers a stable dividend to constitute an important element of the Company's investment attractiveness and shareholder return. The Company is classified as Investment and Credit Company by Reserve Bank of India, operates in rapidly developing, yet a volatile market. The Company's primary need is to maintain sufficient resources and financial flexibility to meet financial and operational requirements. The Company continually seeks ways to create shareholder value through both commercial and financial strategies, which may include both organic and inorganic development as well as the Company's capital management practices.

The shareholders of the Company may not expect dividend for a financial year(s) in the circumstances of challenging/sluggish market conditions, tough liquidity position, losses or inadequate profits.

The Company will ensure that the eligibility criteria prescribed by the regulatory authorities under the applicable law are met including the following minimum prudential requirement for declaration of dividend prescribed by Reserve Bank of India:



Sl. No.	Parameter	Requirement
1.	Capital Adequacy	The Company should have met the following regulatory capital requirement for each of the last three financial years including the financial year for which the dividend is proposed: <ul style="list-style-type: none"> Minimum capital ratio consisting of Tier I and Tier II capital of not less than 15 % of aggregate risk weighted assets on- balance sheet and of risk adjusted value of off-balance sheet items. The Tier I capital at any point of time, shall not be less 10 per cent.
2.	Net NPA	The net NPA ratio shall be less than 6 per cent in each of the last three financial years, including as at the close of the financial year for which dividend is proposed to be declared.
3.	Other criteria	The Company shall comply with the provisions of Section 45 IC of the Reserve Bank of India Act, 1934. The Company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every financial year as disclosed in the profit and loss account and before any dividend is declared. No appropriation of any sum from the reserve fund shall be made by the Company except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the Bank within prescribed period i.e. twenty-one days from the date of such withdrawal or any extension given by RBI in the regard. These provisions require creation of reserve fund and transfer therein a sum not less than twenty per cent of net profit every financial year as disclosed in the profit and loss account and before any dividend is declared. The Company shall be compliant with the prevailing regulations/guidelines issued by RBI. The RBI shall not have placed any explicit restrictions on declaration of dividend.

The Board, while considering the proposals for dividend, will also take into account the supervisory findings, if any, of the Reserve Bank of India on divergence in classification and provisioning for Non-Performing Assets (NPAs) and qualifications, if any, in the Auditors' Report to the financial statements of the Company or emphasis of matter by the statutory auditor that indicates an overstatement of net profit. In case the net profit for the relevant period includes any exceptional and/or extra-ordinary profits/income, the net profit shall be suitably adjusted to exclude such extra-ordinary items for computing dividend pay-out ratio.

The decision regarding recommendation/declaration of dividend will depend upon various external and internal factors including the following:

External Factors:-

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

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

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

Internal Factors:-

Apart from the various external factors aforementioned, the Board will take into account various internal factors while recommending / declaring Dividend, which inter alia will include-

Other factors

- i) Profits earned during the year;
- ii) Present and future capital requirements of the existing businesses; / capital expenditures and the Company's debt position
- iii) Business Acquisitions opportunities;
- iv) Expansion/ Modernisation of existing businesses; / growth opportunities available to the Company
- v) Additional investments in subsidiaries/associates of the Company;
- vi) Fresh investments into external businesses;
- vii) Cash flow from operations
- viii) Cost of raising funds
- ix) Providing for unforeseen events and contingencies with financial implication.
- x) Any other factor as deemed fit by the Board.

Process for approval of Payment of Interim and Final Dividend

- ✓ The Company will give prior intimation of 2 working days to Stock Exchanges (excluding the date of intimation and the date of the Board meeting) of date of Board Meeting in



which the declaration / recommendation of dividend will be considered.

- ✓ The Company will inform about the decision taken by Board regarding dividend to Stock Exchange within 30 minutes of the closure of the Board Meeting.
- ✓ The Company will fix Record date for the purpose of determination for list of shareholders eligible to receive dividend.
- ✓ The Company shall recommend or declare dividend at least 5 working days (excluding the date of intimation and the record date) before the record date is fixed for the purpose.
- ✓ The intimation for fixing Record date shall be given to exchange at least seven working days in advance (excluding the date of intimation and the record date).

In the event of any amendment in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law with respect to the process of recommendation/approval/payment of dividend, the same shall prevail and shall be deemed to form part of this policy.

The Company stands committed to deliver sustainable value to all its stakeholders. The Company will strive to distribute an optimal and appropriate level of the profits earned by it in business with the shareholders' funds in the form of dividend. As explained in the earlier part of this Policy, determining the dividend pay-out is dependent upon several factors, both internal to a business and external to it. Taking into consideration the aforementioned factors the Board may consider maintaining a Dividend Pay-out ratio in the range of 20-25% of the profits after tax (PAT), subject to applicable regulations. However, the Board may amend the pay-out range, whenever considered appropriate by it, keeping in mind the aforesaid factors having a bearing on the dividend pay-out decision, subject to maximum dividend payout ratio of 50%. However, if the Company does not meet the applicable prudential requirement prescribed above for each of the last three financial years, may be eligible to declare dividend, subject to a cap of 10 % on the dividend payout ratio, provided the Company complies with the following conditions:

- (a) meets the applicable capital adequacy requirement in the financial year for which it proposes to pay dividend; and
- (b) has net NPA of less than 4 per cent as at the close of the financial year.

The Dividend Payout Ratio is the ratio between the amount of the dividend payable in a year and the net profit as per the audited financial statements for the financial year for which the dividend is proposed.

Manner of Payment of dividend

The Company shall use any of the electronic mode of payment facility approved by the Reserve Bank for the payment of the dividends. Where it is not possible to use electronic mode of payment, 'payable-at-par' warrants or Demand drafts will be issued to the eligible shareholders.

Transfer of Unpaid / Unclaimed Dividend and Equity Shares to Investor Education and Protection Fund (IEPF)

As per section 124(5) of the Companies Act, the dividend which remains unpaid / unclaimed for a period of 7 years from the date of transfer to unpaid dividend account shall be transferred by the Company to IEPF.

Utilisation of Retained Earnings

The Retained earnings strengthen the Company's net owned funds. It will further help in maintaining Capital Adequacy Ratio (CAR) for Non-Banking Financial Companies (NBFCs) in the growth phase. The Board from time to time will decide utilisation of the retained earnings depending upon various factors including organic / inorganic growth strategies of the Company, market competition, creating long term shareholder value etc. The Board will ensure judicious balancing of these factors in the interest of the Company and its stakeholders.

Reporting Requirements

The Company shall report details of dividend declared during the financial year as per the prescribed format in Annex 2 of the guidelines issued by Reserve Bank of India vide notification RBI/2021-22/59 DOR.ACC.REC.No.23/ 21.02.067/2021-22 dated June 24, 2021 within a fortnight after declaration of dividend to the Regional Office of the Department of Supervision of the Reserve Bank, under whose jurisdiction the Company is registered.

Review

This policy is in accordance with SEBI Circular No. SEBI/ LAD-NRO/GN/2016-17/008 dated July 08, 2016 and notification RBI/2021-22/59DOR.ACC.REC.No.23/ 21.02.067/2021-22 dated June 24, 2021 issued by Reserve Bank of India. The same will be reviewed by the Board periodically for additions, deletions, changes or alterations in the parameters, process of recommendation/ declaration/ pay-out of dividend considered in the policy and in line with changes in regulations as applicable to the Company.



ANNEXURE - A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members of
Shriram Finance Limited
Sri Towers, Plot No.14A, South Phase,
Industrial Estate, Guindy,
Chennai – 600 032, Tamil Nadu.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Shriram Finance Limited** having CIN L65191TN1979PLC007874 and having registered office at Sri Towers, Plot No. 14A, South Phase, Industrial Estate, Guindy, Chennai – 600 032 (hereinafter referred to as ‘the Company’), produced before us by the Company in electronic mode, for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No	Name of Director	DIN	Designation	Original Date of appointment in Company	Date of appointment in the current Designation
1	Jugal Kishore Mohapatra (#)	03190289	Non-Executive Independent Director and Chairman	04/12/2022	21/02/2023
2	Srinivasan Sridhar	00004272	Non-Executive Independent Director	20/10/2014	20/10/2019
3	Panja Pradeep Kumar	03614568	Non-Executive Independent Director	25/10/2018	27/06/2019
4	Maya Swaminathan Sinha(##)	03056226	Non-Executive Independent Director	04/12/2022	21/02/2023
5	Srinivasa Chakravarthy Yalamati	00052308	Managing Director and CEO	13/12/2021	05/12/2022
6	Parag Sharma	02916744	Executive (Whole-time director) designated as Joint Managing Director and Chief Financial Officer	13/12/2021	23/06/2022
7	Umesh Govind Revankar	00141189	Executive Vice Chairman	25/10/2016	05/12/2022
8	Ravi Devaki Venkataraman	00171603	Non-Executive Non Independent Director	18/06/2015	31/07/2015
9	Ignatius Michael Viljoen	08452443	Non-Executive Non Independent Director	14/05/2019	27/06/2019



(#) Mr. Jugal Kishore Mohapatra was appointed as an Independent Director of the Company for the term of 3 years with effect from December 04, 2022 to December 03, 2025. The Board of Directors had elected Mr. Jugal Kishore Mohapatra as Chairman of Board with effect from December 05, 2022.

(##) Mrs. Maya S Sinha was appointed as an Independent Director of the Company for the term of 2 years with effect from December 04, 2022 to December 03, 2024.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

For SPNP & Associates

P. SRIRAM

SPNP & ASSOCIATES

FCSNo. 4862/CPNo: 3310

PEER REVIEW NO: 1913/2022

UDIN: F004862E000204193

Place: Chennai

Date: 27/04/2023



CEO/CFO CERTIFICATION

To,

The Board of Directors of Shriram Finance Limited

We, to the best of our knowledge and belief, certify that-

- A. We have reviewed financial statements and the cash flow statements for the year ended March 31, 2023 and that to the best of our knowledge and belief;
- 1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - 2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have disclosed, based on our evaluation wherever applicable to the Auditors and the Audit Committee that;
- 1) there were no significant changes in internal controls over financial reporting during the year;
 - 2) there are no significant changes in accounting policies during the year, and
 - 3) there were no instances of significant fraud of which we are become aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Y.S. CHAKRAVARTI

Managing Director and CEO

PARAG SHARMA

Joint Managing Director & CFO

Mumbai

April 27, 2023

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

The Board of Directors of Company at its Meeting held on January 29, 2005 adopted Code of Conduct as amended from time to time to be followed by all Members of the Board and Senior Management Personnel of the Company respectively in compliance with the Regulation 17(5) of Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 with the Stock Exchanges where the shares of the Company are listed.

As per Regulation 17(5) and Regulation 26(3) of Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 executed with the Stock Exchanges, all Board Members and Senior Management Personnel have affirmed Compliance with the Code of Conduct for the year ended March 31, 2023.

Y.S. CHAKRAVARTI

Managing Director and CEO

Mumbai

April 27, 2023



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L65191TN1979PLC007874
2.	Name of the Listed Entity	Shriram Finance Limited (SFL)^
3.	Year of incorporation	1979
4.	Registered office address	Sri Towers, Plot No. 14A, South Phase, Industrial Estate, Guindy, Chennai, Tamil Nadu – 600 032
5.	Corporate address	Wockhardt Towers, Level - 3, West Wing, C-2, G Block, Bandra - Kurla Complex, Bandra (East), Mumbai, Maharashtra – 400 051
6.	E-mail	secretarial@shriramfinance.in
7.	Telephone	022 4095 9595
8.	Website	www.shriramfinance.in
9.	Financial year for which reporting is being done	April 01, 2022 to March 31, 2023
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
11.	Paid-up Capital	Rs. 374.43 crores
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. U Balasundararao Company Secretary and Compliance officer Contact: 022 4095 9595 Email: balasundar@shriramfinance.in
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone basis

^Pursuant to the Composite Scheme of Arrangement and Amalgamation (“Scheme”), inter alia, involving amalgamation of Shriram City Union Finance Limited (SCUF) and Remaining undertaking of Shriram Capital Limited (SCL) with the Company sanctioned by the Hon’ble National Company Law Tribunal, Special Bench – II, Chennai vide its Common order dated November 14, 2022, read with Corrigendum dated November 17, 2022 to the order (“Order”) coming into effect and consequent upon the receipt of fresh ‘Certificate of Incorporation pursuant to change of name’ issued by the Registrar of Companies, the name of the Company has changed from “Shriram Transport Finance Company Limited” to “Shriram Finance Limited” with effect from November 30, 2022. Upon Scheme coming into effect, the employees of SCUF became the employees of Shriram Finance Limited. The Appointed date of the Scheme is April 01, 2022.

II. Products/services

14. Details of business activities (accounting for 90% of the turnover)

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Financial services	The Company is primarily engaged in the business of financing commercial vehicles, passenger vehicles, construction equipment, farm equipment, micro, small and medium enterprises, two-wheelers, gold and personal loans.	93.26%

15. Products/Services sold by the entity (accounting for 90% of the entity’s Turnover)

Sr. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Financial Services	64920 - Other Credit Granting	93.26%



III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated

Location	Number of plants	Number of offices	Total
National	0	2,922	2,922
International	0	0	0

17. Markets served by the entity

a. Number of locations

Locations	Number
National (No. of States)	25
International (No. of Countries)	0

b. What is the contribution of exports as a percentage of the total turnover of the entity?	0%
c. A brief on types of customers	As a leading financial institution in the country, we pride ourselves on our commitment to serving the financial needs of the most vulnerable segments of our society. Our focus is on providing reliable and affordable financial services to Small Road Transport Operators (SRTOs) and First-Time Buyers (FTBs) who often belong to the weaker sections of society. In addition to catering to the needs of these groups, we also offer loans for equipment and other business purposes to support their growth and expansion. We extend our services to small and medium enterprises, as well as provide financial solutions for two-wheelers loans, gold, personal loans, and auto loans.

IV. Employees

18. Details as at the end of Financial Year

a. Employees and workers (including differently abled)

Sr. No.	Particulars	Total [^] (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	64,052	57,276	89.42%	6,776	10.58%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	Total employees (D + E)	64,052	57,276	89.42%	6,776	10.58%
WORKERS						
4.	Permanent (F)	NIL				
5.	Other than Permanent (G)					
6.	Total workers (F + G)					

[^]Kindly refer the note mentioned against Section A (I) question 2 for more information.

b. Differently abled Employees and workers

Sr. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	65	54	83.08%	11	16.92%
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D + E)	65	54	83.08%	11	16.92%



Sr. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)		NIL			
5.	Other than permanent (G)					
6.	Total differently abled workers (F + G)					

19. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	9	1	11.11%
*Key Management Personnel (KMP)	10	0	0%

* Excluding 3 KMP already covered under Board of Directors.

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2022-23* (Turnover rate in current FY)			FY 2021-22** (Turnover rate in previous FY)			FY 2020-21** (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	30.23%	35.26%	30.74%*	19.70%	13.16%	19.36%**	20.46%	18.76%	20.37%**
Permanent Workers	NIL								

*During FY 2022-23 the high turnover was on account of employees leaving the Company in less than one year from their date of joining. Calculation methodology is as per BRSR guidelines.

**During FY 2020-21 and FY 2021-22, the turnover was on account of employees leaving the Company in less than one year from their date of joining and the new recruitment of employees having been impacted due to COVID- 19 Pandemic. Calculation methodology is as per BRSR guidelines.

*/** As per the Company's internal guidelines, the Turnover rate is as follows

Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	21.81%	23.52%	21.99%	16.23%	10.90%	15.95%	18.02%	16.49%	17.95%

Turnover rate as per Company's internal guidelines = (Total No. of relieved employees during the FY/ (Opening count of employees for the FY + Total count of employees added during FY)*100

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

Sr. No.	Name of the holding / subsidiary/ associate companies / joint ventures (A)	Indicate whether holding/Subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Shriram Housing Finance Limited	Subsidiary	84.82%	No
2.	Shriram Automall India Limited	Associate	44.56%	No



VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes
(ii) Turnover (Rs. in crores)	29,802.89
(iii) Net worth (Rs. in crores)	43,202.07

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)***	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year**	Remarks
Communities	Yes	0	0	NA	0	0	NA
Investors (other than shareholders)*	Yes	1	0	NA	2	0	NA
Shareholders	Yes	6	0	NA	6	0	NA
Employees and workers	Yes	0	0	NA	0	0	NA
Customers	Yes	10,490	136#	NA	3,662	65	NA
Value Chain Partners	Yes	0	0	NA	0	0	NA
Other (please specify)		0	0	NA	0	0	NA

*Here 'Investors (other than shareholders)' refer to debenture holders of the Company.

**All previous year complaints have been resolved during the current FY.

***All grievance policies are available on the following link: <https://tinyurl.com/25z86crt>

#All these complaints were attended to and resolved, there were no complaints pending as on date.

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	GHG Emissions	Risk	Electricity and fuel consumption is an energy-intensive activity and generates direct and indirect greenhouse gas (GHG) emissions, including carbon dioxide and methane from fuel use. Uncontrolled pollutants and emissions during operation and associated activities impose legal and environmental risks for the Company.	We prioritize sustainable practices and recognize the importance of mitigating greenhouse gas (GHG) emissions. To address this risk, we are committed to adopting environmentally conscious policies, investing in renewable energy sources, promoting energy-efficient practices, and engaging in carbon offset initiatives to reduce our carbon footprint and contribute to a greener future.	Negative
2	Climate Change	Risk	Climate change events pose physical risks such as floods and wildfires or transitional risks such as mandatory use of renewable energy regulations. Such events can potentially impact the business. Hence, provide an opportunity to assess and mitigate such risks.	SFL's risk mitigation approach for climate change includes assessing and managing the environmental impact of its operations, promoting renewable energy investments, implementing energy-efficient practices, and engaging in sustainable financing strategies to support climate resilience initiatives. The Company has also updated its loan policy to ensure loans are not disbursed to old vehicles that are likely to emit higher carbon in the atmosphere.	Negative
3	Customer Support and Satisfaction	Risk	In the Non-Banking Financial Company (NBFC) sector, ensuring consumer satisfaction is essential. An unsatisfactory consumer experience may pose a risk to business continuity, while a positive customer experience can ensure enhanced profits and brand reputation.	To mitigate the risk of customer dissatisfaction, we focus on proactive communication, personalized services, prompt issue resolution, and continuous feedback collection. Additionally, we invest in robust complaint management systems, staff training, and compliance with regulatory guidelines to ensure customer satisfaction and maintain trust	Negative

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Financial Inclusion	Opportunity	Financial inclusion helps NBFCs in India reach untapped markets, increase customer base, and promote financial literacy and stability. It also helps bridge the wealth gap, improve living standards, and increase access to credit, which can drive economic growth and development.		Positive
5	Responsible Financing	Opportunity	Responsible financing is important for NBFC in India because it promotes financial stability, protects the interests of borrowers, and enhances the reputation of the Company. It also helps to maintain trust and confidence in the financial system, reducing the risk of defaults and ensuring sustainable growth for the NBFC. Additionally, responsible financing practices can help to attract more investment and support the overall economic development of the country.	We have a risk mitigation approach for responsible financing by conducting thorough due diligence on borrowers and the collaterals, adhering to regulatory guidelines, maintaining strong internal controls, implementing risk assessment models, promoting financial literacy, and fostering transparency and accountability in all financial transactions.	Positive
6	Data Security and Privacy	Risk	Companies are assessed based on the amount of personal data they collect, their exposure to evolving or increasing privacy regulations, their vulnerability to potential data breaches, and their data protection systems.	To mitigate data security and privacy risks, the Company has implemented measures such as strong access controls, encryption of sensitive data, regular security audits and employee training on data handling practices.	Negative
7	Employee Wellbeing	Risk	Higher employee retention rates convey good Company's policies and practices. However, a high attrition rate indicates low employee satisfaction to investors. Ensuring employee well-being can boost employee morale and reduce hiring and on boarding costs.	We focus on implementing regular health check-ups, promoting work-life balance, offering mental health support services, conducting training on stress management, and creating a safe and inclusive work environment to ensure the overall well-being and productivity of employees.	Negative

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
8	Diversity and Inclusion	Opportunity	A Company's high diversity and inclusion rate reflects employees' sense of belonging and fairness within the Company. Improving diversity and inclusion helps companies to support vulnerable groups resulting in community brand image creation for the Company.		Positive
9	Corporate Governance	Risk	Businesses are assessed based on their performance across all key governance issues, which include ownership & control, Board pay, accounting, business ethics, and tax transparency. This topic examines the effect that a company's corporate governance and business ethics practices have on its shareholders and other investors.	Our mitigation approach for corporate governance involves implementing robust internal controls, conducting regular audits, ensuring compliance with regulatory requirements, fostering a culture of transparency and accountability, and prioritising strong risk management practices to safeguard stakeholders' interests.	Negative
10	Business Ethics	Risk	The key issue relevant to business ethics and management of business ethics issues such as fraud, executive misconduct, corrupt practices, money laundering, or anti-trust violations. Ethics violations can lead to police investigations, hefty fines, settlement costs, and damage to reputation.	SFL ensures ethical practices by implementing a comprehensive risk mitigation approach. We conduct regular training sessions to promote ethical behaviour among employees, enforce strict compliance measures, establish strong internal controls, and conduct thorough due diligence on clients. This ensures the protection of our reputation and the trust of our stakeholders.	Negative
11	Regulatory Compliance	Risk	Regulatory compliance is of crucial importance for corporations as it helps to ensure that they are operating within the legal and ethical boundaries set by government agencies and industry standards. Failure to comply with these regulations can result in significant financial and reputational consequences for the corporation, including fines, legal action, and damage to their brand and customer trust.	We ensure adherence to all applicable laws and regulations, maintain accurate documentation, conduct regular internal audits, provide training to employees, and engage with regulatory authorities to stay updated on evolving requirements.	Negative

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
12	Fraud Risk Management	Risk	As a NBFC, the management of fraud risk is of paramount importance. Fraud can cause significant financial losses and damage the reputation of the Company, leading to loss of customer trust and confidence.	SFL implements a robust risk mitigation approach for fraud management. We conduct regular internal audits, establish strong internal controls, employ fraud detection tools, promote ethical behaviour, and provide ongoing training to employees. By prioritizing proactive measures, we ensure the safety and trust of our stakeholders.	Negative
13	Innovation	Opportunity	Digital and business innovation is crucial for NBFCs as it enables them to increase efficiency, reduce costs, enhance customer experience, and expand reach to a wider audience. Adopting digital technologies can also help NBFCs stay competitive and meet changing customer demands in a fast-paced, technology-driven financial services industry.		Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	https://tinyurl.com/5n86fhst								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	No	No	No	No	No	No	No	No	No
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	-	-	-	-	-	-	-	-	ISO/IEC 27001:2013



Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Our organisation acknowledges the significance of establishing targets to assess advancement towards achieving all the principles of the National Guidelines on Responsible Business Conduct (NGRBC). Considering that we are in our initial year of ESG adoption, we intend to specify our objectives and targets in the upcoming reporting period. We recognise the need to align our ESG efforts with our business goals, and we are committed to implementing a comprehensive and effective ESG strategy that ensures sustainability and creates long-term value for all our stakeholders. We are dedicated to enhancing our ESG practices and performance and look forward to sharing our progress in the future.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	We are committed to providing comprehensive performance updates in the forthcoming years. As we navigate through the future, we intend to diligently communicate our achievements, financial results, and strategic advancements.								

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

Dear Stakeholders,

I am pleased to present the BRSR report for Shriram Finance Limited (SFL), a leading retail NBFC committed to driving positive change in our society and environment. Our range of credit solutions includes commercial vehicles, two-wheeler loans, car loans, home loans, gold loans, personal loans, and small business loans.

We recognise that we have the dual responsibility of ensuring sustainable finance and protect the environment in our day-to-day activities. To that end, as a corporate entity, we are committed to extend financial assistance for vehicles that are run on alternate fuels and have also implemented stringent policies that prohibit financing vehicles older than 12 years. Additionally, we have transitioned to digital processes to reduce paper wastage and embraced energy-efficient lighting fixtures and gadgets to conserve energy. Water-saving measures such as sensor-based taps and water harvesting have also been adopted to minimize water wastage.

At SFL, we understand the significance of social responsibility and the impact of communities on our shared future. To this end, we have undertaken initiatives to support education, healthcare, and skill development for underprivileged sections of society. We are proud to announce that we have provided scholarships to more than 2,45,000 underprivileged children from various regions in the country. Furthermore, our preventive healthcare program for truckers has established mobile medical units across 15 locations in 11 states, benefiting the community at large. In addition, we have trained and upskilled more than 44,000 truck drivers and also 4,512 youth from rural communities have benefitted from our skill development workshops.

Corporate governance is of utmost importance to us, and we are dedicated to achieving transparency and governance goals. We adhere to established policies and frameworks that guide ethical decision-making in all our engagements. Our commitment to employee welfare is unwavering, as we provide comprehensive benefits including life, health, and accidental insurance. We also conduct skill development workshops to encourage the professional growth of our employees.

Looking ahead, SFL is steadfast in its dedication to promote Environmental, Social and Governance (ESG) practices. By incorporating ESG principles into our operations, we firmly believe that we can create a sustainable future for all.

Thank you for your continued support and partnership.

Sincerely,

Mr. Y. S. Chakravarti

Managing Director and CEO

Shriram Finance Limited



Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Y. S. Chakravarti, Managing Director & CEO is responsible for the implementation and oversight of the Business Responsibility policy. Mr. S. Sunder, Joint Managing Director is Business Responsibility Head of the Company.								
9. Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, ESG Committee of the Board of Directors is responsible for decision making on sustainability related issues and the terms and reference of the Committee as under: 1. Recommending to the Board the Company's overall general strategy with respect to ESG Matters. 2. Overseeing the Company's policies, practices and performance with respect to ESG matters and Social Finance Framework. 3. Overseeing the Company's reporting standards in relation to ESG matters and Social Finance Framework. 4. Approval of ESG Report. 5. Delegating authority to the Managing Director and CEO/or Chief Financial Officer or other authorised officers to do any acts, deeds, matters and things as may be necessary.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/ Any other Committee									Frequency (Annually/Half yearly/Quarterly/Any other - please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	ESG Committee									Annual								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Managing Director and CEO									Quarterly								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	*No	*No	*No	*No	*No	*No	*No	*No	*No

*The Evaluation and assessment of the policies is done internally on a continuous basis.

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
It is planned to be done in the next financial year (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA



SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	12	<ol style="list-style-type: none"> 1. Stage of induction of Independent directors 2. Updating the Independent directors about the ongoing events and developments relating to the Company 3. Detailed presentation which includes micro and macroeconomic factors impacting the industry in general 4. Functioning of various Committees of the Board and business and operations of the Company, risk management, IT strategies, internal control system etc. 5. Significant changes in regulatory environment, redressal of customers and investors complaints, risk management framework, quarterly and financial results through the Board/Committee meetings and program(s). 6. Training on BRSR Requirements and Company's preparedness towards BRSR Reporting 	100%
Key Managerial Personnel	5	<ol style="list-style-type: none"> 1. Training on BRSR Requirements and Company's preparedness towards BRSR Reporting 2. Prohibition of Insider Trading Code of the Company 	100%
Employees other than BoD and KMPs	1735	<ol style="list-style-type: none"> 1. Induction programme for field staff I-ii (cv channel) 2. Induction programme for field staff I-ii (cv channel) 3. Induction programmes for management trainees 4. Induction training programme for commercial staff 5. Induction training for top channel 6. Branch managers training 7. Branch team leaders training program 8. Gold loan training programme 9. MSME training programme 10. Shri shopkeeper insurance policy 11. Two-wheeler training programme 12. Ziva application 13. Refresher need based training 14. Refresher programme for commercial staff 15. Future leadership programme 	98%
Workers		NA	

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format.

Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on entity's website:

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Amount (in Rs.)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil	Nil	0	Nil	Nil
Settlement	Nil	Nil	0	Nil	Nil
Compounding Fee	Nil	Nil	0	Nil	Nil

Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment	Nil	Nil	Nil	Nil	
Punishment	Nil	Nil	Nil	Nil	

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes

<https://tinyurl.com/rxv3m435>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest:

	FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA



7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.	NA
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Leadership Indicators

1. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes

The Company takes annual declaration from the directors affirming compliance with the Code of Conduct for the Board of Directors and Senior Management Personnel of the Company. The Company also conducts regular internal checks to ensure the same.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	0	0	NA
Capex	0	0	NA

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)	No
b. If yes, what percentage of inputs were sourced sustainably?	0%
3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.	NA
4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.	No

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	57,276	57,276	100%	57,276	100%	0	0%	0	0%	0	0%
Female	6,776	6,776	100%	6,776	100%	6,776	100%	0	0%	0	0%
Total	64,052	64,052	100%	64,052	100%	6,776*	100%	0	0%	0	0%

*The Maternity Leave benefit has been extended to all female employees of the Company



Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Other than Permanent employees											
Male	NIL										
Female											
Total											

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	NIL										
Female											
Total											
Other than Permanent workers											
Male	NIL										
Female											
Total											

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.

Benefits	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	No. of employees covered as a% of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a% of total employees	No. of workers covered as a% of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	0	Y	100%	0	Y
Gratuity	100%	0	Y	100%	0	Y
ESI*	63%	0	Y	55%	0	Y
Others – Please Specify	0	0	0	0	0	0

*ESI is given to all eligible personnel only.

3. Accessibility of workplaces : Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

SFL supports its differently abled staff completely. Our premises/offices are accessible to differently abled employees wherever they are employed.



4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes

<https://tinyurl.com/mr2cwjmv>

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	0%	0%	NA	NA
Female	91.02%	78.21%	NA	NA
Total	91.02%	78.21%	NA	NA

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	NA
Other than Permanent Workers	NA
Permanent Employees	Yes The Human Resources Management System (HRMS) Portal is available for any employee to enter his/her grievances. The portal is directly accessed by HR Head of the Company and complete confidentiality is maintained on receiving the complaints/ grievance. The HR Head of the Company works on all issues for speedy resolution.
Other than Permanent Employees	NA

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees /workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union(D)	% (D/C)
Total Permanent Employees	64,052 [^]	0	0%	25,456	0	0%
- Male	57,276	0	0%	24,058	0	0%
- Female	6,776	0	0%	1,398	0	0%
Total Permanent Workers	0	0	0%	0	0	0%
- Male	0	0	0%	0	0	0%
- Female	0	0	0%	0	0	0%

[^]Kindly refer the note mentioned against Section A (I) question 2 for more information.



8. Details of training given to employees and workers:

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	57,276	23,935	41.79%	23,935	41.79%	24,058	20,009	83.17%	20,009	83.17%
Female	6,776	2,648	39.08%	2,648	39.08%	1,398	929	66.45%	929	66.45%
Total	64,052[^]	26,583	41.50%	26,583	41.50%	25,456	20,938	82.25%	20,938	82.25%
Workers										
Male	NA									
Female										
Total										

[^]Kindly refer the note mentioned against Section A (I) question 2 for more information.

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	57,276	22,709	39.65%	24,058	10,015	41.63%
Female	6,776	2,513	37.09%	1,398	564	40.34%
Total	64,052[^]	25,222	39.38%	25,456	10,579	41.56%
Workers						
Male	NA					
Female						
Total						

[^]Kindly refer the note mentioned against Section A (I) question 2 for more information.

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?	The Company acknowledges that there are no occupational health and safety hazards associated with its business operations. However, the well-being of its employees remain a top priority. We ensure the availability of a first aid kit at our locations. We also advise our employees to use helmets while riding through various training programs.
b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	In light of our business operations, hazard identification may not be directly applicable. Nonetheless, we recognise the importance of continuously conducting hazard identification, which is delegated to employees who are assigned with field job in meeting the customers, vendors etc.
c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)	No
d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	No

11. Details of safety related incidents, in the following format

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
		Current Financial Year	Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

All our employees are guided to wear a helmet while riding through timely campaign through various training programs.

13. Number of Complaints on the following made by employees and workers:

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	NA	0	0	NA
Health & Safety	0	0	NA	0	0	NA

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	0
Working Conditions	0

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

NA

Leadership Indicators**1. Does the entity extend any life insurance or any compensatory package in the event of death of****(A) Employees (Y/N)**

Yes The Company has taken Life insurance policy for all the employees for different Sum Assured (SA) as per their employment grade. The Company has also taken Personal Accident Insurance Policy for all employees to cover the fatal accidents while on duty.

(B) Workers (Y/N): NA**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

We ensure that all statutory payment challans of previous month are attached with current invoice of our regular vendors.



PRINCIPLE 4: Businesses should respect the interests of, and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

We place great emphasis on stakeholder identification and its pivotal role in the triumph of our projects. Our meticulous approach commences with a thorough analysis of our operations to discern the vital stakeholders, encompassing employees, customers, shareholders, suppliers, vendors, government entities, and regulatory authorities. We also extend our considerations to the impact of our projects on the local communities in which we operate, valuing them as crucial stakeholders in our communication endeavours. By comprehending the needs and concerns of our stakeholders, we proactively address their expectations, mitigate potential risks, and cultivate enduring relationships that are indispensable to our prosperity. Our stakeholder identification process remains a continuous undertaking, enabling us to remain informed, engaged, and responsive to the ever-evolving needs of our stakeholders.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	Email, SMS, Newspaper, Website	Quarterly	To share updates of the Company and to call for meetings
Investors	No	Email, Newspaper, Website	Monthly	To share updates of the Company
Vulnerable Customers	Yes	Email, SMS, Newspaper, Website	As required	To share new offerings, intimate about interest rate changes
Other Customers	No	Email, SMS, Newspaper, Website	As required	To share new offerings, intimate about interest rate changes
Employees	No	Email, Website	As required	To share updates of the Company, health and safety related information and work related updates
Government and Regulators	No	Email	As required	To update on various compliances and to seek approvals
Value Chain Partners	No	Email	As required	To further strengthen the business relationship and update about the Company
CSR Community	Yes	In-person, community meetings	During and after the project implementation	To gather feedback and understand needs and engage them in the projects

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company ensures transparent communication and access to relevant information about its decisions that impact relevant stakeholders, keeping in mind the need to protect confidential competitive plans and information.

Engagement with stakeholders is a continuous process for SFL and such engagement is driven by the senior management of the Company. The ESG Committee is updated with various developments arising out of such engagement for taking its guidance / inputs on such matters.



2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No).

If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. The engagement with stakeholders on a continuous basis helps in meeting the expectations for enabling the Company to serve its stakeholders better.

The Company in the recent years has decided to fund vehicles that are run on alternate fuels and not more than 12 years old.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.

The Company through its CSR policy has taken up various initiatives and activities for the benefit of different segments of the society, with focus on the marginalised, vulnerable and under-privileged.

The truck drivers are imparted with upskilling driver training programme to enable them to improve their earnings. Upon completion of the training they are assessed online and certified with Level 4 certificate from Logistic Skill Council issued by Skill India.

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total (A)	No. of employees workers covered (B)	% (B/A)	Total (C)	No. of employees workers covered (D)	% (D/C)
Employees						
Permanent	64,052 [^]	26,583	41.50%*	25,456	20,938	82.25%
Other than permanent	0	0	0	0	0	0
Total Employees	64,052	26,583	41.50%	25,456	20,938	82.25%
Workers						
Permanent	NA					
Other than permanent						
Total Workers						

[^]Kindly refer the note mentioned against Section A (I) question 2 for more information.

*During FY 2021-22 employees were provided with physical training and training through Mobile App. The topics mentioned were covered under both the forms of training. During FY 2022-23 focus was given for training through Mycoach, an online learning platform for the employees who were trained in physical mode during FY 2021-22 and physical training was given for other employees who were not covered in the previous year.

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	57,276 [^]	2,395	4.18%	54,881	95.82%	24,058	869	3.61%	23,189	96.39%
Female	6,776 [^]	914	13.49%	5,862	86.51%	1,398	170	12.16%	1,228	87.84%
Other than permanent										
Male	NIL									
Female										

Category	FY 2022-23 Current Financial Year				FY 2021-22 Previous Financial Year					
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Workers										
Permanent										
Male	NIL									
Female										
Other than permanent										
Male	NIL									
Female										

^Kindly refer the note mentioned against Section A (I) question 2 for more information.

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category (Rs. in Crores)	Number	Median remuneration/ salary/wages of respective category (Rs. in Crores)
Board of Directors (BoD)*	8	0.39	1	0.16
Key Managerial Personnel#	10	0.79	0	0
Employees other than BoD and KMP	57,263	0.03	6,776	0.03
Workers	0	0	0	0

*The remuneration of Board of Directors includes the remuneration paid to Executive Directors and the commission and sitting fees paid to Independent Directors for attending the Board and Committee meetings.

Excluding 3 KMP already covered under Board of Directors.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

SFL has state-wise Internal Complaints Committee (ICC) under Section 4(1) of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013. Each ICC has one presiding member, three other members and an external member.

Any complaint can be emailed to the presiding officer and the grievance will be redressed by the committee in the appropriate manner within 30 days of receipt of the complaint.

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	NA	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA



7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

We have constituted an internal complaints committee state wise to address Prevention of Sexual Harassment Committee (POSH) related complaints. Any other employee grievances are addressed through employee portal which is directly monitored by Head HR of the Company and in this process, we make sure the identity of complainant is kept confidential.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

9. Assessments for the year:

	%age of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	0%
Forced/involuntary labour	0%
Sexual harassment	0%
Discrimination at workplace	0%
Wages	0%
Others – please specify	0%

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

NA

Leadership Indicators**1. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

We are committed to ensuring full compliance with the Persons with Disabilities Act 2016, as we actively enhance our premises to provide optimal accessibility for all visitors, including differently abled.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment**Essential Indicators****1. Details of total energy consumption (in Gigajoules) and energy intensity, in the following format:**

Parameter	FY 2022-23[^] (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A)	86,108.73	50,515.55
Total fuel consumption (B)	1,84,891.13	1,32,601.82
Energy consumption through other sources (C)	0.00	0.00
Total energy consumption (A+B+C)	2,70,999.86	1,83,117.37
Energy intensity per rupee of turnover (Total energy consumption/turnover in Lac)	0.09	0.10
Energy intensity (optional) – the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

[^]Kindly refer the note mentioned against Section A (I) question 2 for more information.



2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23 [^] (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	8,018.30	1618.7
(iii) Third party water	37,022.41	25,267.40
(iv) Seawater / desalinated water	-	0
(v) Others	-	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	45,040.71	26,886.10
Total volume of water consumption (in kilolitres)	45,040.71	26,886.10
Water intensity per Lac of turnover (Water consumed / turnover)	0.02	0.01
Water intensity (optional) – the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

[^]Kindly refer the note mentioned against Section A (I) question 2 for more information.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Nox	NA	0	0
Sox	NA	0	0
Particulate matter (PM)	NA	0	0
Persistent organic pollutants (POP)	NA	0	0
Volatile organic compounds (VOC)	NA	0	0
Hazardous air pollutants (HAP)	NA	0	0
Others– please specify	NA	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23 [^] (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	37,129.59	9,093.00
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	19,374.46	11,366.00
Total Scope 1 and Scope 2 emissions per Lac of turnover		0.01	0.01
Total Scope 1 and Scope 2 emission intensity (optional)– the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

[^]Kindly refer the note mentioned against Section A (I) question 2 for more information.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details. No

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23 [^] (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	9.63	4.49
E-waste (B)	16.80	11.36
Bio-medical waste (C)	0.00	0.00
Construction and demolition waste (D)	0.00	0.00
Battery waste (E)	25.07	16.15
Radioactive waste (F)	0.00	0.00
Other Hazardous waste. Please specify, if any. (G)	0.00	0.00
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	19.64	14.43
Total (A+B + C + D + E + F + G + H)	71.14	46.43
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	7.47	3.37
(ii) Re-used	0.00	0.00
(iii) Other recovery operations	0.18	0.02
Total	7.65	3.39
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		



Parameter	FY 2022-23 [^] (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Category of waste		
(i) Incineration	25.93	19.54
(ii) Landfilling	6.76	3.48
(iii) Other disposal operations	26.03	24.79
Total	58.72	47.81

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

[^]Kindly refer the note mentioned against Section A (I) question 2 for more information.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

We are not generating any hazardous and toxic chemicals due to nature of our business.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sr. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not applicable			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Sr. No.	Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non- compliance	Any fines / penalties /action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Yes, Company is compliant with all the applicable laws.				



Leadership Indicators

1. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link

In view of the COVID-19 pandemic, the Company had framed business continuity plan to avoid any disruption of critical services. During the reporting year, there were no disruptions of critical services of the Company. The Company is prepared to invoke business continuity plan as and when the likely disruptive events, their probability and impact on business operations are envisaged.

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

10

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National)
1	Finance Industry Development Council (FIDC) Mumbai	National
2	Federation of Indian Hire Purchase Associations New Delhi	National
3	Confederation of Indian Industry New Delhi	National
4	Indian Chambers of Commerce (ICC) Kolkata	National
5	Indian Construction Equipment Manufacturers' Association (ICEMA) New Delhi	National
6	Society Of Indian Automobile Manufacturers (SIAM) New Delhi	National
7	Assocham New Delhi	National
8	All India Transporters Welfare Association (AITWA) Delhi	National
9	All India Motor Transport Congress (AIMTC) Delhi	National
10	Federation of Automobile Dealers Association (FADA) Delhi	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
Not Applicable		



PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Preventive Health care Program for Trucking community	-	-	Yes	Yes	https://tinyurl.com/myr8szdv
STFC Regular scholarship (Scholarship for student upto Rs.3500 for standard 8 to standard 12)	-	-	Yes	Yes	

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sr. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In Rs.)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

Step 1: Beneficiaries grievances are usually addressed by our implementing partner at their level.

Step 2: If unresolved they contact our CSR Head of the Company or visit nearest SFL branch.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23* Current Financial Year	FY 2021-22* Previous Financial Year
Directly sourced from MSMEs/ small producers	NA	NA
Sourced directly from within the district and neighbouring districts	NA	NA

* Not Applicable considering the business model of the Company.

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
The rating provided by the agency for the MMU Impact Assessment Report in connection with Efficiency, Impact & sustainability is moderate.	We are currently enhancing the operational efficiency of our CSR project implementation by collaborating with our trusted implementing agencies. Our aim is to optimise the process and achieve higher levels of effectiveness, enabling us to make a greater impact in fulfilling our corporate social responsibility commitments.



2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr. No.	State	Aspirational District	Amount spent (in crores)
1	Chhattisgarh	Korba	1.85
2	Andhra Pradesh	Visakhapatnam	0.42
3	Jharkhand	Ranchi	0.42

3. Details of beneficiaries of CSR Projects:

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	Re Skilling-Driver training program	18,621	83%
2	Liquid Medical Oxygen driver Training program.	1,144	78%
3	2-wheeler Automotive Program	1,443	96%
4	Skill Training programme to women	63	91%
5	Primary & Secondary education Scholarship	55,748	100%
6	Higher Education Scholarship	1,373	73%
7	Education support to Schools & Under privileged children	13,801	86%
8	Sanitation	1,450	39%
9	Preventive Health Care	195,328	81%

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Complaints received from customers with regard to their grievances/concerns are addressed under the Grievances Redressal Mechanism as enumerated below:-

Customer Complaint Management System (CCMS)

CCMS addresses the complaints and requests raised by the customers through various channels. The Call centre/Branch/Head Office captures all the issues raised by the customers in CCMS for further action.

The complaints can be raised through the following modes:

1. Customers can raise complaints/requests by calling the Call Centre/Branch/Head Office/Registered Office
2. Customers can raise complaints/requests by sending e-mail to the designated Customer Care/Grievances mail IDs
3. Customers can raise complaints/requests through the Company's official website.



All the issues/requests raised by customers through various modes such as Call centre/Branch/Company's website/emails/ letters etc., are first entered into CCMS Application and redressed by the Branches. In case of delay in redressal of complaint by the Branch, the following escalation matrix is followed:-

Escalation Matrix:

The system auto-escalates the complaint as shown below:

Level of Escalation	Escalation to
Level 1	Branch Manager/ Credit Manager / Branch Team Leader
Level 2	Regional Business Head / Region Credit Head
Level 3	Zonal business head
Level 4	Grievance Redressal officer
Level 5	Internal Ombudsman(IO)*

*The IO deals only with those complaints which are either partly or wholly rejected by the Company.

The Company responds to the customer within a maximum period of 30 days from the date of receipt of the complaint. If the customer has not received any response within 30 days or if the customer is not satisfied with the response, then he/she can raise a complaint with the Reserve Bank of India (RBI) either through RBI CMS Portal or RBI Contact Centre as given below:-

RBI CMS Portal: <https://cms.rbi.org.in>

RBI Contact Centre Phone Number 14448

RBI Postal Address: Reserve Bank of India Centralised Receipt and Processing Centre, 4th Floor, Sector 17, Chandigarh – 160017

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	NA
Safe and responsible usage	100%
Recycling and/or safe disposal	NA

3. Number of consumer complaints in respect of the following:

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	NA	0	0	NA
Advertising	0	0	NA	0	0	NA
Cyber-security	0	0	NA	0	0	NA
Delivery of essential services	0	0	NA	0	0	NA
Restrictive Trade Practices	0	0	NA	0	0	NA
Unfair Trade Practices	0	0	NA	0	0	NA
Other	10,490	136#		3,662	65	

All these complaints were attended to and resolved, there were no complaints pending as on date.

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes

<https://tinyurl.com/2s4eautd>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

NA

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

<https://tinyurl.com/2s3fnvzp>

<https://tinyurl.com/yc3jyhxm>

<https://tinyurl.com/3kvcw6j3>

<https://tinyurl.com/288ber42>

<https://tinyurl.com/4e3uk28p>

<https://tinyurl.com/23v9u69d>

<https://tinyurl.com/364vt767>

<https://tinyurl.com/bdew98by>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

All Information related to products offered to customers are available at Company’s website. Further customer can enquire about the products through Chat bots available at Company’s website. The Customer can invest in Company’s Fixed deposits and can also repay loan instalments through Company’s website.

The Company has Board approved Fair practice Code and it is available at Company’s website and same are also placed at all the Branches. Further the Company has provided various digital facilities such as Social media, Internet, web portal etc., to customers to approach the Company with their concerns if any.



SECRETARIAL COMPLIANCE REPORT OF SHRIRAM FINANCE LIMITED FOR THE YEAR ENDED MARCH 31, 2023

I, P. Sriram, Partner of SPNP & Associates have examined:

- (a) All the documents and records made available to us and explanation provided by **Shriram Finance Limited** (“the listed entity”),
- (b) The filings/ submissions made by the listed entity to the stock exchanges,
- (c) Website of the listed entity,
- (d) Any other document/ filing, as may be relevant, which has been relied upon to make this certification,

For the year ended March 31, 2023 (“Review Period”) in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, including:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018,
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable to the Company during the review period)
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021
- (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; as amended
- (h) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- (i) Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018;

And circulars guidelines issued thereunder; and based on the above examination, I hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr.	Compliance Requirement (Regulations/ Circulars/ Guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observation	Management Response	Remarks
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NIL

- (b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No	Compliance Requirement (Regulations/ Circulars/ Guidelines including specific clause)	Regulation/ Circular No.	Deviations	Actions Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the practicing Company Secretary	Management Response	Remarks
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NIL



ADDITIONAL DISCLOSURES:

On the basis of Circular No.20230316-1 dated March 16, 2023, the following are the Additional affirmations

Sr. No.	Particulars	Compliance status(Yes/No/NA)	Observations Remarks by PCS*
1.	<u>Secretarial Standards:</u> The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI)	Yes	
2.	<u>Adoption and timely updation of the Policies:</u> <ul style="list-style-type: none"> • All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities • All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/circulars/ guidelines issued by SEBI 	Yes	
3.	<u>Maintenance and disclosures on Website:</u> <ul style="list-style-type: none"> • The Listed entity is maintaining a functional website • Timely dissemination of the documents/ information under a separate section on the website • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website 	Yes	
4.	<u>Disqualification of Director:</u> None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013	Yes	
5.	<u>To examine details related to Subsidiaries of listed entities:</u> <ul style="list-style-type: none"> (a) Identification of material subsidiary companies (b) Requirements with respect to disclosure of material as well as other subsidiaries 	Yes	
6.	<u>Preservation of Documents:</u> The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	
7.	<u>Performance Evaluation:</u> The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations	Yes	As per SEBI Listing Regulations and the Companies Act, the board Evaluation is required to be done once in a year. The Performance Evaluation was carried out in the month of March 2023 for the financial year 2022-23.

Sr. No.	Particulars	Compliance status(Yes/No/NA)	Observations Remarks by PCS*
8.	<u>Related Party Transactions:</u> (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit committee	Yes	Since, all Related party transactions were entered into by the Company only with prior approval of audit committee point (b) is not applicable
9.	<u>Disclosure of events or information:</u> The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	
10.	<u>Prohibition of Insider Trading:</u> The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI(Prohibition of Insider Trading) Regulations, 2015	Yes	
11.	<u>Actions taken by SEBI or Stock Exchange(s), if any:</u> No Actions taken against the listed entity/its promoters/directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/guidelines issued thereunder	Yes	
12.	<u>Additional Non-compliances ,if any:</u> No any additional non-compliance observed for all SEBI regulation/ circular/guidance note etc.	NA	

FOR SPNP & ASSOCIATES

PSRIRAM

FCSNo. 4862/CPNo: 3310

PEER REVIEW NO:1913/2022

UDIN:F004862E000218515

Place: Chennai

Date: April 28, 2023



Financial Statements



To The Members of
Shriram Finance Limited (formerly Shriram Transport Finance Company Limited)

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

1. We have audited the accompanying standalone financial statements of Shriram Finance Limited (formerly Shriram Transport Finance Company Limited) ('the Company'), which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information ('the Standalone Financial Statements').
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

are relevant to our audit of the Standalone Financial Statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

Emphasis of Matter

4. We draw attention to notes 52 and 74 of the Standalone financial statements which state that the Composite Scheme of Arrangement and Amalgamation ('Scheme'), has been given effect to, based on the Appointed date 01 April 2022 as approved by National Company Law Tribunal which is deemed to be the acquisition date for the purpose of accounting under Ind AS 103 'Business Combinations'. Our opinion on the Standalone financial statements is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current year. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
6. We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Financial statements.

Key Audit Matter	How the matter was addressed in our audit										
<p>Acquisition accounting for the Composite Scheme of Arrangement and amalgamation ('Scheme') of Shriram Capital Limited (SCL) and Shriram City Union Finance Limited (SCUF) with the Company</p> <p>During the year, the Hon'ble National Company Law Tribunal, Chennai Bench ('NCLT') has approved the Composite Scheme of Arrangement and Amalgamation ('Scheme'), inter alia, involving amalgamation of Shriram Capital Limited (SCL) with its Remaining undertaking with the Company and amalgamation of Shriram City Union Finance Limited (SCUF) with its entire undertaking with the Company, vide order dated 9 November 2022 to be read with Corrigendum order dated 17 November 2022 effective from Appointed date of the Scheme being 1 April 2022.</p> <p>Accounting for the amalgamation has involved judgment in order to:</p> <ul style="list-style-type: none"> • determine the fair value of consideration transferred; • identify and measure the fair value of the identifiable assets acquired and liabilities assumed; • allocate the purchase consideration between identifiable assets and liabilities, goodwill and Intangible assets (distribution network); <p>This is a material acquisition for the Company and given the level of estimation and judgement required, we considered it to be a key audit matter.</p> <p>The most significant judgement relates to the identification and valuation of intangible assets acquired. The identified intangible assets are the distribution network. This includes complex valuation considerations and requires the use of specialists.</p> <p>(Reference to Notes 52 and 74 read with Statement of Accounting Policies Note 6.15 to the Standalone Financial Statements)</p>	<p>Audit procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Scheme and the transaction from the management and identified key terms relevant to the accounting for the transaction. • Read relevant parts of the approval obtained from NCLT and assessed the Company's conclusion as regard business combination accounting in accordance with Ind AS 103 with respect to the amalgamation. • We tested the completeness of the identified assets and liabilities acquired by comparison to the scheme of arrangement, through discussions with the Company. • We assessed the Company's determination of fair values for assets and liabilities acquired including intangible assets and the methods used to value the underlying assets by: <ul style="list-style-type: none"> ▶ reading the valuation report prepared by the appointed external valuation specialists. ▶ evaluating the competence, objectivity and integrity of the appointed external valuation specialists. ▶ discussing with the external valuation specialists and management the appropriateness of the methods used to determine the fair values of distribution rights and including assumptions such as the discount rates applied. ▶ evaluating appropriateness of adequate disclosures in accordance with the applicable accounting standards. 										
<p>Impairment Loss Allowance of loans and advances</p> <p>(Reference to Note 12 read with Statement of Accounting Policies Note 6.1(xi) and Note No. 64 of the Other Notes forming part of Standalone Financial statements- Schedule to the Standalone Financial Statements)</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: right;">(in INR Crores)</th> </tr> </thead> <tbody> <tr> <td style="width: 70%;">Gross Advances</td> <td style="text-align: right;">1,83,338.42</td> </tr> <tr> <td>Provisions*</td> <td style="text-align: right;">11,353.84</td> </tr> <tr> <td>Net Advances</td> <td style="text-align: right;">171,984.58</td> </tr> <tr> <td>COVID-19 Provisions*</td> <td style="text-align: right;">1,107.49</td> </tr> </tbody> </table> <p>(*COVID-19 Provisions - towards management overlay on account of COVID-19 is included in above provisions)</p>	(in INR Crores)		Gross Advances	1,83,338.42	Provisions*	11,353.84	Net Advances	171,984.58	COVID-19 Provisions*	1,107.49	<p>Audit Procedures included but were not limited to the following:</p> <p>We have started our audit procedures with understanding of the internal control environment related to Impairment loss allowance. Our procedures over internal controls focused on recognition and measurement of impairment loss allowance. We assessed the design and tested the operating effectiveness of the selected key controls implemented by the Company.</p> <p>We also assessed whether the impairment methodology used by the Company is in accordance with the assumptions and methodology approved by the Board of Directors of the Company which is based on and in compliance with Ind AS 109 'Financial Instruments'.</p>
(in INR Crores)											
Gross Advances	1,83,338.42										
Provisions*	11,353.84										
Net Advances	171,984.58										
COVID-19 Provisions*	1,107.49										

Key Audit Matter	How the matter was addressed in our audit
<p>Significant estimates and judgment involved Key Audit Matter</p> <p>Reserve Bank of India has issued Master circular and other clarifications on Income Recognition and Asset Classification and Provisioning pertaining to Advances ('IRAC'). These guidelines prescribe the prudential norms for identifying and classifying of advances as Stage 3 / NPAs.</p> <p>The Company has applied significant judgement to determine the identification and classification of such assets as Stage 3 / NPAs by applying quantitative as well as qualitative factors. The risk of identification of such assets as Stage 3 / NPAs is affected by factors like stress and liquidity concerns of such assets.</p> <p>Impairment loss allowance of loans and advances ('Impairment loss allowance') is a Key Audit Matter as the Company has significant credit risk exposure considering the large loan portfolio across a wide geographical range. The value of loans and advances on the balance sheet is significant and there is a high degree of complexity and judgment involved in estimating individual and collective credit impairment provisions, write-offs against these loans and to additionally determine the asset quality and provision of the Company. The Company's model to calculate expected credit loss ('ECL') is inherently complex and judgment is applied in determining the correct construction of the three-stage impairment model ('ECL Model') including the selection and input of forward looking information. ECL provision calculation requires the use of large volumes of data. The completeness and reliability of data can significantly impact accuracy of the modelled impairment provisions. The accuracy of data flows and the implementation of related controls are critical for the integrity of the estimated impairment provisions.</p>	<p>Accordingly, we assessed the approach of the Company regarding definition of Default, Probability of Default (PD), Loss Given Default (LGD) and incorporation of forward-looking information for the calculation of ECL. For loans and advances which are assessed for impairment on a portfolio basis we performed particularly the following procedures:</p> <ul style="list-style-type: none"> • We read the Company's policies for identification, classification and assessing compliance for Stage 3 / NPAs customers in line with the IRAC norms; • We understood the design, reliability and operating effectiveness of key data inputs and related management controls; • We performed substantial audit procedure relating to identification and classification of Stage 3 / NPAs by the company; • We tested the identification / grouping of the loan accounts mapped with the customer code as identified by the management; • We tested the exception reports generated from the company's software systems where the loan accounts have been recorded; • We performed analytical procedures to identify possible cases of evergreening of loans and tested these on sample basis; • We checked the stage classification as at the balance sheet date as per the definition of Default of the Company and Reserve Bank of India circulars issued from time to time; • We validated the ECL Model and its calculation by involving our Information Technology Expert; • We have checked on sample basis that the stage classification for the borrowers has been given in accordance with the Resolution Framework issued by Reserve Bank of India (the 'RBI') and the Board approved policy for ECL provisioning and stage classification with respect to such accounts; • We have verified whether the ECL provision is made in accordance with the Board Approved Policy in this regard; • We have also calculated the ECL provision manually for selected samples; • We have assessed the assumptions made by the Company in making accelerated provision considering forward looking information and based on an event in a particular geographical range; • With respect to management overlay made by the Company on account of the impact of COVID-19 pandemic, we broadly reviewed the underlying assumptions and estimates used by the management for the same but as the extent of impact is dependent on future developments which are highly uncertain, we have primarily relied on those assumptions and estimates. These assumptions and estimates are a subject matter of periodic review by the Company; and • We have assessed disclosure requirements for classification and identification of Stage 3/ NPAs in accordance with RBI circulars including those issued specifically issued for COVID-19 related matters. • For loans and advances which are written off during the year under audit, we read and understood the methodology and policy laid down and implemented by the Company in this regards along with its compliance on sample basis.

Other Information

7. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the Standalone Financial Statements and our auditors' report thereon. The Other Information is expected to be made available to us after the date of this auditor's report.
8. Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
9. In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

10. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting standards ('Ind AS') specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
11. In preparing the Standalone Financial Statements, the Board of Directors is responsible for assessing

the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the Standalone Financial Statements

13. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.
14. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - 14.1. Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - 14.2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
 - 14.3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting

estimates and related disclosures made by the Management.

- 14.4. Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 14.5. Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
15. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
16. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
17. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

18. As required by the Companies (Auditor's Report) Order, 2020 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
19. As required by Section 143(3) of the Act, we report that:
- 19.1 We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- 19.2 In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- 19.3 The standalone balance sheet, the standalone statement of profit and loss including other comprehensive income, the statement of changes in equity and the standalone cash flow statement dealt with by this Report are in agreement with the books of accounts.
- 19.4 In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.
- 19.5 On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- 19.6 With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
- 19.7 In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.
20. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

20.1. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its Standalone Financial Statements – Refer Note 49 to the Standalone Financial Statements;

20.2. The Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 10 to the Standalone Financial Statements;

20.3. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

20.4. The Management has represented, to best of their knowledge and belief, that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

20.5. The Management has represented, to best of their knowledge and belief, that no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('Funding

Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

20.6. Based on such audit procedures, that have been considered reasonable and appropriate in the circumstances, performed by us, nothing has come to our notice that has caused us to believe that the representation under para 20.4 and 20.5 contain any material misstatement.

20.7. In our opinion and according to the information and explanations given to us,

a) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.

b) As stated in Note 30 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

21. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. 01 April 2023, reporting under this clause is not applicable.

For **Sundaram & Srinivasan**
Chartered Accountants

Firm Registration Number - 004207S

P Menakshi Sundaram

Partner

ICAI Membership Number: 217914

UDIN: 23217914BGWPCD9078

Place: Mumbai

Date: 27 April 2023

For **KKC & Associates LLP**

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

Firm Registration Number: 105146W/W100621

Devang Doshi

Partner

ICAI Membership Number: 140056

UDIN: 23140056BGZQK9518

Place: Mumbai

Date: 27 April 2023

Annexure 'A' to the Independent Auditor's Report on the Standalone Financial Statements of Shriram Finance Limited (formerly Shriram Transport Finance Company Limited) for the year ended 31 March 2023

(Referred to in paragraph 18 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment ('PPE') and relevant details of right-of-use assets.
- The Company is maintaining proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its PPE by which all PPE are verified in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company. Consequent to effect of scheme of amalgamation involving amalgamation of Shriram Capital Limited (after de-merger of few undertakings from the said Shriram Capital Limited) and Shriram City Union Finance Limited with the Company and change in the name of the company from Shriram Transport Finance Company Limited to Shriram Finance Limited, the Company is in process of applying for the name change in respect of its immovable properties.
- (d) In our opinion and according to the information and explanations given to us, the Company has not revalued its PPE (including Right of Use assets) or intangible assets or both during the year.
- (e) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Refer Note 87 to the standalone Financial Statements.
- ii. (a) The Company is in the business of providing loans and does not have any physical inventories. Accordingly, the provision of clause 3(ii)(a) of the Order is not applicable to it.
- (b) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of rupees five crore, in aggregate, from banks or financial institutions on the basis of security of Loans. Based on our examination of the records of the Company, the quarterly returns/statements filed by the company with the said bank are in agreement with the books of accounts of the Company.
- iii. (a) The Company's principal business is to give loans. Accordingly, the provision of clause 3(iii)(a) of the Order is not applicable to it.
- (b) The Company, is a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934. In our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the Company's interest.
- (c) The Company, being a NBFC, registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its customers as stipulated. In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and in cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer notes 12 and 64 to the Standalone Financial Statements for summarised

ANNEXURE 'A'

TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

STANDALONE ACCOUNTS

details of such loans/advances which are not repaid by borrowers as per stipulations. According to the information and explanation made available to us, reasonable steps are taken by the Company for recovery thereof.

- (d) The Company, being a NBFC, registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors and reports total amount overdue including principal and/or payment of interest by its customers for more than 90 days. In cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer notes 12 and 64 to the Standalone Financial Statements for summarised details of such loans/advances which are not repaid by borrowers as per stipulations. According to the information and explanation made available to us, reasonable steps are taken by the Company for recovery thereof.
- (e) Since the Company's principal business is to give loans, the provision of clause 3(iii)(e) of the Order is not applicable to it.
- (f) Based on our audit procedures and according to the information and explanation made available to us, the Company has not granted any loans or advances in the nature of loans to Promoters/Related Parties (as defined in section 2(76) of the Act) which are either repayable on demand or without specifying any terms or period of repayment.
- iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees in contravention of the provisions of sections 185 and 186(1) of the Act, the other provision of the section 186 of the Act are not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, the Company being a NBFC registered with the Reserve Bank of India, the provisions of sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted are not applicable to the Company. We are informed by the Management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
- vi. The Central Government has not prescribed the maintenance of cost records under the sub-section (1) of Section 148 of the Act for any of the business activities carried out by the Company. Accordingly, the provision of clause 3(vi) of the Order is not applicable to the Company.
- vii. (a) In our opinion and according to the information and explanations given to us, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues have generally been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' state Insurance, Income Tax, Goods and Services Tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company did not have dues which have not been deposited as on March 31, 2023, except for the following:

Name of the statute	Nature of dues	Amount* (Rs. In Crores)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act,1961	Income Tax demands	0.04	A.Y.2020-21	CIT (Appeals)
Income Tax Act,1961	Income Tax demands	0.12	A.Y.2018-19	CIT (Appeals)
Income Tax Act,1961	Income Tax demands	13.63	A.Y. 2017-18	CIT (Appeals)
Income Tax Act,1961	Income Tax demands	0.45	A.Y. 2014-15	Assessing Officer

Name of the statute	Nature of dues	Amount* (Rs. In Crores)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax demands	0.73	A.Y. 2014-15	CIT (Appeals)
Income Tax Act, 1961	Income Tax demands	1.20	A.Y. 2013-14	Assessing Officer
Income Tax Act, 1961	Income Tax demands	0.00	A.Y. 2012-13	Madras High Court
Income Tax Act, 1961	Income Tax demands	1.09	A.Y. 2012-13	Assessing Officer
Income Tax Act, 1961	Income Tax demands	5.88	A.Y. 2011-12	Assessing Officer
Income Tax Act, 1961	Income Tax demands	4.89	A.Y. 2010-11	Assessing Officer
Income Tax Act, 1961	Income Tax demands	3.86	A.Y. 2009-10	Assessing Officer
Income Tax Act, 1961	Income Tax demands	0.18	A.Y. 2008-09	Assessing Officer
Income Tax Act, 1961	Income Tax demands	0.22	A.Y. 2007-08	Assessing Officer
Income Tax Act, 1961	Income Tax demands	0.00	A.Y. 2006-07	Assessing Officer
Income Tax Act, 1961	Income Tax demands##	2.51	A.Y. 2021-22	CIT (Appeals)
Income Tax Act, 1961	Income Tax demands##	0.02	A.Y. 2020-21	CIT (Appeals)
Income Tax Act, 1961	Income Tax demands##	0.01	A.Y. 2018-19	CIT (Appeals)
Income Tax Act, 1961	Income Tax demands##	0.16	A.Y. 2015-16	CIT (Appeals)
Income Tax Act, 1961	Income Tax demands##	0.81	A.Y. 2014-15	Assessing Officer
Income Tax Act, 1961	Income Tax demands##	1.23	A.Y. 1997-98	Assessing Officer
Finance Act, 1994 (Service tax)	Service tax on interest on hypothecation loans	1,768.66	F.Y. 2005-06 to April 01, 2017 to June 30, 2017	Mumbai High Court
Finance Act, 1994 (Service tax)	Service tax demand on securitisation collection commission	192.88	F.Y. 2008-09 to 2014-2015	CESTAT (Custom, Excise and Service Tax Appellate Tribunal, Mumbai)
Finance Act, 1994 (Service tax)	Service tax on hire purchase and lease transaction	208.79	1st March 2006 to 31st March 2010	Supreme Court

ANNEXURE 'A'

TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

STANDALONE ACCOUNTS

Name of the statute	Nature of dues	Amount* (Rs. In Crores)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994 (Service tax)	ST on Collection of receivables in respect of Securitisation/ Direct Assignment ##	36.30	1st April 2009 to 30th September 2014	CESTAT (Customs, Excise and Service Tax Appellate Tribunal, Chennai)
Finance Act, 1994 (Service tax)	Service Tax on Additional Finance Charge ##	40.57	1st October 2012 to 30th June 2017	CESTAT (Customs, Excise and Service Tax Appellate Tribunal, Chennai)
Maharashtra Value Added Tax	Value added tax	0.00#	F.Y. 2005-06	Maharashtra Sales Tax Tribunal – Pune
Andhra Pradesh Value Added Tax	Value added tax	0.00**	F.Y. 2010-11 to 2012-13	High court of Telangana – Hyderabad
Andhra Pradesh Value Added Tax	Value added tax	0.00**	F.Y 2009-10 to 2010-11 and 1st April 2011 to 31st August 2012	High court of Telangana – Hyderabad
Andhra Pradesh Value Added Tax	Value added tax	3.48	F.Y. 2005-06 to 2008-09	High court of Andhra Pradesh – Vijaywada
Karnataka Value Added Tax	Value added tax	8.07	F.Y. 2010-11 to 2016-17	High court of Karnataka
Orissa Value Added Tax	Value added tax	0.09	F.Y. 2008-09 to 2012-13	DCCT – Bhubaneshwar
Telangana Value Added Tax	Value added tax	0.00**	F.Y. 2013-14 to 2016-17 and April 17 to June 17	High Court of Telangana
Tamil Nadu Value Added Tax	Value added tax	3.73	F.Y. 2014-15 to 2016-17 and April 17 to June 17	The Company is in the process of filing an appeal with Madras High Court.
Tamil Nadu Value Added Tax	Value added tax	2.90	F.Y. 2006-07 to 2013-14	Supreme Court – Delhi
Tamil Nadu Value Added Tax	Value added tax##	0.00\$	F.Y. 2014-15 to 2016-17 and April 17 to June 17	Appellate Tribunal, Chennai
Tamil Nadu Value Added Tax	Value added tax##	0.00\$	F.Y. 2007-08 to 2013-14	Supreme Court – Delhi
Kerala Value Added Tax	Value added tax##	0.05	F.Y. 2007-08	Dy. Commissioner (Appeals), Kerala

*Above amounts are net of amount paid under protest, wherever paid.

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores

\$ Amounts where entire Disputed Tax amount is deposited is presented as Rs 0.00 crores

** Cases which are entered into Amnesty Scheme and awaiting for closure Orders are presented as Rs 0.00 crores as the entire Disputed Tax dues is settled.

Case added of Erstwhile Shriram City Union Finance Limited.

viii. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, we confirm that we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961)

- ix. (a) In our opinion, the Company has not defaulted in repayment of loans or other borrowings to financial institutions, banks, government and dues to debenture holders or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or any other lender.
- (c) In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained, other than temporary parking in Cash credit account for a few days during the year, pending utilization towards the purpose for which the same are obtained.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary or associate. The Company does not have any joint venture.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary or associate. The Company does not have any joint venture.
- x. (a) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not raised any moneys raised by way of further public offer during the current financial year. In our opinion, monies raised by the Company by way of debt instruments and term loans were applied for the purposes for which those were obtained, though idle/ surplus funds which were not required for immediate utilization were gainfully invested in liquid assets payable on demand.
- (b) In our opinion and according to the information and explanations given to us the Company has not made any preferential allotment / private placement of shares / fully / partly / optionally convertible debentures during the year.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the year, other than the instances of fraud noticed and reported by the management in terms of the regulatory provisions applicable to the Company amounting to Rs. 0.59 Crores comprising of 4 instances.
- (b) No report under sub-section (12) of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the Management, there are no whistle blower complaints received by the Company during the year.
- xii. (a) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered, during the course of our audit, the reports of the Internal Auditor(s) for the period under audit, issued to the Company during the year till date, in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".

ANNEXURE 'A'

TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

STANDALONE ACCOUNTS

- xv. According to the information and explanations given to us and in our opinion; during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company and hence provisions of section 192 of the Act are not applicable to the Company.
- xvi. (a) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and the Company has obtained the required registration.
- (b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid CoR from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) According to the information and explanations given to us, the Company is not a CIC as defined in the regulations made by Reserve Bank of India.
- (d) According to the information and explanations given to us in the course of our audit, the Group to which the Company belongs has 4 CIC's as defined in the Core Investment Companies (Reserve Bank) Directions, 2016.
- xvii. The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable / paragraph 3(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, along with details provided in Note 47 to the Standalone Financial statements which describe the maturity analysis of assets & liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) According to the information and explanations given to us and based on our examination of the records of the Company, it is not required to transfer any unspent amount pertaining to the year under report to a Fund specified in Schedule VII to the Companies Act, 2013 in compliance with second proviso to sub-section (5) of section 135 of the said Act.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, there is no amount which is remaining unspent under sub-section (5) of Section 135 of the Act pursuant to any ongoing projects.

For Sundaram & Srinivasan
Chartered Accountants

Firm Registration Number - 004207S

P Menakshi Sundaram

Partner

ICAI Membership Number: 217914

UDIN: 23217914BGWPCD9078

Place: Mumbai

Date: 27 April 2023

For KKC & Associates LLP

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

Firm Registration Number: 105146W/W100621

Devang Doshi

Partner

ICAI Membership Number: 140056

UDIN: 23140056BGZQK9518

Place: Mumbai

Date: 27 April 2023

Annexure 'B' to the Independent Auditors' report on the Standalone Financial Statements of Shriram Finance Limited (formerly Shriram Transport Finance Company Limited) for the year ended 31 March 2023

(Referred to in paragraph '19.6' under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to the aforesaid Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**Opinion**

1. We have audited the internal financial controls with reference to the Standalone Financial Statements of Shriram Finance Limited (formerly Shriram Transport Finance Company Limited) ('the Company') as at 31 March 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.
2. In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to the Standalone Financial Statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('the Guidance Note').

Management's responsibility for Internal Financial Controls

3. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

4. Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('SA'), prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Standalone Financial Statements. Those SAs and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Standalone Financial Statements were established and maintained and whether such controls operated effectively in all material respects.
5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to the Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to the Standalone Financial Statements.

Meaning of Internal Financial Controls with reference to the Standalone Financial Statements

7. A company's internal financial controls with reference to the Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the Standalone Financial Statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable

detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

For **Sundaram & Srinivasan**

Chartered Accountants

Firm Registration Number - 004207S

P Menakshi Sundaram

Partner

ICAI Membership Number: 217914

UDIN: 23217914BGWPCD9078

Place: Mumbai

Date: 27 April 2023

Inherent Limitations of Internal Financial Controls with reference to the Standalone Financial Statements

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

For **KKC & Associates LLP**

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

Firm Registration Number: 105146W/W100621

Devang Doshi

Partner

ICAI Membership Number: 140056

UDIN: 23140056BGZQK9518

Place: Mumbai

Date: 27 April 2023

(Rs. in crores)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	8	9,505.30	10,662.44
(b) Bank balance other than (a) above	9	6,312.11	5,692.72
(c) Derivative financial instruments	10	668.81	201.40
(d) Receivables	11		
(I) Trade receivables		17.00	5.35
(II) Other receivables		260.12	190.49
(e) Loans	12	171,984.58	116,665.15
(f) Investments	13	8,565.06	6,809.16
(g) Other financial assets	14	72.70	51.45
Total financial assets		197,385.68	140,278.16
(2) Non-financial assets			
(a) Current tax assets (net)	15	716.97	228.24
(b) Deferred tax assets (net)	43	1,743.92	869.38
(c) Investment property	16	2.62	1.97
(d) Property, plant and equipment	17	209.49	110.56
(e) Right-of-use assets	18	490.21	302.52
(f) Intangible assets under development	19A	66.08	-
(g) Goodwill	19B	1,406.73	-
(h) Other intangible assets	19B	1,217.65	3.04
(i) Other non-financial assets	20	424.51	312.22
Total non-financial assets		6,278.18	1,827.93
Total assets		203,663.86	142,106.09
LIABILITIES AND EQUITY			
Liabilities			
(1) Financial liabilities			
(a) Payables	21		
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	0.02
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		293.24	166.01
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		0.36	1.46
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1.09	1.21
(b) Debt securities	22	43,652.59	41,256.55
(c) Borrowings (other than debt securities)	23	73,590.02	46,676.93
(d) Deposits	24	36,139.83	21,948.98
(e) Subordinated liabilities	25	4,523.85	4,614.25
(f) Lease liabilities	18	563.46	349.43
(g) Other financial liabilities	26	1,020.66	859.64
Total financial liabilities		159,785.10	115,874.48
(2) Non-financial liabilities			
(a) Current tax liabilities (net)	27	160.89	36.82
(b) Provisions	28	211.48	138.18
(c) Other non-financial liabilities	29	199.75	124.42
Total non-financial liabilities		572.12	299.42
Total liabilities		160,357.22	116,173.90
(3) Equity			
(a) Equity share capital	30	374.43	270.52
(b) Other equity	31	42,932.21	25,661.67
Total equity		43,306.64	25,932.19
Total liabilities and equity		203,663.86	142,106.09

See accompanying notes to the financial statements

As per our report of even date

For KKC & Associates LLP

(formerly Khimji Kunverji & Co LLP)

Chartered Accountants

ICAI Firm Registration No.: 105146W/W100621

For Sundaram & Srinivasan

Chartered Accountants

ICAI Firm Registration No.: 004207S

For and on behalf of the Board of Directors of

Shriram Finance Limited

(formerly Shriram Transport Finance Company Limited)

Devang Doshi
Partner

Membership No.: 140056
Mumbai
April 27, 2023

P Menakshi Sundaram
Partner

Membership No.: 217914
Mumbai
April 27, 2023

Jugal Kishore Mohapatra
Chairman

DIN: 03190289
New Delhi
April 27, 2023

Y. S. Chakravarti
Managing Director
& CEO
DIN: 00052308
Mumbai
April 27, 2023

Parag Sharma
Joint Managing Director & CFO
DIN: 02916744
Mumbai
April 27, 2023

U Balasundararao
Company Secretary
Mumbai
April 27, 2023

STANDALONE STATEMENT OF **PROFIT AND LOSS**
FOR THE YEAR ENDED MARCH 31, 2023

STANDALONE ACCOUNTS

(Rs. in crores)			
Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from operations			
(i) Interest income	32	28,607.36	18,646.26
(ii) Dividend income		6.52	-
(iii) Rental income		0.17	0.17
(iv) Fees and commission income	33	242.61	100.08
(v) Net gain on fair value changes	34	340.07	221.70
(vi) Net gain on derecognition of financial instruments under amortised cost category		224.46	217.74
(vii) Other operating income	35	350.97	69.22
(I) Total Revenue from operations		29,772.16	19,255.17
(II) Other Income	36	30.73	19.06
(III) Total Income (I + II)		29,802.89	19,274.23
Expenses			
(i) Finance cost	37	12,545.76	9,734.31
(ii) Fees and commission expenses	38	303.61	91.74
(iii) Impairment on financial instruments	39	4,159.17	3,860.86
(iv) Employee benefits expenses	40	2,506.11	997.09
(v) Depreciation, amortisation and impairment (Refer note 16,17 and 19)	41	524.18	135.37
(vi) Other expenses	42	1,579.17	905.61
(IV) Total Expenses		21,618.00	15,724.98
(V) Profit before exceptional items and tax (III - IV)		8,184.89	3,549.25
(VI) Exceptional items		-	-
(VII) Profit before tax (V+ VI)		8,184.89	3,549.25
(VIII) Tax Expense:			
(1) Current tax	43	2,875.01	1,112.57
(2) Deferred tax	43	(680.96)	(188.93)
(3) Tax adjustment for earlier years	43	11.50	(82.32)
(IX) Profit for the year from continuing operations (VII - VIII)		5,979.34	2,707.93
(X) Profit for the year		5,979.34	2,707.93
(XI) Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) on defined benefit plan		(8.02)	(3.24)
Gain / (loss) on Fair valuation of quoted investments in equity shares		(11.80)	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		4.99	0.82
Subtotal (A)		(14.83)	(2.42)
B (i) Items that will be reclassified to profit or loss			
Cash flow hedge reserve			
Gain/(loss) on effective portion of hedging instruments in a cash flow hedge		(14.68)	(160.87)
(ii) Income tax relating to items that will be reclassified to profit or loss		3.69	40.49
Subtotal (B)		(10.99)	(120.38)
Other comprehensive income (A + B)		(25.82)	(122.80)
(XII) Total Comprehensive income for the year (X + XI)		5,953.52	2,585.13
(XIII) Earnings per equity share (face value Rs. 10/- per equity share)	44		
Basic (Rs.)		159.69	101.74
Diluted (Rs.)		158.99	101.74

See accompanying notes to the financial statements

As per our report of even date

For KKC & Associates LLP
(formerly Khimji Kunverji & Co LLP)

Chartered Accountants
ICAI Firm Registration No.: 105146W/W100621

Devang Doshi
Partner

Membership No.: 140056
Mumbai
April 27, 2023

For Sundaram & Srinivasan

Chartered Accountants
ICAI Firm Registration No.: 004207S

P Menakshi Sundaram
Partner

Membership No.: 217914
Mumbai
April 27, 2023

For and on behalf of the Board of Directors of

Shriram Finance Limited
(formerly Shriram Transport Finance Company Limited)

Jugal Kishore Mohapatra
Chairman

DIN: 03190289
New Delhi
April 27, 2023

Parag Sharma
Joint Managing Director & CFO
DIN: 02916744
Mumbai
April 27, 2023

Y. S. Chakravarti
Managing Director

& CEO
DIN: 00052308
Mumbai
April 27, 2023

U Balasundararao
Company Secretary
Mumbai
April 27, 2023

A. Equity Share Capital

(1) Current Reporting Period

(Rs. in crores)			
Balance at the beginning of the current reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Balance at the end of the current reporting period
As at March 31, 2022	-	270.52	As at March 31, 2023
270.52		270.52	374.43
	Changes in equity share capital during the current reporting period (Refer note 52)		103.91

(2) Previous Reporting Period

(Rs. in crores)			
Balance at the beginning of the previous reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Balance at the end of the previous reporting period
As at March 31, 2021	-	253.06	As at March 31, 2022
253.06		253.06	270.52
	Changes in equity share capital during the previous year		17.46

B. Other Equity

(1) Current Reporting Period

Particulars	Reserves And Surplus										Other Comprehensive Income		Money Received Against Share Warrants	Total	
	Share Application Money Pending Allotment	Capital Reserve	Securities Premium	Statutory Reserve	Debt Redemption Reserve #	Capital Redemption Reserve	General Reserve	Remeasurement Gain/(Loss) On Defined Benefit Plan	Retained Earnings	Share Options Outstanding	Amalgamation Adjustment Reserves	Gain/(Loss) on fair valuation of investments in equity shares	Effective Portion of Cash Flow Hedges	Income	Total
Balance at the beginning of the Current Reporting Period (As at April 01, 2022)	-	27.64	5,662.38	4,707.98	307.28	53.88	2,934.07	(12.08)	12,193.92	-	-	(213.40)	-	-	25,661.67
Changes in Accounting Policy/ Prior Period Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effects of business combination (Refer note 52)	-	76.93	-	1,706.81	-	-	-	-	-	-	(1,706.81)	-	-	-	76.93
Restated balance at the beginning of the Current Reporting Period	-	104.57	5,662.38	6,414.79	307.28	53.88	2,934.07	(12.08)	12,193.92	-	(1,706.81)	(213.40)	-	-	25,738.60
Profit for the year	-	-	-	-	-	-	-	-	5,979.34	-	-	-	-	-	5,979.34
Other Comprehensive Income for the year	-	-	-	-	-	-	-	(6.00)	-	-	-	(8.83)	(10.99)	-	(25.82)
Total Comprehensive Income for the year	-	-	-	-	-	-	-	(6.00)	5,979.34	-	-	(8.83)	(10.99)	-	5,953.52
Dividends (Interim)	-	-	-	-	-	-	-	-	(561.64)	-	-	-	-	-	(561.64)
Transferred to/ (from) (Refer note 31)	-	-	-	1,195.87	111.85	-	597.94	-	(1,988.41)	83.65	-	-	-	-	0.90
Any Other Change:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Securities Premium proceeds received on issue of Equity Shares (Refer note 30 and 31)	-	-	11,689.60	-	-	-	-	-	-	-	-	-	-	-	11,689.60
Expenses on Employee Stock Option Plan	-	-	-	-	-	-	-	-	-	164.56	-	-	-	-	164.56
Exercise of Employee Stock Option Plan	-	-	-	-	-	-	-	-	-	(53.33)	-	-	-	-	(53.33)
Transferred to/(from) (Refer note 31) on account of share forfeiture	-	-	-	-	-	-	0.04	-	-	(0.04)	-	-	-	-	-
Balance at the end of the Current Reporting Period (As at March 31, 2023)	-	104.57	17,351.98	7,610.66	419.13	53.88	3,532.05	(18.08)	15,623.21	194.84	(1,706.81)	(8.83)	(224.39)	-	42,932.21

STANDALONE STATEMENT OF **CHANGES IN EQUITY**
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

STANDALONE ACCOUNTS

Particulars	Reserves And Surplus										Other Comprehensive Income			Money Received Against Share Warrants	Total
	Share Application Money Pending Allotment	Capital Reserve	Securities Premium	Statutory Reserve	Debiture Redemption Reserve #	Capital Redemption Reserve	General Reserve	Other Reserves Gain/(Loss) On Defined Benefit Plan	Retained Earnings	Share Options Out standing	Amalgamation Adjustment Reserves	Gain/(Loss) on fair valuation of investments in equity shares	Effective Portion Of Cash Flow Hedges		
Balance at the beginning of the Previous Reporting Period (As at April 01, 2021)	-	27.64	3,201.27	4,166.39	921.41	53.88	2,663.27	(9.66)	10,384.13	-	-	(93.02)	-	21,315.31	
Changes in Accounting Policy/ Prior Period Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Restated balance at the beginning of the Previous Reporting Period	-	27.64	3,201.27	4,166.39	921.41	53.88	2,663.27	(9.66)	10,384.13	-	-	(93.02)	-	21,315.31	
Profit for the year	-	-	-	-	-	-	-	-	2,707.93	-	-	-	-	2,707.93	
Other Comprehensive Income for the year	-	-	-	-	-	-	-	(2.42)	-	-	-	(120.38)	-	(122.80)	
Total Comprehensive Income for the year	-	-	-	-	-	-	-	(2.42)	2,707.93	-	-	(120.38)	-	2,585.13	
Dividends (Interim)	-	-	-	-	-	-	-	-	(539.65)	-	-	-	-	(539.65)	
Dividends (Final for the year ended March 31, 2021)	-	-	-	-	-	-	-	-	(160.23)	-	-	-	-	(160.23)	
Transferred to/ (from) (Refer note 31)	-	-	-	541.59	(614.13)	-	270.80	-	(198.26)	-	-	-	-	-	
Any Other Change:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Securities Premium proceeds received on issue of Equity Shares (Refer note 30 and 31)	-	-	2,482.54	-	-	-	-	-	-	-	-	-	-	2,482.54	
Share Issue Expenses (Refer note 30 and 31)	-	-	(21.43)	-	-	-	-	-	-	-	-	-	-	(21.43)	
Money received against Share Warrants	-	-	-	-	-	-	-	-	-	-	-	-	250.00	250.00	
Shares Allotted during the year	-	-	-	-	-	-	-	-	-	-	-	-	(250.00)	(250.00)	
Balance at the end of the Previous Reporting Period (As at March 31, 2022)	-	27.64	5,662.38	4,707.98	307.28	53.88	2,934.07	(12.08)	12,193.92	-	-	(213.40)	-	25,661.67	

Refer note 31 - Other equity
See accompanying notes to the financial statements

As per our report of even date
For KKC & Associates LLP
(formerly Khimji Kunverji & Co LLP)
Chartered Accountants
ICAI Firm Registration No.: 105146W/W100621

Devang Doshi
Partner

Membership No.: 140056
Mumbai
April 27, 2023

For Sundaram & Srinivasan
Chartered Accountants
ICAI Firm Registration No.: 004207S

P Menakshi Sundaram
Partner

Membership No.: 217914
Mumbai
April 27, 2023

For and on behalf of the Board of Directors of
Shriram Finance Limited
(formerly Shriram Transport Finance Company Limited)

Jugal Kishore Mohapatra
Chairman

DIN: 03190289
New Delhi
April 27, 2023

Y. S. Chakravarti
Managing Director
& CEO

DIN: 00052308
Mumbai
April 27, 2023

U Balasundararao
Company Secretary

Mumbai
April 27, 2023

Parag Sharma
Joint Managing Director & CFO

DIN: 02916744
Mumbai
April 27, 2023

Particulars	(Rs. in crores)	
	Year ended March 31, 2023	Year ended March 31, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	8,184.89	3,549.25
Depreciation, amortisation and impairment	524.18	135.37
Interest on income tax refund	(14.66)	-
Share based payments to employees	164.56	-
Interest income on loans	(27,504.20)	(18,054.67)
Finance costs	12,545.76	9,734.31
Loss/(profit) on sale of property plant and equipment (net)	1.00	0.79
Fair value adjustments to investments	1.85	-
Impairment on loans	4,128.79	3,865.02
Impairment on investments	4.70	(2.00)
Impairment on undrawn loan commitment	(0.40)	(4.00)
Impairment on other assets	26.08	1.84
Net (gain)/loss on fair value changes on investment	(373.62)	(236.83)
Net (gain)/loss on fair value changes on direct assignment	33.55	15.13
Net gain on derecognition of financial instruments under amortised cost category	(224.46)	217.74
Cash inflow from interest on loans	26,319.90	18,006.70
Cash outflow towards finance costs	(11,207.40)	(8,588.09)
Operating profit before working capital changes	12,610.52	8,640.56
Movements in working capital:		
Decrease/(increase) in loans	(27,674.73)	(12,179.16)
Decrease/(increase) in investments	1,333.02	(3,372.48)
Decrease/(increase) in receivables	173.38	(369.88)
Decrease/(increase) in bank deposits	776.09	(301.83)
Decrease/(increase) in other financial assets	(20.12)	(4.26)
Decrease/(increase) in other non-financial assets	101.69	(16.85)
Increase/(decrease) in payables	66.16	13.51
Increase/(decrease) in other financial liabilities	(38.96)	(138.25)
Increase/(decrease) in non-financial liabilities	0.14	25.16
Increase/(decrease) in other provision	55.99	(3.60)
Cash used in operations	(12,616.82)	(7,707.08)
Direct taxes paid (net of refunds)	(3,224.51)	(1,151.94)
Net cash flows from/(used in) operating activities (A)	(15,841.33)	(8,859.02)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(183.60)	(35.75)
Proceeds from sale of property, plant and equipment and intangible assets	3.54	1.42
Net cash generated from/(used in) investing activities (B)	(180.06)	(34.33)

STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

STANDALONE ACCOUNTS

Particulars	(Rs. in crores)	
	Year ended March 31, 2023	Year ended March 31, 2022
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital (including share premium and net of share issue expenses)	12.16	2,478.57
Proceeds/(repayment) on settlement of derivative contracts	(467.41)	(32.15)
Increase/(decrease) in fixed deposits (net)	6,778.56	5,443.14
Amount received from debt securities	9,194.70	16,637.86
Repayment of debt securities	(13,992.22)	(16,203.36)
Proceeds/(repayment) of subordinated debts	(136.34)	(50.32)
Amount received from borrowings other than debt securities	61,633.95	41,477.93
Repayment of borrowings other than debt securities	(52,625.02)	(40,280.10)
Payment of lease liabilities	(188.73)	(114.90)
Dividend paid	(562.80)	(851.81)
Net cash generated from/(used in) financing activities (C)	9,646.84	8,504.86
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(6,374.55)	(388.49)
Cash and cash equivalents at the beginning of the year	10,662.44	11,050.93
Cash and bank balances taken over on account of amalgamation	5,217.41	-
Cash and cash equivalents at the end of the year	9,505.30	10,662.44

Components of cash and cash equivalents	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents at the end of the year		
i) Cash on hand	153.43	95.05
ii) Cheques on hand	4.87	5.56
iii) Balances with banks (of the nature of cash and cash equivalents)	3,923.23	2,654.78
iv) Call money (CBLO)	499.72	3,198.60
v) Bank deposit with original maturity upto three months or less	4,924.05	4,708.45
Total	9,505.30	10,662.44

The above Cash flow statement has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'. See accompanying notes to the financial statements

As per our report of even date

For KKC & Associates LLP
(formerly Khimji Kunverji & Co LLP)

Chartered Accountants

ICAI Firm Registration No.: 105146W/W100621

For Sundaram & Srinivasan

Chartered Accountants

ICAI Firm Registration No.: 004207S

For and on behalf of the Board of Directors of

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Joint Managing Director & CFO
DIN: 02916744
Mumbai
April 27, 2023

U Balasundararao
Company Secretary
Mumbai
April 27, 2023

1 CORPORATE INFORMATION

Shriram Finance Limited (formerly known as Shriram Transport Finance Company Limited) ('the Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its equity shares and non-convertible debentures are listed on BSE Limited and National Stock Exchange of India Limited.

The Company is registered with the Reserve Bank of India (RBI), Ministry of Corporate Affairs (MCA) and Insurance Regulatory and Development Authority of India (IRDA). The registration details are as follows:

RBI	07-00459
Corporate Identity Number (CIN)	L65191TN1979PLC007874
IRDA	CA0197

Shriram Capital Private Limited (formerly Shriram Financial Ventures (Chennai) Private Limited) and Shriram Ownership Trust are the Promoters of the Company. The Company is a Deposit Accepting Non-Banking Finance Company ('NBFC'), NBFC-Investment and Credit Company (NBFC-ICC) holding a Certificate of Registration from the RBI dated April 17, 2007 which was endorsed in the new name on January 31, 2023. The RBI, under Scale Based Regulations (SBR) had categorised the Company in Upper Layer (NBFC-UL) vide its circular dated September 30, 2022.

The registered office of the Company is Sri Towers, 14A, South Phase, Industrial Estate, Guindy, Chennai, Tamil Nadu- 600 032. The principal place of business is Wockhardt Towers, West Wing, Level-3, C-2, G-Block, Bandra - Kurla Complex, Bandra (East), Mumbai, Maharashtra - 400 051.

The Company is primarily engaged in the business of financing commercial vehicles, passenger vehicles, construction equipment, farm equipment, micro, small and medium enterprises, two-wheelers, gold and personal loans.

Pursuant to the Hon'ble National Company Law Tribunal, Chennai Bench ("NCLT") approval of the Composite Scheme of Arrangement and Amalgamation, Shriram Capital Limited (SCL) with its remaining undertaking and Shriram City Union Finance Limited (SCUF) with its entire undertaking amalgamated with the Company.

The financial statements of the Company for the year ended March 31, 2023 were approved for issue in accordance with the resolution of the Board of Directors on April 27, 2023.

2 BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under the Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards, except for the assets and liabilities acquired under business combination are measured at fair value. The financial statements have been prepared as per the guidelines issued by the RBI as applicable to a NBFCs and other accounting principles generally accepted in India. Any applicable guidance / clarifications / directions issued by RBI or other regulators are implemented as and when they are issued / applicable.

The regulatory disclosures as required by Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by the RBI are prepared as per the Ind AS financial statements, pursuant to the RBI notification on Implementation of Indian Accounting Standards, dated March 13, 2020.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use (refer note 6.1 (xi)).

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

The financial statements are presented in Indian Rupees in crores (INR crores or Rs. in crores) which is also the functional currency of the Company and all values are rounded to the nearest crore, except when otherwise indicated.

3 PRESENTATION OF FINANCIAL STATEMENT

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to Non-banking Finance Companies (NBFCs), as notified by the MCA. The Statement of Cash Flows is presented as per the requirements of Ind AS 7 - Statement of Cash Flows. The Company classifies its assets and liabilities as financial and non-financial and presents them in the order of liquidity. An analysis regarding expected recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in notes to the financial statements. Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

- i. The normal course of business
- ii. The event of default
- iii. The event of insolvency or bankruptcy of the Company and/or its counterparties

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

4 STATEMENT OF COMPLIANCE

These standalone or separate financial statements of the Company have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under Section 133 of the Companies Act, 2013 and the other relevant provisions of the Act.

The Company has consistently applied accounting policies to all the periods except for note 6.1 (xi).

5 NEW ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE/ RECENT ACCOUNTING DEVELOPMENTS

MCA notifies new standards or amendments to the existing standards. During year ended March 31, 2023, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022 which was effective from April 01, 2022.

6 SIGNIFICANT ACCOUNTING POLICIES

6.1 Financial instruments

(i) Classification of financial instruments

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

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

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

Business model assessment

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

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

- ▶ How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.
- ▶ The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed.
- ▶ How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

- ▶ The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.
- ▶ At initial recognition of a financial asset, the Company determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Company reassesses its business models each reporting period to determine whether the business model/ (s) have changed since the preceding period. For the current and prior reporting period the Company has not identified a change in its business model.

The Solely Payments of Principal and Interest (SPPI) test

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

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

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

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

(ii) Financial assets measured at amortised cost

Debt instruments

These financial assets comprise bank balances, loans, trade receivables, investments and other financial assets.

Debt instruments are measured at amortised cost where they have:

- a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
- b) are held within a business model whose objective is achieved by holding to collect contractual cash flows.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost. However, trade receivables that do not contain a significant financing component are initially measured at transaction price.

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

Debt instruments

Investments in debt instruments are measured at fair value through other comprehensive income where they have:

- a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
- b) are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

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

Equity instruments

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Company in a business combination to which Ind AS 103 'Business Combination' applies, are measured at fair value through other comprehensive income, where an irrevocable election has been made by management and when such instruments meet the

definition of Equity under Ind AS 32 Financial Instruments: Presentation. Such classification is determined on an instrument-by-instrument basis. Amounts presented in other comprehensive income are not subsequently transferred to the Statement of Profit and Loss. Dividends on such investments are recognised in the Statement of Profit and Loss.

The Company has accounted for its investment in subsidiary at fair value at the time of acquisition due to business combination. The investment is subsequently measured at cost.

(iv) Financial assets measured at fair value through profit or loss

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;
- Items specifically designated as fair value through profit or loss on initial recognition; and
- Debt instruments with contractual terms that do not represent solely payments of principal and interest.

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

Financial instruments held for trading

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

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

Financial instruments specifically designated as measured at fair value through profit or loss

Upon initial recognition, financial instruments may be designated as measured at fair value through profit or loss. A financial asset may only be designated at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistencies (i.e. eliminates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on a different basis.

As at the reporting date the Company does not have any financial instruments specifically designated as measured at fair value through profit or loss.

Debt instruments with contractual terms that do not represent solely payments of principal and interest

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

As at the reporting date the Company does not have any debt instruments measured at fair value through profit or loss.

Equity Investments

Investment in Associate is carried at cost in the Separate Financial Statements as permitted under Ind AS 27. The Company has accounted for its investment in subsidiary at fair value at the time of acquisition due to business combination. The investment is subsequently measured at cost. All other equity investments are measured at fair value through profit or loss.

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

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

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

(v) Derivatives

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

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

The Company enters into derivative transactions with various counterparties to hedge its foreign currency risks and interest rate risks. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Company undertakes derivative transactions for hedging on-balance sheet liabilities.

Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The notional amount and fair value of such derivatives are disclosed separately. Changes in the fair value of derivatives are included in net gain on fair value changes.

Hedge accounting

The Company has adopted hedge accounting. The Company makes use of derivative instruments to manage exposures to interest rate risk and foreign currency risk. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria. The Company has formally designated and documented the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the criteria for hedge accounting and qualify as cash flow hedges are accounted as follows:

Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability and could affect the Statement of Profit and Loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in other comprehensive income as cash flow hedge reserve. The ineffective portion of the gain or loss on the hedging instrument is recognised immediately as finance cost in the Statement of Profit and Loss. When the hedged cash flow affects the Statement of Profit and Loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the Statement of Profit and Loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the Statement of Profit and Loss.

(vi) Embedded Derivatives

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract.

(vii) Debt securities and other borrowed funds

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

(viii) Financial guarantees

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

- ▶ The premium is recognised in the Statement of Profit and Loss on a straight-line basis over the life of the guarantee.

(ix) Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in FY 2021-22 and until the year ended March 31, 2023.

(x) Recognition and Derecognition of financial assets and liabilities

Recognition

- a) Loans and Advances are initially recognised when the funds are transferred to the customer's account or delivery of assets by the dealer, whichever is earlier.
- b) Investments are initially recognised on the settlement date.
- c) Debt securities, deposits and borrowings are initially recognised when funds reach the Company.
- d) Other Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Derecognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be Purchased or Originated as Credit Impaired (POCI).

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Derecognition of financial assets other than due to substantial modification

a) Financial assets

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

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

- i. The Company has transferred its contractual rights to receive cash flows from the financial asset, or
- ii. It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

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

- i. The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- ii. The Company cannot sell or pledge the original asset other than as security to the eventual recipients.
- iii. The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

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

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

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

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the Statement of Profit and Loss. Accordingly, gain or loss on sale or derecognition of assigned portfolio are recorded upfront in the Statement of Profit and Loss as per Ind AS 109. Also, the Company recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset. As per the guidelines of RBI, the Company is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ('MRR'). Therefore, it continues to recognise the portion retained by it as MRR.

b) Financial liabilities

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

(xi) Impairment of financial assets

Overview of the ECL principles

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

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

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

Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Company has grouped its loan portfolio into Secured Loans for New Vehicles, Secured Loans for Used Vehicles, Gold loans, MSME Loans, Two Wheelers Loans and Personal Loans.

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

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

Stage 1

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

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. 30 Days Past Due is considered as significant increase in credit risk.

Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL

is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event (for e.g. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

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

In line with Reserve Bank of India Master Circular on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances and Clarifications dated November 12, 2021, borrower accounts shall be flagged as overdue as part of the day-end processes for the due date, irrespective of the time of running such processes. Similarly, classification of borrower accounts as Non-Performing Asset / Stage 3 shall be done as part of day-end process for the relevant date i.e. more than 90 days overdue and NPA/Stage 3 classification date shall be the calendar date for which the day end process is run. In other words, the date of Non-Performing Asset / Stage 3 shall reflect the asset classification status of an account at the day-end of that calendar date.

The Company has carried out the requirement in line with Reserve Bank of India Clarification and accordingly the change in accounting policy is effective from financial year 2021-22 and impact on financials is disclosed in note 81B.

Upgradation of accounts classified as Stage 3/Non-performing assets (NPA) - The Company upgrades loan accounts classified as Stage 3/ NPA to 'standard' asset category only if the entire arrears of interest, principal and other amount are paid by the borrower and there is no change in the accounting policy followed by the Company in this regard. With regard to upgradation of accounts classified as NPA due to restructuring, the instructions as specified for such cases as per the said RBI guidelines shall continue to be applicable.

Credit-impaired financial assets

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

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

- a) Significant financial difficulty of the borrower or issuer;
- b) A breach of contract such as a default or past due event;
- c) The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- e) The disappearance of an active market for a security because of financial difficulties.

ECL on Investment in Government securities

The Company has invested in Government of India loans. Investment in Government securities are classified under stage 1. No ECL has been applied on these investments as there is no history of delay in servicing of interest/ repayments. The Company does not expect any delay in interest/redemption servicing in future.

ECL on Loans secured by the Company's fixed deposit

No ECL has been applied on loans given against the Company's fixed deposit as they are fully secured by the Company's fixed deposits.

Simplified approach for trade/ other receivables and contract assets

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade/ other receivables that do not contain a significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. It recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. At every reporting date, the historical observed default rates are updated for changes in the forward-looking estimates. For trade receivables that contain a significant financing component a general approach is followed.

Financial guarantee contracts

The Company's liability under financial guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the Statement of Profit and Loss, and the ECL provision. For this purpose, the Company estimates ECLs by applying a credit conversion factor. The ECLs related to financial guarantee contracts, if any, are recognised within Provisions.

ECL on Debt instruments measured at fair value through OCI

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

Undrawn loan commitments

When estimating ECL for undrawn loan commitments, a credit conversion factor of 100% is applied for expected drawdown. The Company discloses ECL allowance on undrawn loan commitments under the head 'Provisions' under non-financial liabilities.

The mechanics of ECL

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

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

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The concept of PD is further explained in Note 55.

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date. The concept of EAD is further explained in Note 55.

Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The concept of LGD is further explained in Note 55.

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and the market it operates in. Macro-economic regression models are built to identify the key macro-economic factors (independent variables) that drive the default rates. The best possible single variable linear regression model is identified basis the R-square and the economic intuition of the relationship between the independent variable and the default rates.

The Company considers various external factors such as GDP growth, Inflation, weighted average lending rate of Scheduled Commercial Banks etc., as macro-economic factors affecting the Company's ECL estimates and the most relevant macro-economic factor affecting the particular loan product is factored in while arriving at the PD of that product. The Company formulated three different macro-economic stress scenarios under the premise of mild stress, medium stress and severe stress condition. The medium stress scenario largely reflected the current economic conditions, and accordingly was used for ECL modelling.

On a periodic basis, the Company monitors the situation and economic factors affecting the operations of the company and assesses the requirement of any modification to ECL model.

Collateral Valuation

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

Collateral repossessed

In its normal course of business whenever default occurs, the Company may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/ obligors. The Company generally does not use the assets repossessed for the internal operations. The underlying loans in respect of which collaterals have been repossessed and not sold for more than 6 months are considered as Stage 3 assets and fully provided for net of estimated realisable value or written off. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet as it does not meet the recognition criteria in other standards and consequently the Company also does not derecognise the underlying financial asset immediately on repossession. The change in accounting policy is effective financial year 2021-22 and impact on financials is disclosed in note 81A.

Restructured loans

The Company is permitted to restructure customer accounts. Restructuring would normally involve modification of terms of the advances/ securities, which would generally include, among others, alteration of payment period/ payable amount/ the amount of instalments/ rate of interest/ sanction of additional credit facility/ release of additional funds for a customer account. The Company considers the modification of the loan only before the loans gets credit impaired. In case of restructuring, the accounts classified as 'standard' shall be immediately downgraded as non-performing assets/ Stage 3 unless and other wise explicitly stated in the Circulars and Directions issued by Reserve Bank of India from time to time. Once an asset has been classified as restructured, it will remain restructured for a period of one year from the date on which it has been restructured until the customer account demonstrates satisfactory performance during the specified period.

For upgradation of accounts classified as Non-Performing Assets due to restructuring, the instructions as specified for such cases as per the said RBI guidelines shall continue to be applicable.

Loan accounts which have been restructured or modified in accordance with RBI Notifications - RBI/2020-21/16 DOR. No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020- Resolution Framework for COVID-19 related Stress and RBI/2021-22/31/DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021- Resolution Framework - 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses and RBI/2020-21/17 DOR. No.BP.BC/4/21.04.048/2020-21- dated August 06, 2020 - Micro, Small and Medium Enterprises (MSME) sector - Restructuring of Advances and RBI/2021-22/32 DOR. STR.REC.12/21.04.048/2021-22 dated May 05, 2021 Resolution Framework 2.0 - Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs) have been classified as Stage 2 due to significant increase in credit risk.

(xii) Write-offs

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss. Write off in case of standard accounts is done by way of waiver of last one or two instalments in case the borrower pays all the EMIs as per the due dates mentioned in the agreement.

(xiii) Determination of fair value

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

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

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

Difference between transaction price and fair value at initial recognition

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

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

6.2 Revenue from operations

(i) Interest Income

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

The EIR in case of a financial asset is computed

- a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.
- b. By considering all the contractual terms of the financial instrument in estimating the cash flows.
- c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

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

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

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

Interest spread under par structure of direct assignment of loan receivables is recognised upfront. On derecognition of the loan receivables in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognised upfront in the Statement of Profit and Loss.

(ii) Dividend Income

Dividend income is recognised when the right to receive the payment is established.

(iii) Rental Income

Rental income arising from operating leases is recognised on a straight-line basis over the lease term. In cases where the increase is in line with expected general inflation, rental income is recognised as per the contractual terms.

Operating leases are leases where the Company does not transfer substantially all of the risk and benefits of ownership of the asset.

(iv) Fees & Commission Income

Fees and commissions are recognised when the Company satisfies the performance obligation, at the amount of transaction price (net of variable consideration) allocated to that performance obligation based on a five-step model as set out below, unless included in the effective interest calculation:

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

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

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects

to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

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

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

(v) **Net gain/loss on fair value changes**

Any differences between the fair values of financial assets classified as fair value through the profit or loss (refer Note 34), held by the Company on the balance sheet date is recognised as an unrealised gain/loss. In cases there is a net gain in the aggregate, the same is recognised in 'Net gains on fair value changes' under Revenue from operations and if there is a net loss the same is disclosed under 'Expenses' in the Statement of Profit and Loss.

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

(vi) **Recoveries of financial assets written off**

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

(vii) **Net gain/ loss on derecognition of financial instruments under amortised cost category**

In case where transfer of a part of financial assets qualifies for de-recognition, any difference between the proceeds received on such sale and the carrying value of the transferred asset is recognised as gain or loss on derecognition of such financial asset previously carried under amortisation cost category is presented separately under the respective head in the Statement of Profit and Loss. The resulting interest only strip initially is recognised at FVTPL under interest income.

6.3 Expenses

(i) **Finance costs**

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

The EIR in case of a financial liability is computed

- a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.
- b. By considering all the contractual terms of the financial instrument in estimating the cash flows.
- c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

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

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

(ii) **Retirement and other employee benefits**

Short term employee benefit

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

Post-employment employee benefits

a) **Defined contribution schemes**

All the employees of the Company are entitled to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future benefits other than its annual contribution and recognises such

contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) Defined Benefit schemes

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

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

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

The Company fully contributes all ascertained liabilities to the Trustees - Shriram Transport Finance Company Limited Employees' Group Gratuity Assurance Scheme and Shriram City Union Finance Limited Employees' Group Gratuity Assurance Scheme. The merger of the two trusts and subsequent change of name of the trusts to Shriram Finance Limited Employees Group Gratuity Assurance Scheme is under process. Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Companies.

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

Other long-term employee benefits

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

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

Employee Stock Options

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

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

That cost is recognised, together with a corresponding increase in Share Option Outstanding Reserves in equity, over the period in which the performance and / or service conditions are fulfilled in employee benefits expense/ vesting period. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

The Statement of Profit and Loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. No expense is recognised for awards that do not ultimately vest.

(iii) Leases

The Company as a lessee

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 01, 2019 (transition date). The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. For arrangements entered into prior to April 01, 2019, the Company has determined whether the arrangement contains a lease on the basis of facts and circumstances existing on the date of transition.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate at the transition date in case of leases existing as on the date of transition date and in case of leases entered after transition date, incremental borrowing rate as on the date of lease commencement date. In case of existing leases, the said date would be the date of transition. It is remeasured when there is a change in future lease payments arising from a change in a rate, if the Company changes its assessment of whether it will exercise an extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in Statement of Profit and Loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term. The Company's lease asset class consist of leases for office premises.

In case of a sub-lease, the Company accounts for its head lease and sub-lease separately.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Rental income arising from operating leases is recognised on a straight-line basis over the lease term. In cases where the increase is in line with expected general inflation, rental income is recognised as per the contractual terms.

(iv) Other income and expenses

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

(v) Impairment of non-financial assets, wherever applicable

The Company assesses at each balance sheet date whether there is any indication that a non-financial asset may be impaired due to events or changes in circumstances indicating that their carrying amounts may not be realised. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the revised recoverable amount, subject to maximum of the depreciated historical cost.

(vi) Taxes

Current Tax

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

Current income tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

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

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

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

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

- i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- ii. When receivables and payables are stated with the amount of tax included.

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

(vii) Dividends on ordinary shares

The Company recognises a liability to make cash distributions to equity shareholders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Companies Act, 2013 final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when it is approved by the Board of Directors of the Company. A corresponding amount is recognised directly in equity.

6.4 Foreign currency translation

(i) Functional and presentational currency

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

(ii) Transactions and balances

Initial recognition

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

Conversion

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

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

6.5 Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand, cheques on hand, balances with banks (of the nature of cash and cash equivalents). CBLO and short-term deposits, as defined above.

6.6 Property, plant and equipment

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

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, if it is probable that future economic benefit will flow to the Company from that expenditure and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation

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

The estimated useful lives are as follows:

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

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

Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income/ expense in the Statement of Profit and Loss in the year the asset is derecognised.

Depreciation on assets acquired/ sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from/ upto the date of acquisition/ sale.

The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

6.7 Intangible assets

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

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

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

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

The Company's intangible assets consist of computer software and distribution network with definite life and goodwill with indefinite life.

Goodwill is not subject to amortisation and is tested annually for impairment. Goodwill is carried at cost less accumulated impairment losses. The Company has determined the useful life of the intangible asset in the nature of branch network acquired through the scheme of amalgamation and started amortising the same over its useful life.

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

6.8 Investment Property

Properties, held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs.

Depreciation is recognised using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013 or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the Statement of Profit and Loss in the same period.

6.9 Ind AS 101 - First-time Adoption of Indian Accounting Standards

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment, intangible assets and investment property as at March 31, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment, intangible assets and investment property as on April 01, 2017.

6.10 Provisions

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

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the Statement of Profit and Loss net of any reimbursement. As at reporting date, the Company does not have any such provisions where the effect of time value of money is material.

6.11 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements. Contingent liabilities are reviewed at each Balance Sheet date.

6.12 Contingent Asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised nor disclosed in the financial statements. They are disclosed only when an inflow of economic benefits is probable. Contingent assets are reviewed at each Balance Sheet date.

6.13 Earning Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

6.14 Cash flow Statement

Cash flows are reported under the 'Indirect method' as set out in Ind AS 7 on 'Statement of Cash Flows, whereby net profit after tax is adjusted for the effects of transactions of non-cash nature, tax and any deferrals or accruals of past or future cash receipts or payments. The cash flows are prepared for the operating, investing and financing activities of the Company.

6.15 Business Combination

The Company applies the acquisition method of accounting for business combinations where common control does not exist. The consideration transferred by the Company for the acquisition of business comprises of fair value of the assets transferred, liabilities incurred, and the equity interests issued by the Company as at the acquisition date i.e. the date on which it obtains the control of the acquiree. The acquisition related costs are recognised in the statement of profit and loss as incurred, except to the extent related to the issue of debt or equity securities.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values on the acquisition date.

Intangible assets acquired in a business combination and recognised separately from Goodwill are initially recognised at their fair value at the acquisition date. Subsequent to initial recognition, intangible assets as well as Goodwill acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, respectively.

Goodwill is initially measured at cost, being the excess of the consideration transferred over the fair value of the net identifiable assets acquired. After initial recognition, Goodwill is tested annually for impairment and any impairment loss for Goodwill is recognised in the statement of profit and loss.

Distribution network is the value of the transferor company's branch network. Valuation of Distribution Network is as per With & Without Method.

If the consideration transferred is less than the fair value of net identifiable assets acquired, the difference is recognised as capital reserve in other equity.

Further details and impact of this merger on financial statements of the Company is disclosed in note 52.

7 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

7.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

7.2 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

7.3 Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

7.4 Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary. The impairment loss on loans and advances is disclosed in more detail in Note 6.1(xi) Overview of ECL principles.

7.5 Contingent liabilities and provisions other than impairment on loan portfolio

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed at each Balance sheet date and revised to take account of changing facts and circumstances.

7.6 Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given/ taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument

7.7 Estimating the incremental borrowing rate

The Company uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to for its incremental borrowings.

7.8 Other estimates

These include contingent liabilities, useful lives of tangible and intangible assets etc. The Company has determined the useful life of the intangible asset in the nature of branch network acquired through the scheme of amalgamation and started amortising the same over its useful life by making a suitable change in the accounting estimate.

		(Rs. in crores)	
Particulars		As at March 31, 2023	As at March 31, 2022
8	CASH AND CASH EQUIVALENTS		
	Cash on hand	153.43	95.05
	Balances with banks (of the nature of cash and cash equivalents)	3,923.23	2,654.78
	Cheques on hand	4.87	5.56
	Others		
	- Call money (CBLO)	499.72	3,198.60
	- Bank deposit with original maturity upto three months or less	4,924.05	4,708.45
	Total	9,505.30	10,662.44

Balances with banks earn interest at fixed rates. Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates. The Company has not taken bank overdraft, therefore the cash and cash equivalents for cash flow statement is same as cash and for cash equivalents given above.

		(Rs. in crores)	
Particulars		As at March 31, 2023	As at March 31, 2022
9	BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS		
	Earmarked balances with banks for		
	- Unclaimed dividend accounts	8.63	9.72
	Bank deposit with original maturity for more than three months	478.95	574.16
	Balances with banks to the extent held as credit enhancement or security against the borrowings, guarantees, other commitments*	5,824.53	5,108.84
	Total	6,312.11	5,692.72

Fixed deposit and other balances with banks earns interest at fixed rate.

*Includes deposits Rs. 4,857.80 crores (March 31, 2022: Rs. 4,829.26 crores) pledged with Banks as margin for credit enhancement, Rs. 4.01 (March 31, 2022: Rs. 33.30 crores) as margin for guarantees and Rs. 962.72 crores (March 31, 2022: Rs. 246.28 crores) pledged as lien against borrowings.

10 DERIVATIVE FINANCIAL INSTRUMENTS

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges. The Company had adopted hedge accounting.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

		(Rs. in crores)			
Particulars		As at March 31, 2023		As at March 31, 2022	
		Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities
Part I					
(i)	Currency derivatives:				
	- Spots and forwards	16,864.26	(193.57)	17,040.59	97.84
	- Currency swaps	2,715.93	121.65	2,320.47	(276.95)
	- Cross currency interest rate swaps	3,229.67	588.33	3,408.70	364.13
	Sub total (i)	22,809.86	516.41	22,769.76	185.02

10 DERIVATIVE FINANCIAL INSTRUMENTS (Contd.)

(Rs. in crores)

Particulars	As at March 31, 2023				As at March 31, 2022			
	Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities
(ii) Interest rate derivatives:								
- Interest rate swaps	-	35.75	-	-	14,049.63	3.18	-	-
- Interest rate caps	17,230.41	116.65	-	-	-	13.20	-	-
Sub total (ii)	17,230.41	152.40	-	-	14,049.63	16.38	-	-
(iii) Credit derivatives:	-	-	-	-	-	-	-	-
(iv) Equity linked derivatives:	-	-	-	-	-	-	-	-
(v) Other derivatives:	-	-	-	-	-	-	-	-
Total Derivative financial instruments (i)+(ii)+(iii)+(iv)+(v)	40,040.27	668.81	-	-	36,819.39	201.40	-	-
Part II								
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:								
(i) Fair value hedging:	-	-	-	-	-	-	-	-
(ii) Cash flow hedging:								
- Currency derivatives	22,809.86	516.41	-	-	22,769.76	185.02	-	-
- Interest rate derivatives	17,230.41	152.40	-	-	14,049.63	16.38	-	-
(iii) Net investment hedging:	-	-	-	-	-	-	-	-
(iv) Undesignated derivatives	-	-	-	-	-	-	-	-
Total Derivative financial instruments (i)+(ii)+(iii)+(iv)	40,040.27	668.81	-	-	36,819.39	201.40	-	-

Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. The Company's risk management strategy and how it is applied to manage risk are explained in note 55.

Derivatives designated as hedging instruments

The Company designates its derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates. At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other. There is an economic relationship between the hedged item and the hedging instrument as the terms of the cross currency swap contract match that of the foreign currency borrowing (notional amount, interest payment dates, principal repayment date etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the hedging instruments is identical to the hedged risk components. To test the hedge effectiveness, the Company uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

10 DERIVATIVE FINANCIAL INSTRUMENTS (Contd.)

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised in the statement of profit and loss.

Derivatives not designated as hedging instruments

There are no undesignated derivatives.

Notes:

- 1) The interest rate risk and exchange rate risk on the borrowings of the Company are managed using various derivative instruments which are entered into from time to time. The risk management strategy and the use of derivatives are explained in note 55 and note 97.
- 2) The Company has designated the interest rate derivatives which were entered to mitigate interest rate risks on its external commercial bond and external commercial borrowings, as hedging instruments.

The impact of the hedging instrument on the Balance Sheet is as follows:

(Rs. in crores)

Hedged Instrument	As at March 31, 2023				As at March 31, 2022			
	Notional Amount	Carrying Amount	Line item in the Balance sheet	Change in fair value used for measuring ineffectiveness for the year	Notional Amount	Carrying Amount	Line item in the Balance sheet	Change in fair value used for measuring ineffectiveness for the year
Currency derivatives/ Interest rate derivatives	40,040.27	668.81	Derivative Financial Instruments	(14.68)	36,819.39	201.40	Derivative Financial Instruments	160.87

The impact of hedged items on the Balance sheet is as follows:

(Rs. in crores)

Hedged Item	As at March 31, 2023		As at March 31, 2022	
	Change in value used for measuring ineffectiveness	Cash flow hedge reserve as on March 31, 2023	Change in value used for measuring ineffectiveness	Cash flow hedge reserve as on March 31, 2022
External commercial bond and External commercial borrowings	14.68	(224.39)	(160.87)	(213.40)

10 DERIVATIVE FINANCIAL INSTRUMENTS (Contd.)

The effect of cash flow hedge in the statement of profit and loss and other comprehensive income is as follows:

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
Hedged Item	External commercial bond and external commercial borrowings	
Total hedging gain / (loss) recognised in OCI	(14.68)	(160.87)
Ineffectiveness recognised in the statement of profit and loss	-	-
Line item in the statement of profit and loss that include the hedge ineffectiveness	NA	NA
Amount reclassified from cash flow hedge reserve to the statement of profit and loss	-	-
Line item in the statement of profit and loss that includes the reclassification adjustment	NA	NA

11 RECEIVABLES

(I) Trade receivables

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	17.00	5.35
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Gross carrying amount	17.00	5.35
Less: Allowances for impairment loss on trade receivables considered good - unsecured	-	-
Less: Allowances for impairment loss on credit impaired trade receivables	-	-
Net carrying amount	17.00	5.35

Trade receivables ageing

As at March 31, 2023

Particulars	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	17.00	-	-	-	-	17.00
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-	-
Gross carrying amount	-	-	17.00	-	-	-	-	17.00

11 RECEIVABLES (Contd.)

As at March 31, 2022

Particulars	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	5.35	-	-	-	-	5.35
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-	-
Gross carrying amount	-	-	5.35	-	-	-	-	5.35

The Company's impairment assessment and measurement approach for trade receivables is mentioned at Note 6.1(xi) of significant accounting policies.

Trade receivables are non-interest bearing and are generally on terms of 30 days.

There are no dues from Directors or other officers of the Company or any firm or private company in which any Director is a partner, a Director or a member.

(II) Other receivables

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
Other receivables considered good - secured	-	-
Other receivables considered good - unsecured *	204.86	190.49
Other receivables which have significant increase in credit risk	49.56	-
Other receivables - credit impaired	30.18	2.61
Gross carrying amount	284.60	193.10
Less: Allowances for impairment loss on other receivables considered good - unsecured	6.35	-
Less: Allowances for impairment loss on other receivables which have significant increase in credit risk	4.17	-
Less: Allowances for impairment loss on credit impaired other receivables	13.96	2.61
Net carrying amount	260.12	190.49

*Includes receivable from subsidiary Rs. 0.01 crores (March 31, 2022: Rs. Nil).

There are no dues from Directors or other officers of the Company or any firm or private company in which any Director is a partner, a Director or a member.

11 RECEIVABLES (Contd.)

(Rs. in crores)

Other receivables days past due		Unbilled	Current	1-30 days past due	31-60 days past due	61-90 days past due	91-360 days past due	More than 360 days past due	Total
Estimated total gross carrying amount at default	As at March 31, 2023	269.14	0.17	11.90	0.17	0.21	3.01	-	284.60
Less: ECL-simplified approach		21.09	0.17	-	-	0.21	3.01	-	24.48
Net carrying amount		248.05	-	11.90	0.17	-	-	-	260.12
Estimated total gross carrying amount at default	As at March 31, 2022	-	189.16	2.78	0.01	-	0.85	0.30	193.10
Less: ECL-simplified approach		-	-	1.45	0.01	-	0.85	0.30	2.61
Net carrying amount		-	189.16	1.33	-	-	-	-	190.49

Reconciliation of impairment loss allowance on other receivables:

(Rs. in crores)

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as per March 31, 2021	1.88
Add: Addition during the year	1.00
(Less): Reduction during the year	(0.27)
Impairment allowance as per March 31, 2022	2.61
Add: Addition during the year	21.88
(Less): Reduction during the year	(0.01)
Impairment allowance as per March 31, 2023	24.48

(Rs. in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
12 LOANS		
Loans (at amortised cost)		
(A)		
i) Term loans	171,702.30	123,999.00
ii) Others @	11,636.12	1,700.03
Total (A) - Gross	183,338.42	125,699.03
Less : Impairment loss allowance (Refer note 64)	11,353.84	9,033.88
Total (A) - Net	171,984.58	116,665.15

		(Rs. in crores)	
Particulars		As at March 31, 2023	As at March 31, 2022
12	LOANS (Contd.)		
	(B)		
	i) Secured by tangible assets	171,671.86	123,981.87
	ii) Secured by deposits	30.44	17.13
	iii) Unsecured	11,636.12	1,700.03
	Total (B) - Gross	183,338.42	125,699.03
	Less : Impairment loss allowance (Refer note 64)	11,353.84	9,033.88
	Total (B) - Net	171,984.58	116,665.15
	(C)		
	Loans outside India	-	-
	Loans in India		
	i) Public sector	-	-
	ii) Others		
	Retail	182,341.86	125,285.30
	Corporates	996.56	413.73
	Total (C) - Gross	183,338.42	125,699.03
	Less : Impairment loss allowance (Refer note 64)	11,353.84	9,033.88
	Total (C) - Net	171,984.58	116,665.15

There are no loans measured at FVOCI or FVTPL or designated at FVTPL.

@ includes unsecured working capital loans, loans to employees, trade advances, personal loans, loans to MSME and part disbursement to customers.

Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in note 55.02 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in note 55.02.02.07.

		As at March 31, 2023				As at March 31, 2022			
Particulars		Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Internal rating grade									
Performing									
	High grade	126,447.61	-	-	126,447.61	85,781.86	-	-	85,781.86
	Standard grade	29,172.33	-	-	29,172.33	17,711.12	-	-	17,711.12
	Sub-standard grade	-	12,363.44	-	12,363.44	-	8,511.97	-	8,511.97
	Past due but not impaired	-	3,972.86	-	3,972.86	-	4,806.53	-	4,806.53
Non- performing		-	-	11,382.18	11,382.18	-	-	8,887.55	8,887.55
Total		155,619.94	16,336.30	11,382.18	183,338.42	103,492.98	13,318.50	8,887.55	125,699.03

12 LOANS (Contd.)

An analysis of changes in the gross carrying amount as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2023				Year ended March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	103,492.98	13,318.50	8,887.55	125,699.03	93,915.66	13,983.12	8,292.81	116,191.59
Portfolio additions on account of Business Combination	26,100.37	3,652.01	836.81	30,589.19	-	-	-	-
Restated Balance as on April 01, 2022	129,593.35	16,970.51	9,724.36	156,288.22	93,915.66	13,983.12	8,292.81	116,191.59
New assets originated or purchased	101,779.74	8,131.66	1,937.11	111,848.51	54,151.77	5,925.28	1,731.40	61,808.45
Assets derecognised or repaid (excluding write offs and includes interest accruals adjusted)	(69,111.38)	(8,996.14)	(4,076.44)	(82,183.96)	(40,462.98)	(6,026.81)	(3,091.93)	(49,581.72)
Transfers to stage 1	11,892.10	(9,874.75)	(2,017.35)	-	10,616.77	(8,891.78)	(1,724.99)	-
Transfers to stage 2	(11,838.57)	12,704.98	(866.41)	-	(10,291.06)	10,849.87	(558.81)	-
Transfers to stage 3	(5,847.04)	(2,472.24)	8,319.28	-	(3,544.42)	(2,299.79)	5,844.21	-
Amounts written off	(848.26)	(127.72)	(1,638.37)	(2,614.35)	(892.76)	(221.39)	(1,605.14)	(2,719.29)
Gross carrying amount closing balance	155,619.94	16,336.30	11,382.18	183,338.42	103,492.98	13,318.50	8,887.55	125,699.03

Reconciliation of ECL balance is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2023				Year ended March 31, 2022			
	General approach				General approach			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	3,381.35	1,211.03	4,441.50	9,033.88	3,046.35	1,356.07	3,486.13	7,888.55
New assets originated or purchased	2,719.46	641.75	729.33	4,090.54	1,735.00	628.10	754.40	3,117.50
Transfers to stage 1	1,743.97	(875.77)	(868.20)	-	1,628.92	(891.41)	(737.51)	-
Transfers to stage 2	(385.25)	755.51	(370.26)	-	(335.64)	574.88	(239.24)	-
Transfers to stage 3	(200.23)	(212.90)	413.13	-	(118.19)	(241.53)	359.72	-
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery	(2,435.63)	(242.02)	2,781.60	103.95	(1,682.33)	6.31	2,423.13	747.11
Provision no longer required	(282.37)	(172.33)	(1,419.83)	(1,874.53)	(892.76)	(221.39)	(1,605.13)	(2,719.28)
ECL allowance - closing balance	4,541.30	1,105.27	5,707.27	11,353.84	3,381.35	1,211.03	4,441.50	9,033.88

The contractual amount outstanding on loans that have been written off during the financial year, but were still subject to enforcement activity was Rs. 1,463.57 crores (Rs. 1,689.33 crores for March 31, 2022).

13 INVESTMENTS

(Rs. in crores)

Particulars	As at March 31, 2023					As at March 31, 2022				
	Amotised Cost	At Fair value Through OCI	At Fair value Through profit or loss	Others (at cost)	Total	Amotised Cost	At Fair value Through OCI	At Fair value Through profit or loss	Others (at cost)	Total
i) Investments in mutual funds	-	-	512.31	-	512.31	-	-	1,523.02	-	1,523.02
ii) Investments in government securities (Refer note 67)	5,219.92	-	-	-	5,219.92	3,154.39	-	-	-	3,154.39
iii) Investments in equity instruments	-	63.35	25.40	-	88.75	-	-	23.89	-	23.89
iv) Investments in associate (at cost) (Refer note 45)	-	-	-	13.37	13.37	-	-	-	13.37	13.37
v) Investments in pass through certificates (unquoted)	1,207.71	-	-	-	1,207.71	1,106.88	-	-	-	1,106.88
vi) Investments in certificate of deposits	-	-	-	-	-	-	-	822.29	-	822.29
vii) Investments in commercial papers	-	-	-	-	-	199.79	-	-	-	199.79
viii) Investment in subsidiary (Refer note 45)	-	-	-	1,562.24	1,562.24	-	-	-	-	-
ix) <u>Others</u> Venture Capital Fund	-	-	1.53	-	1.53	-	-	1.53	-	1.53
Total Gross (A)	6,427.63	63.35	539.24	1,575.61	8,605.83	4,461.06	-	2,370.73	13.37	6,845.16
i) Investments outside India	-	63.35	-	-	63.35	-	-	-	-	-
ii) Investments in India	6,427.63	-	539.24	1,575.61	8,542.48	4,461.06	-	2,370.73	13.37	6,845.16
Total Gross (B)	6,427.63	63.35	539.24	1,575.61	8,605.83	4,461.06	-	2,370.73	13.37	6,845.16
Less : Allowance for impairment loss (C)	(40.77)	-	-	-	(40.77)	(36.00)	-	-	-	(36.00)
Total - Net D = (A) - (C)	6,386.86	63.35	539.24	1,575.61	8,565.06	4,425.06	-	2,370.73	13.37	6,809.16

More information regarding the valuation methodologies can be found in note 54.09.

There are no investments designated at FVTPL.

The dividends of Rs. 6.52 crores (March 31, 2022: Rs. Nil) received from investments in shares are recorded as dividend income.

13 INVESTMENTS (Contd.)

Investments carried at amortised cost

The table below shows the credit quality and the maximum exposure to credit risk per based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system for investments carried at amortised cost are explained in note 55.02.

(Rs. in crores)

Particulars	As at March 31, 2023				As at March 31, 2022			
	Stage 1 individual	Stage 2 individual	Stage 3	Total	Stage 1 individual	Stage 2 individual	Stage 3	Total
Internal rating grade								
Performing								
High grade	6,427.63	-	-	6,427.63	4,461.06	-	-	4,461.06
Total	6,427.63	-	-	6,427.63	4,461.06	-	-	4,461.06

An analysis of changes in gross carrying amount and the corresponding ECLs on investments carried at amortised cost which are subject to ECL is as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2023				Year ended March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount – opening balance	4,461.06	-	-	4,461.06	3,214.21	-	-	3,214.21
Effects of business combination (Refer note 52)	772.58	-	-	772.58	-	-	-	-
New assets originated or purchased	2,505.54	-	-	2,505.54	2,141.55	-	-	2,141.55
Assets derecognised or matured (excluding write-offs)	(1,311.55)	-	-	(1,311.55)	(894.71)	-	-	(894.71)
Closing balance	6,427.63	-	-	6,427.63	4,461.06	-	-	4,461.06

Reconciliation of ECL balance is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2023				Year ended March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance in ECL	36.00	-	-	36.00	38.01	-	-	38.01
Effects of business combination (Refer note 52)	0.07	-	-	0.07	-	-	-	-
Changes to models and inputs used for ECL calculations	4.70	-	-	4.70	(2.00)	-	-	(2.00)
Closing balance in ECL	40.77	-	-	40.77	36.00	-	-	36.00

(Rs. in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
14 OTHER FINANCIAL ASSETS		
Security deposits*	72.70	51.45
Total	72.70	51.45

*Net of allowance for impairment loss recognised on security deposit Rs. 4.08 crores (March 31, 2022: Rs. 0.39 crores).

14 OTHER FINANCIAL ASSETS (Contd.)

Reconciliation of ECL balance in relation to security deposits is given below:

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
ECL allowance - opening balance	0.39	0.51
Add: Addition during the year	3.69	-
(Less): Reduction during the year	-	(0.12)
ECL allowance - closing balance	4.08	0.39

15 CURRENT TAX ASSETS (NET)

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
Advance income tax [net of provision for income tax Rs. 7,559.44 crores (March 31, 2022: Rs. 5,577.72 crores)]	716.97	228.24
Total	716.97	228.24

16 INVESTMENT PROPERTY

Particulars	(Rs. in crores)		
	Freehold land	Building	Total
Gross Block*			
As at April 01, 2021	0.70	1.45	2.15
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2022	0.70	1.45	2.15
Additions	-	-	-
Transfer from Property, plant and equipment	-	0.77	0.77
Disposals	-	-	-
As at March 31, 2023	0.70	2.22	2.92
Accumulated depreciation and impairment losses			
As at April 01, 2021	-	0.15	0.15
Charge for the year	-	0.03	0.03
Disposals	-	-	-
As at March 31, 2022	-	0.18	0.18
Charge for the year	-	0.05	0.05
Transfer from Property, plant and equipment	-	0.07	0.07
Disposals	-	-	-
As at March 31, 2023	-	0.30	0.30
Net carrying amount as at March 31, 2022	0.70	1.27	1.97
Net carrying amount as at March 31, 2023	0.70	1.92	2.62

*Refer note 6.9 of Significant accounting policies for exemption applied during first-time adoption of Indian Accounting Standards.

16 INVESTMENT PROPERTY (Contd.)

(i) **Amounts recognised in Statement of Profit and Loss for Investment property**

Particulars	(Rs. in crores)	
	Year ended March 31, 2023	Year ended March 31, 2022
Rental income from investment property	0.17	0.17
Direct operating expenses arising from investment property that generated rental income during the year	0.02	0.02
Direct operating expenses arising from investment property that did not generate rental income during the year	0.00	0.00
Profit from investment property before depreciation	0.15	0.15
Depreciation charge for the year	0.05	0.03
Profit from investment property after depreciation	0.10	0.12

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

(ii) **Contractual obligations**

The Company has no contractual obligations to purchase, construct or develop investment property. However, the responsibility for its repairs, maintenance or enhancements is with the Company.

(iii) **Fair value**

The fair value of the investment property as at March 31, 2023 is Rs. 6.47 crores (March 31, 2022 is Rs. 6.12 crores).

(iv) **Pledged details**

Carrying value of investment property pledged as collateral for liabilities as at March 31, 2023 is Rs. 0.91 crores (March 31, 2022 is Rs. 0.92 crores).

(v) **Estimation of fair value**

The fair values of investment property is determined by guidance value given by the local government of the area where the investment properties are located.

(vi) **Leasing arrangements**

Investment properties are leased out to tenants. Agreements provide for cancellation by either party or contain clause for escalation and renewal of agreements.

17 PROPERTY, PLANT AND EQUIPMENT

Particulars	(Rs. in crores)										Total	
	Freehold land	Building	Plant and equipment	Computers	Office equipment	Furniture and fixtures	Vehicles	Leasehold improvement				
Gross block*												
As at April 01, 2021	0.59	2.39	11.36	56.84	32.24	31.33	0.25	109.18				244.18
Additions	-	-	0.93	15.56	3.00	2.56	-	11.18				33.23
Disposals	-	-	0.83	14.55	2.64	1.60	0.19	6.73				26.54
As at March 31, 2022	0.59	2.39	11.46	57.85	32.60	32.29	0.06	113.63				250.87
Effects of business combination (Refer note 52)	0.02	0.13	31.94	80.30	39.13	30.82	0.67	146.55				329.56
Restated as at April 01, 2022	0.61	2.52	43.40	138.15	71.73	63.11	0.73	260.18				580.43
Additions	-	-	2.91	42.00	10.24	16.50	0.53	33.10				105.28
Transferred to Investment property	-	(0.77)	-	-	-	-	-	-				(0.77)
Disposals	-	-	2.62	17.05	3.63	2.37	0.38	9.32				35.37
As at March 31, 2023	0.61	1.75	43.69	163.10	78.34	77.24	0.88	283.96				649.57
Accumulated depreciation and impairment losses												
As at April 01, 2021	-	0.02	3.99	27.93	15.55	9.18	(0.01)	63.08				119.74
Charge for the year	-	0.05	1.47	13.18	5.57	3.52	0.08	21.04				44.91
Disposals	-	-	0.63	13.23	2.43	1.39	0.18	6.48				24.34
As at March 31, 2022	-	0.07	4.83	27.88	18.69	11.31	(0.11)	77.64				140.31
Effects of business combination (Refer note 52)	-	0.04	17.71	65.19	32.65	19.71	0.27	129.83				265.40
Restated as at April 01, 2022	-	0.11	22.54	93.07	51.34	31.02	0.16	207.47				405.71
Charge for the year	-	0.02	3.86	21.39	9.00	5.86	0.16	26.89				67.18
Transferred to Investment property	-	(0.07)	-	-	-	-	-	-				(0.07)
Disposals	-	-	2.33	15.77	3.36	1.69	0.31	9.28				32.74
As at March 31, 2023	-	0.06	24.07	98.69	56.98	35.19	0.01	225.08				440.08
Net carrying amount as at March 31, 2022	0.59	2.32	6.63	29.97	13.91	20.98	0.17	35.99				110.56
Net carrying amount as at March 31, 2023	0.61	1.69	19.62	64.41	21.36	42.05	0.87	58.88				209.49

Carrying value of property, plant and equipment pledged as collateral for liabilities as at March 31, 2023 is Rs. 0.35 crores (March 31, 2022 is Rs. 0.32 crores).

*Refer note 6.9 of Significant accounting policies for exemption applied during first-time adoption of Indian Accounting Standards.

The Company has not revalued any of its property, plant and equipment during the year ended March 31, 2023 and year ended March 31, 2022. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is nil.

18 LEASES

A] This note provides information for leases where the Company is a lessee.

(i) Amounts recognised in the balance sheet

The Balance sheet shows the following amounts relating to leases

Right-of-use assets		(Rs. in crores)
Particulars	Amounts	
Gross Block		
As at April 01, 2021	487.87	
Additions	100.33	
Disposals	(17.46)	
As at March 31, 2022	570.74	
Effects of business combination (Refer note 52)	289.50	
Restated as at April 01, 2022	860.24	
Additions	175.01	
Disposals	(11.10)	
As at March 31, 2023	1,024.15	
Accumulated depreciation and impairment		
As at March 31, 2021	179.36	
Charge for the year	90.17	
Disposals	(1.31)	
As at March 31, 2022	268.22	
Effects of business combination (Refer note 52)	114.64	
Restated as at April 01, 2022	382.86	
Charge for the year	151.11	
Disposals	(0.03)	
As at March 31, 2023	533.94	
Net carrying amount as at March 31, 2022	302.52	
Net carrying amount as at March 31, 2023	490.21	

The Company has not revalued any of its Right-of-use assets during the year ended March, 2023 and year ended March 31, 2022. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is nil.

Lease liabilities

Maturity analysis of lease liabilities

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
Less than 1 year	130.19	74.92
1 to 2 years	110.76	66.53
2 to 3 years	80.84	54.11
3 to 4 years	23.70	38.36
4 to 5 years	65.16	31.94
More than 5 years	152.81	83.57
Total	563.46	349.43

The Company has taken various office premises under lease. Certain agreements provide for cancellation by either party or certain agreements contain clause for escalation and renewal of agreements. The non-cancellable operating lease agreements are ranging for a period 11 to 180 months. There are no restrictions imposed by lease arrangements.

18 LEASES (Contd.)

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
(ii) Amounts recognised in the Statement of Profit and Loss		
Depreciation charge of right-of-use assets (included in depreciation, amortisation and impairment)	151.11	88.86
Interest expense (included in finance costs)	47.29	31.97
Expense relating to short-term leases (included in other expenses)	6.52	3.24
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other expenses)	3.71	1.80
Expense relating to variable lease payments not included in lease liabilities (included in other expenses)	-	-
The Company had remeasured lease liability in respect of certain leases during the year and income on such remeasurement of leases as per Ind AS 116 is included in other income	0.66	3.16
Income from subleasing right-of-use assets (included in other income)	5.18	7.27
(iii) Gains or losses arising from sale and leaseback transactions	-	-
(iv) The total cash outflow for leases during the year	182.65	109.13

The Company does not face a significant liquidity risk with regard to its lease liabilities as the assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

B] This note provides information for leases where the Company is a lessor.

The Company had given office premises under lease. The income from lease recognised in the Statement of Profit and Loss is Rs. 0.17 crores (March 31, 2022: Rs. 0.17 crores). Agreements provide for cancellation by either party or contain clause for escalation and renewal of agreements. There were no non-cancellable operating lease agreements as on March 31, 2023. Future minimum lease receivables under non-cancellable leases as at March 31, 2022 are as follows:

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
Within one year	-	0.17
After one year but not more than five years	-	0.08
More than five years	-	-
Total	-	0.25

19 INTANGIBLE ASSETS UNDER DEVELOPMENT AND OTHER INTANGIBLE ASSETS #

(A) Intangible assets under development

Particulars	(Rs. in crores)	
	Amount	
Gross block		
As at April 01, 2021		-
Additions		-
Disposals		-
As at March 31, 2022		-
Additions		66.08
Disposals		-
As at March 31, 2023		66.08
Accumulated amortisation and impairment losses		
As at April 01, 2021		-
Charge for the year		-
Disposals		-

19 INTANGIBLE ASSETS UNDER DEVELOPMENT AND OTHER INTANGIBLE ASSETS # (Contd.)

Particulars	(Rs. in crores)
	Amount
As at March 31, 2022	-
Charge for the year	-
Disposals	-
As at March 31, 2023	-
Net carrying amount as at March 31, 2022	-
Net carrying amount as at March 31, 2023	66.08

Intangible assets under development aging

Particulars	Amount in CWIP for a period of				Total
	(Rs. in crores)				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	66.08	-	-	-	66.08
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2022

Intangible assets under development were nil for the financial year ended March 31, 2022.

(B) Other intangible assets

Particulars	(Rs. in crores)			
	Goodwill	Other Intangible Assets		
		Computer software	Distribution network	Other intangible assets
	(A)	(B)	(C)	(D) = (B)+(C)
Gross block*				
As at April 01, 2021	-	5.08	-	5.08
Additions	-	2.22	-	2.22
Disposals	-	0.03	-	0.03
As at March 31, 2022	-	7.27	-	7.27
Effects of business combination (Refer note 52)	1,408.63	43.39	1,511.00	1,554.39
Restated as at April 01, 2022	1,408.63	50.66	1,511.00	1,561.66
Additions	-	5.67	-	5.67
Effects of business combination (Refer note 52)	(1.90)	-	1.90	1.90
Disposals	-	0.00	-	0.00
As at March 31, 2023	1,406.73	56.33	1,512.90	1,569.23
Accumulated amortisation and impairment losses				
As at April 01, 2021	-	2.69	-	2.69
Charge for the year	-	1.57	-	1.57
Disposals	-	0.03	-	0.03
As at March 31, 2022	-	4.23	-	4.23
Effects of business combination (Refer note 52)	-	41.50	-	41.50
Restated as at April 01, 2022	-	45.73	-	45.73
Charge for the year	-	3.27	302.58	305.85
Disposals	-	-	-	-
As at March 31, 2023	-	49.00	302.58	351.58
Net carrying amount as at March 31, 2022	-	3.04	-	3.04
Net carrying amount as at March 31, 2023	1,406.73	7.33	1,210.32	1,217.65

19 INTANGIBLE ASSETS UNDER DEVELOPMENT AND OTHER INTANGIBLE ASSETS # (Contd.)

Other than internally generated

*Refer note 6.9 of Significant accounting policies for exemption applied during first-time adoption of Indian Accounting Standards.

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

The Company has not revalued any of its intangible assets during the financial year ended March 31, 2023 and March 31, 2022. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is nil.

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
20 OTHER NON-FINANCIAL ASSETS		
Goods and services tax credit (input) receivable	323.33	198.82
Prepaid expenses	21.22	9.32
Capital advances	8.64	3.05
Duties paid under protest	43.13	96.40
Other non-financial assets*	28.19	4.63
Total	424.51	312.22

*Other non-financial assets include advances to employees, vendors and towards rent.

21 PAYABLES

(I) Trade payables

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
(i) total outstanding dues of micro enterprises and small enterprises (Refer note 56)	-	0.02
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises*	293.24	166.01
Total	293.24	166.03

*Includes payable to associate Rs. 1.06 crores (March 31, 2022: Rs. 0.91 crores).

Trade payables ageing

Particulars	(Rs. in crores)						
	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	78.60	-	211.15	0.96	1.23	1.30	293.24
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	78.60	-	211.15	0.96	1.23	1.30	293.24

21 PAYABLES (Contd.)

As at March 31, 2022 (Rs. in crores)

Particulars	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	0.02	-	-	-	0.02
(ii) Others	108.81	-	50.63	4.25	1.10	1.22	166.01
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	108.81	-	50.65	4.25	1.10	1.22	166.03

(II) Other payables

(Rs. in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) total outstanding dues of micro enterprises and small enterprises (Refer note 56)	0.36	1.46
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1.09	1.21
Total	1.45	2.67

(Rs. in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
22 DEBT SECURITIES		
At amortised cost		
Secured		
Redeemable non-convertible debentures		
- Public issue ₹	2,508.89	2,500.63
- Privately placed ₹ ₹	27,648.08	18,768.05
External commercial bond	12,513.28	19,011.29
Senior secured notes	894.73	891.40
Unsecured		
Redeemable non-convertible debentures		
- Privately placed	87.61	85.18
Total	43,652.59	41,256.55
Debt securities in India	30,244.58	21,353.86
Debt securities outside India	13,408.01	19,902.69
Total	43,652.59	41,256.55

There are no debt securities measured at FVTPL or designated at FVTPL.

₹ includes Rs. 87.68 crores (March 31, 2022 Rs. 47.36 crores) issued to related parties including Directors.

₹₹ includes Rs. 370.13 crores (March 31, 2022 Rs. 10.01 crores) issued to related parties.

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
23 BORROWINGS (OTHER THAN DEBT SECURITIES)		
At amortised cost		
Secured		
Term loan from banks - INR	31,900.26	16,755.62
Term loan from financial institutions/corporates - INR	9,296.56	5,685.24
External commercial borrowing - FCNR	9,828.01	4,243.13
Loans repayable on demand from banks (Cash credit from banks)	459.10	454.86
Other loans - INR - Securitisation liabilities	22,106.09	19,538.08
Total	73,590.02	46,676.93
Borrowings in India	63,762.01	42,433.80
Borrowings outside India	9,828.01	4,243.13
Total	73,590.02	46,676.93

There are no borrowings measured at FVTPL or designated at FVTPL.

The borrowings have not been guaranteed by directors or others. The Company has not defaulted in repayment of principal and interest to its lenders.

The Company has utilised the funds raised from banks and financial institutions for the specific purpose for which they were borrowed.

The Company has borrowed funds from banks and financial institutions on the basis of security of current assets. It has filed quarterly returns or statements of current assets with banks and financial institutions and the said returns/statements are in agreement with books of accounts.

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
24 DEPOSITS		
At amortised cost		
Unsecured		
i. Public deposits (Refer note 67)*	34,671.99	20,190.08
ii. From Banks	-	-
iii. From Others		
- Deposits from corporates **	1,467.84	1,729.76
- Inter-corporate deposits ***	-	29.14
Total	36,139.83	21,948.98

There are no deposits measured at FVTPL or designated at FVTPL.

* includes Rs. 3.47 crores (March 31, 2022 Rs. 3.01 crores) accepted from related parties including Director.

** includes Rs. 171.87 crores (March 31, 2022 Rs. 118.94 crores) accepted from related parties.

*** includes Rs. Nil (March 31, 2022 Rs. 27.45 crores) accepted from associate.

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
25 SUBORDINATED LIABILITIES		
At amortised cost		
Others		
Unsecured		
Subordinated debts - Debentures #	4,523.85	4,614.25
Total	4,523.85	4,614.25

25 SUBORDINATED LIABILITIES (Contd.)

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
Subordinated debts in India	4,523.85	4,614.25
Subordinated debts outside India	-	-
Total	4,523.85	4,614.25

There are no subordinated liabilities measured at FVTPL or designated at FVTPL.

includes Rs. 523.20 crores (March 31, 2022 Rs. 516.07 crores) issued to related parties.

I DEBT SECURITIES

A) Redeemable Non-Convertible Debenture (NCD) - Secured

i) Public issue of Non-Convertible Debentures (NCD) of Rs. 1,000/- each (IPO 2018 - 1)

Terms of repayment

As at March 31, 2023

Redeemable at par/ premium (from the date of the Balance Sheet)	Rate of interest	Total
	< 10%	
over 60 months	498.94	498.94
upto 12 months	865.47	865.47
Total	1,364.41	1,364.41

As at March 31, 2022

Redeemable at par/ premium (from the date of the Balance Sheet)	Rate of interest	Total
	< 10%	
over 60 months	497.98	497.98
12-24 months	850.87	850.87
Total	1,348.85	1,348.85

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company had utilised the entire sum of Rs. 3,648.52 crores raised from public issue (net off expenses) towards repayment of borrowings as per the objects stated in the prospectus for the issue.

As per the terms of the issue Rs. 2,285.45 crores were redeemed on July 12, 2021.

As per the terms of the issue Rs. 107.40 crores were redeemed on December 26, 2019.

ii) Public issue of Non-Convertible Debentures (NCD) of Rs. 1,000/- each (IPO 2018 - 2)

Terms of repayment

As at March 31, 2023

Redeemable at par/ premium (from the date of the Balance Sheet)	Rate of interest	Total
	< 10%	
over 60 months	71.99	71.99
upto 12 months	275.95	275.95
Total	347.94	347.94

I DEBT SECURITIES (Contd.)

As at March 31, 2022

(Rs. in crores)

Redeemable at par/ premium (from the date of the Balance Sheet)	Rate of interest	Total
	< 10%	
over 60 months	71.82	71.82
12-24 months	269.30	269.30
Total	341.12	341.12

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company had utilised the entire sum of Rs. 606.79 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

As per the terms of the issue Rs. 107.40 crores were redeemed on November 02, 2021.

iii) Public issue of Non-Convertible Debentures (NCD) of Rs. 1,000/- each (IPO 2018 - 3)

Terms of repayment

As at March 31, 2023

(Rs. in crores)

Redeemable at par/ premium (from the date of the Balance Sheet)	Rate of interest	Total
	< 10%	
over 60 months	60.26	60.26
upto 12 months	249.73	249.73
Total	309.99	309.99

As at March 31, 2022

(Rs. in crores)

Redeemable at par/ premium (from the date of the Balance Sheet)	Rate of interest	Total
	< 10%	
over 60 months	60.13	60.13
12-24 months	243.38	243.38
Total	303.51	303.51

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company had utilised the entire sum of Rs. 537.32 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

As per the terms of the issue Rs. 247.04 crores were redeemed on February 06, 2022.

iv) Public issue of Non-Convertible Debentures (NCD) of Rs. 1,000/- each (IPO 2019 - 1)

Terms of repayment

As at March 31, 2023

(Rs. in crores)

Redeemable at par/ premium (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
36-48 months	20.74	47.09	67.83
12-24 months	34.06	74.00	108.06
Total	54.80	121.09	175.89

I DEBT SECURITIES (Contd.)

As at March 31, 2022 (Rs. in crores)

Redeemable at par/ premium (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	20.65	45.16	65.81
24-36 months	33.87	71.47	105.34
upto 12 months	41.91	94.28	136.19
Total	96.43	210.91	307.34

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company has utilised the entire sum of Rs. 339.94 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

As per the terms of the issue Rs. 126.25 crores were redeemed on February 22, 2023.

As per the terms of the issue Rs. 53.11 crores were redeemed on February 22, 2022.

v) Public issue of Non-Convertible Debentures (NCD) of Rs. 1,000/- each (IPO 2019 - 2)

Terms of repayment

As at March 31, 2023 (Rs. in crores)

Redeemable at par/ premium (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%		
36-48 months	26.57		26.57
12-24 months	70.71		70.71
Total	97.28		97.28

As at March 31, 2022 (Rs. in crores)

Redeemable at par/ premium (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	26.44	-	26.44
24-36 months	68.61	-	68.61
upto 12 months	79.87	24.89	104.76
Total	174.92	24.89	199.81

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company has utilised the entire sum of Rs. 193.67 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

As per the terms of the issue Rs. 100.65 crores were redeemed on January 28, 2023.

vi) Public issue of Non-Convertible Debentures (NCD) of Rs. 1,000/- each (IPO 2019 - April) (Effects of business combination - Refer note 52)

Terms of repayment

As at March 31, 2023 (Rs. in crores)

Redeemable at par/ premium (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%		
12-24 months	138.55		138.55
Total	138.55		138.55

As at March 31, 2022 - Nil

I DEBT SECURITIES (Contd.)

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company has utilised the entire sum of Rs. 252.51 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

As per the terms of the issue Rs. 130.36 crores were redeemed on April 30, 2022.

vii) Public issue of Non-Convertible Debentures (NCD) of Rs. 1,000/- each (IPO 2019 - September) - (Effects of business combination - Refer note 52)

Terms of repayment

As at March 31, 2023

(Rs. in crores)

Redeemable at par/ premium (from the date of the Balance Sheet)	Rate of interest	Total
	< 10%	
12-24 months	74.82	74.82
Total	74.82	74.82

As at March 31, 2022 - Nil

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company has utilised the entire sum of Rs. 106.27 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

As per the terms of the issue Rs. 37.29 crores were redeemed on September 25, 2022.

viii) Privately placed Redeemable Non-Convertible Debenture of Rs. 1,000,000/- each

Terms of repayment

As at March 31, 2023

(Rs. in crores)

Redeemable at par/ premium (from the date of the Balance Sheet)	Rate of interest		Total
	< 10% ^ \$	>= 10% < 12% ^ #	
over 60 months	11,899.74	-	11,899.74
36-48 months \$	445.54	-	445.54
24-36 months ^ \$	813.59	-	813.59
12-24 months ^	3,863.34	1,615.46	5,478.80
upto 12 months ^ # \$	7,944.80	206.11	8,150.91
Total	24,967.01	1,821.57	26,788.58

^ NCD amounting to Rs. 4,067.70 crores issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

includes NCD of Rs. 250.00 crores partly paid to the extent of Rs. 216.67 crores.

\$ Out of above NCD having put/ call option are as under

(Rs. in crores)

Sr No.	Rate of interest	Amount	Put/ Call Option Date
1	7.95%	260.00	August 12, 2023
2	9.14%	50.00	October 31, 2025
3	8.48%	100.00	April 02, 2027
Total		410.00	

I DEBT SECURITIES (Contd.)

As at March 31, 2022					(Rs. in crores)
Redeemable at par/ premium (from the date of the Balance Sheet)	Rate of interest				Total
	< 10%^	>= 10% < 12% ^	>= 12% < 14%	>=14% <16%	
over 60 months	6,374.70	-	-	-	6,374.70
48-60 months	338.75	-	-	-	338.75
36-48 months	352.54	-	-	-	352.54
24-36 months ^	461.91	1,301.21	-	-	1,763.12
12-24 months^ # \$	4,610.29	304.39	-	-	4,914.68
upto 12 months ^ \$	3,637.44	1,179.96	154.56	52.30	5,024.26
Total	15,775.63	2,785.56	154.56	52.30	18,768.05

^ NCD amounting to Rs. 2,396.30 crores issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

includes NCD of Rs. 250.00 crores partly paid to the extent of Rs. 116.67 crores.

\$ Out of above NCD having put/ call option are as under

(Rs. in crores)			
Sr No.	Rate of interest	Amount	Put/ Call Option Date
1	7.46%	1,000.00	April 29, 2022
2	7.15%	1,585.00	June 17, 2022
Total		2,585.00	

Nature of security

Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company.

ix) Privately placed Redeemable Non-Convertible Debenture of Rs. 100,000/- each (Effects of business combination - Refer note 52)

Terms of repayment

As at March 31, 2023 (Rs. in crores)

Redeemable at par/ premium (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	> = 10% < 12%	
36-48 months	124.16	-	124.16
24-36 months	399.35	-	399.35
12-24 months	-	335.99	335.99
Total	523.51	335.99	859.50

As at March 31, 2022 - Nil

Nature of security

Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company.

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
Public issue (i + ii + iii + iv + v + vi + vii)	2,508.89	2,500.63
Privately placed (viii + ix)	27,648.08	18,768.05
Total Non-Convertible Debentures - Secured	30,156.97	21,268.68

I DEBT SECURITIES (Contd.)

B) External Commercial Bond (ED) - Secured

Privately placed Redeemable External Commercial Bond of Rs. 100,000/- each

Terms of repayment

As at March 31, 2023

(Rs. in crores)

Particulars	Rate of interest		Total
	< 10%	>= 10% < 12%	
36-48 months	1,219.57	-	1,219.57
24-36 months	3,305.98	-	3,305.98
upto 12 months	6,030.31	1,957.42	7,987.73
Total	10,555.86	1,957.42	12,513.28

As at March 31, 2022

(Rs. in crores)

Particulars	Rate of interest		Total
	< 10%	>= 10% < 12%	
24-36 months	3,622.91	-	3,622.91
12-24 months	9,564.27	-	9,564.27
upto 12 months	5,824.11	-	5,824.11
Total	19,011.29	-	19,011.29

On March 29, 2023, the Company issued and allotted USD 150,000,000 6.37% senior secured floating rate notes due 2026 (“notes”) for a sum of Rs. 1,232.60 crores under the USD 3,500,000,000 Global Medium Term Note (GMTN) Programme. The said notes are listed on Indian International Exchange (“INX”). The proceeds of the issue of the notes have been utilised in accordance with the Company’s Social Finance Framework and as may be permitted by the RBI ECB guidelines for onward lending and other activities.

On January 18, 2022, the Company issued and allotted USD 475,000,000 4.15% senior secured notes due 2025 in offshore market (Social Bonds) for sum of Rs. 3,512.86 crores under USD 3.5 billion GMTN Programme. The said Social Bonds were listed on Singapore Stock Exchange (SGX-ST) on January 19, 2022. The proceeds of the issue of the Social Bonds have been utilised as per the Company’s Social Finance Framework, for onward lending and other activities as permitted by the RBI Master Direction — External Commercial Borrowings, Trade Credits and Structured Obligations.

On March 31, 2021, the Company issued and allotted USD 225,000,000 4.40% senior secured notes due 2024 in offshore market (Social Bonds) for sum of Rs.1,630.35 crores to be consolidated and form a single series with the U.S.\$500,000,000 4.40% senior secured notes due 2024 issued on January 13, 2021 under USD 3 billion GMTN Programme. The said Social Bonds were listed on Singapore Stock Exchange (SGX-ST) on April 01, 2021. The proceeds of the issue of the Social Bonds have been utilised as per the Company’s Social Finance Framework, for onward lending and other activities as permitted by the RBI Master Direction — External Commercial Borrowings, Trade Credits and Structured Obligations.

On January 13, 2021, the Company issued and allotted USD 500,000,000 4.40% senior secured notes due 2024 in offshore market (Social Bonds) for sum of USD 499,950,000 equivalent to Rs. 3,672.50 crores under USD 3 Billion GMTN Programme. The said Social Bonds were listed on Singapore Stock Exchange (SGX-ST) on January 14, 2021. The proceeds of the issue of the Social Bonds have been utilised as per the Company’s Social Finance Framework, for onward lending and other activities as permitted by the RBI Master Direction – External Commercial Borrowings, Trade Credits and Structured Obligations.

During the year ended March 31, 2020, the Company issued and allotted USD 250,000,000 5.3750% senior secured notes due 2022 in offshore market (notes) equivalent to Rs. 1,714.38 crores under USD 2,000,000,000 GMTN Programme. The said notes are listed on Singapore Stock Exchange (SGX-ST). The proceeds of the issue of the notes have been utilised for the purpose of onward lending and other activities as may be permitted by the ECB Directions.

During the year ended March 31, 2020, the Company issued and allotted USD 500,000,000 5.100% senior secured notes due 2023 in offshore market (Social Bonds) equivalent to Rs. 3,541.75 crores under USD 3,000,000,000 GMTN Programme. The said Social Bonds are listed on Singapore Stock Exchange (SGX-ST). The proceeds of the issue of the Social Bonds have been utilised for the purpose of onward lending and other activities as per the Company’s Social Finance Framework and as may be permitted by the ECB Directions.

During the year ended March 31, 2019, the Company issued and allotted senior secured notes in offshore market (notes) aggregating to Rs. 2,849.90 crores consisting of 5.70% notes due 2022 under Rs. 5,000 crores Medium Term Note Programme.

I DEBT SECURITIES (Contd.)

The notes issued by the Company are listed on Singapore Stock Exchange (SGX-ST). The proceeds of the issue have been utilised for the purpose of onward disbursements.

As per the terms of the issue, Rs. 1,753.76 crores were bought back on November 03, 2022 and Rs. 30.47 crores were bought back on November 17, 2022 (Dollar Bond - 3).

As per the terms of the issue, Rs. 3,991.97 crores were redeemed on October 24, 2022.

As per the terms of the issue, Rs. 1,210.16 crores were bought back on August 17, 2022.

As per the terms of the issue, Rs. 591.64 crores were bought back on August 17, 2022 (Dollar Bond 7).

As per the terms of the issue, Rs. 2,849.90 crores were redeemed on February 28, 2022.

Nature of security

Secured by way of an exclusive fixed charge over hypothecation loan receivables of the Company.

C) Senior Secured Notes

Senior Secured Notes of Rs. 10,000,000/- each

Terms of repayment

Particulars	Rate of interest	(Rs. in crores)	
		As at March 31, 2023	As at March 31, 2022
12-24 months	<10%	-	891.40
upto 12 months	<10%	894.73	-
Total		894.73	891.40

During the year ended March 31, 2018, the Company had issued senior secured notes in offshore market (notes) aggregating to Rs. 1,160.00 crores consisting of Rs. 840.00 crores 8.10% notes due 2023 and Rs. 320.00 crores 7.90% notes due 2021 payable in USD under Rs. 5,000.00 crores Medium Term Note Programme. The notes issued by the Company are listed on Singapore Stock Exchange (SGX- ST).

The Company had utilised the entire sum of Rs. 1,160.00 crores raised from senior secured notes towards asset financing activities as per the objects stated in the prospectus for the issue.

During the year ended March 31, 2017, the Company had issued Rs. 1,350.00 crores 8.25 % senior secured notes at the price of 100.18% that are due for repayment on February 18, 2020. The said notes (with ISIN - XS 1549374475) are listed and traded on the Singapore Stock Exchange (SGX-ST) with a minimum board lot size of USD 200,000.

The Company had utilised the entire sum of Rs. 1,350.00 crores raised from senior secured notes towards asset financing activities as per the objects stated in the prospectus for the issue.

As per the terms of the issue, Rs. 1,350.00 crores were redeemed on February 18, 2020.

As per the terms of the issue, Rs. 320.00 crores were redeemed on March 12, 2021.

Nature of security

Secured by way of an exclusive fixed charge over hypothecation loan receivables of the Company.

I DEBT SECURITIES (Contd.)

D) Redeemable Non-Convertible Debenture (NCD) - Unsecured

Privately placed Redeemable Non-Convertible Debenture of Rs. 1,000,000/- each

Terms of repayment

As at March 31, 2023

(Rs. in crores)

Redeemable at par/ premium (from the date of the Balance Sheet)	Rate of interest	Total
	>= 12% < 14%	
12-24 months	87.61	87.61
Total	87.61	87.61

As at March 31, 2022

(Rs. in crores)

Redeemable at par/ premium (from the date of the Balance Sheet)	Rate of interest	Total
	>= 12% < 14%	
24-36 months	85.18	85.18
Total	85.18	85.18

II BORROWINGS (OTHER THAN DEBT SECURITIES)

A) Term loans from banks - Secured (INR)

As at March 31, 2023

Terms of repayment #

(Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
Over 60 months	9.75%	20 instalments of quarterly frequency	743.45
48-60 months	8.11% to 9.75%	19 to 60 instalments of monthly and quarterly frequency	5,982.37
36-48 months	7.50% to 11.15%	1 to 60 instalments of bullet, monthly and quarterly frequency	7,278.41
24-36 months	8.43% to 10.72%	11 to 60 instalments of monthly, quarterly and specific frequency	6,708.10
12-24 months	6.95% to 11.29%	1 to 48 instalments of bullet, monthly and quarterly frequency	4,494.15
upto 12 months	6.50% to 13.12%	1 to 36 instalments of bullet, monthly, quarterly and specific frequency	6,693.78
Total			31,900.26

Loans are classified in respective time buckets based on option date.

II BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

As at March 31, 2022

Terms of repayment #			(Rs. in crores)
Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	7.45% to 8.90%	20 to 60 instalments of monthly and quarterly frequency	3,318.09
36-48 months	5.50% to 8.56%	14 to 60 instalments of monthly and quarterly frequency	2,874.22
24-36 months	5.70% to 9.56%	1 to 48 instalments of bullet, monthly, quarterly and half-yearly frequency	3,539.61
12-24 months	6.61% to 10.14%	1 to 36 instalments of bullet, monthly and quarterly frequency	1,603.16
upto 12 months	5.60% to 10.34%	1 to 36 instalments of bullet, monthly, quarterly and specific frequency	5,420.54
Total			16,755.62

Loans are classified in respective time buckets based on option date.

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

B) Term loans from financial institutions/corporates - Secured (INR)

As at March 31, 2023

Terms of repayment #			(Rs. in crores)
Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
Over 60 months	8.30%	21 instalments of quarterly frequency	1,003.53
48-60 months	8.50%	21 instalments of quarterly frequency	1,053.28
36-48 months	7.34% to 9.25%	19 to 20 instalments of quarterly frequency	2,275.73
24-36 months	7.20% to 10.75%	11 to 20 instalments of quarterly frequency	3,113.73
12-24 months	7.52% to 11.05%	10 to 12 instalments of quarterly, half-yearly and specific frequency	1,753.13
upto 12 months	9.70% to 10.50%	11 to 12 instalments of quarterly and specific frequency	97.16
Total			9,296.56

Loans are classified in respective time buckets based on option date.

II BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

As at March 31, 2022

Terms of repayment #

(Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	7.34% to 8.95%	19 to 20 instalments of quarterly frequency	1,227.32
36-48 months	8.23% to 9.00%	1 to 20 instalments of bullet and quarterly frequency	1,898.70
24-36 months	7.25% to 10.20%	11 instalments of quarterly, half-yearly and specific frequency	2,229.80
12-24 months	9.70% to 10.50%	11 to 12 instalments of quarterly, half-yearly and specific frequency	197.15
upto 12 months	7.44% to 9.07%	11 to 20 instalments of quarterly, half-yearly and specific frequency	132.27
Total			5,685.24

Loans are classified in respective time buckets based on option date.

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

C) External commercial borrowing

As at March 31, 2023

Terms of repayment

(Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
Over 60 months	9.20%	16 instalments of specific frequency	2,053.32
48-60 months	9.10% to 9.40%	9 to 11 instalments of half-yearly and specific frequency	1,294.92
36-48 months	8.63% to 10.86%	11 to 13 instalments of half-yearly and specific frequency	729.55
24-36 months	8.84% to 10.29%	bullet frequency	2,655.29
12-24 months	8.12%	bullet frequency	208.71
upto 12 months	9.83% to 10.02%	bullet frequency	2,886.22
Total			9,828.01

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

As at March 31, 2022

Terms of repayment

(Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
Over 60 months	4.59%	11 instalments of half-yearly frequency	531.25
48-60 months	8.63% to 10.86%	11 to 13 instalments of half-yearly and specific frequency	873.29
24-36 months	8.12%	bullet frequency	191.59
12-24 months	9.83% to 10.02%	bullet frequency	2,647.00
Total			4,243.13

II BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

D) Loans repayable on demand from banks (Cash credit from banks)

As at March 31, 2023

Terms of repayment (Rs. in crores)

Particulars	Rate of interest	Amount
Secured by hypothecation of specific assets covered under hypothecation loan agreements	6.10% to 10.80%	459.10
Total		459.10

As at March 31, 2022

Terms of repayment (Rs. in crores)

Particulars	Rate of interest	Amount
Secured by hypothecation of specific assets covered under hypothecation loan agreements	7.30% to 10.45%	454.86
Total		454.86

E) Other loans - (INR) - Securitisation liabilities

As at March 31, 2023

Terms of repayment (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
60-72 months	7.70% to 8.75%	1 to 73 instalments of monthly frequency	2,648.48
48-60 months	6.10% to 8.55%	1 to 60 instalments of monthly frequency	7,660.57
36-48 months	5.90% to 9.90%	1 to 88 instalments of monthly frequency	6,533.04
24-36 months	6.05% to 9.11%	1 to 81 instalments of monthly frequency	4,315.75
12-24 months	5.95% to 9.20%	1 to 65 instalments of monthly frequency	456.02
upto 12 months	6.50% to 9.00%	1 to 69 instalments of monthly frequency	492.23
Total			22,106.09

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

As at March 31, 2022

Terms of repayment (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	5.90% to 9.00%	1 to 86 instalments of monthly frequency	11,209.94
36-48 months	5.50% to 9.00%	1 to 67 instalments of monthly frequency	3,565.64
24-36 months	6.31% to 9.40%	1 to 65 instalments of monthly frequency	1,166.14
12-24 months	8.00% to 9.70%	1 to 61 instalments of monthly frequency	3,092.50
upto 12 months	6.97% to 10.20%	1 to 61 instalments of monthly frequency	503.86
Total			19,538.08

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

III DEPOSITS

A) Deposits from public - Unsecured - [Refer note 67]

Terms of repayment

As at March 31, 2023

(Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest	Total
	< 10%	
48-60 months	4,613.62	4,613.62
36-48 months	3,540.37	3,540.37
24-36 months	9,646.19	9,646.19
12-24 months	8,259.06	8,259.06
upto 12 months	8,612.75	8,612.75
Total	34,671.99	34,671.99

As at March 31, 2022

(Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest	Total
	< 10%	
48-60 months	2,446.18	2,446.18
36-48 months	2,030.40	2,030.40
24-36 months	5,523.97	5,523.97
12-24 months	4,631.55	4,631.55
upto 12 months	5,557.98	5,557.98
Total	20,190.08	20,190.08

(Rs. in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Total deposits from public	34,671.99	20,190.08

B) Deposits from corporates - Unsecured

Terms of repayment

As at March 31, 2023

(Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest	Total
	< 10%	
48-60 months	39.71	39.71
36-48 months	48.74	48.74
24-36 months	223.18	223.18
12-24 months	454.39	454.39
upto 12 months	701.82	701.82
Total	1,467.84	1,467.84

As at March 31, 2022

(Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest	Total
	< 10%	
48-60 months	30.21	30.21
36-48 months	13.24	13.24
24-36 months	367.23	367.23
12-24 months	150.65	150.65
upto 12 months	1,168.43	1,168.43
Total	1,729.76	1,729.76

III DEPOSITS (Contd.)

C) Inter-corporate deposits

Terms of repayment

As at March 31, 2023: Nil

As at March 31, 2022

(Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Total
upto 12 months	4.50% to 7.00%	Bullet repayment	29.14
Total			29.14

IV SUBORDINATED LIABILITIES

A) Subordinated liabilities - Unsecured - Debentures

Privately placed subordinated liabilities of Rs. 1,000,000/- each

Terms of repayment

As at March 31, 2023

(Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
over 60 months	-	79.00	-	79.00
48-60 months	1,395.94	-	-	1,395.94
36-48 months	137.76	-	-	137.76
24-36 months	39.92	57.11	-	97.03
12-24 months	41.08	548.28	1,723.84	2,313.20
upto 12 months	-	333.26	-	333.26
Total	1,614.70	1,017.65	1,723.84	4,356.19

As at March 31, 2022

(Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
over 60 months	1,395.11	78.94	-	1,474.05
48-60 months	137.64	-	-	137.64
36-48 months	39.87	56.94	-	96.81
24-36 months	41.04	541.92	1,680.52	2,263.48
12-24 months	-	332.92	-	332.92
upto 12 months	-	309.35	-	309.35
Total	1,613.66	1,320.07	1,680.52	4,614.25

B) Subordinated liabilities - Unsecured - Debentures

Privately placed subordinated liabilities of Rs. 10,000,000/- each

Terms of repayment

As at March 31, 2023

(Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest	Total
	<10%	
over 60 months	167.66	167.66
Total	167.66	167.66

As at March 31, 2022 - Nil

		(Rs. in crores)	
Particulars		As at March 31, 2023	As at March 31, 2022
26	OTHER FINANCIAL LIABILITIES		
	Investor education and protection fund shall be credited by the following amounts (as and when due)		
	- Unclaimed dividend	9.45	9.72
	- Unclaimed matured deposits and interest accrued thereon	134.20	111.07
	- Unclaimed matured debentures and interest accrued thereon	12.92	13.09
	- Unclaimed matured subordinated debts and interest accrued thereon	11.20	9.08
	Temporary credit balance in bank accounts	56.99	30.12
	Payable on account of assignment	177.22	132.00
	Payable to dealers	36.02	0.86
	Payable to employees	222.20	132.59
	Retention money and other sundry liabilities	209.90	303.48
	Other liabilities*	150.56	117.63
	Total	1,020.66	859.64

*Other liabilities include amount payable to banks for credit card payments, settlement dues payable to resigned employees, security deposit received etc.

		(Rs. in crores)	
Particulars		As at March 31, 2023	As at March 31, 2022
27	CURRENT TAX LIABILITIES (NET)		
	For taxation [net of advance tax Rs. 5,512.85 crores (March 31, 2022: Rs. 692.91 crores)]	160.89	36.82
	Total	160.89	36.82

		(Rs. in crores)	
Particulars		As at March 31, 2023	As at March 31, 2022
28	PROVISIONS		
	For employee benefits		
	- Gratuity (Refer note 46)	2.57	2.24
	- Compensated absences (leave encashment and availment)	100.81	38.31
	For others		
	- Expected credit loss towards undrawn loan commitments	9.51	6.70
	- Taxes - contested	98.59	90.93
	Total	211.48	138.18

Loan Commitments

Credit quality of exposure

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in note 55.02 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in note 55.02.02.07.

28 PROVISIONS (Contd.)

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
	Stage 1 Collective	Stage 1 Collective
Internal rating grade		
Performing		
High grade	283.98	92.43
Total	283.98	92.43

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to other undrawn loan commitments is, as follows:

Gross exposure reconciliation

Particulars	(Rs. in crores)	
	Year ended March 31, 2023	Year ended March 31, 2022
	General approach	General approach
	Stage 1	Stage 1
Opening balance of outstanding exposure	92.43	148.66
Effects of business combination (Refer note 52)	64.02	-
Restated as at April 01, 2022	156.45	-
New exposures	280.21	69.95
Exposures cancelled or disbursed (excluding write-offs)	(152.68)	(126.18)
Closing balance of outstanding exposure	283.98	92.43

Reconciliation of ECL balance in relation to other undrawn loan commitments is given below:

Particulars	(Rs. in crores)	
	Year ended March 31, 2023	Year ended March 31, 2022
	General approach	General approach
	Stage 1	Stage 1
ECL allowance - opening balance	6.70	10.70
Effects of business combination (Refer note 52)	2.25	-
Restated as at April 01, 2022	8.95	-
New exposures	9.40	4.21
Exposures cancelled or disbursed (excluding write-offs)	(8.84)	(8.21)
ECL allowance - closing balance	9.51	6.70

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
29 OTHER NON-FINANCIAL LIABILITIES		
Statutory dues payable	162.39	101.16
Advance from customers	37.36	23.26
Total	199.75	124.42

		(Rs. in crores)	
Particulars	As at March 31, 2023	As at March 31, 2022	
30 EQUITY SHARE CAPITAL			
Authorised:			
2,975,500,000 (March 31, 2022: 647,000,000) equity shares of Rs.10/- each	2,975.50	647.00	
129,000,000 (March 31, 2022: 95,000,000) preference shares of Rs.100/- each	1,290.00	950.00	
	4,265.50	1,597.00	
Issued share capital			
374,427,276 (March 31, 2022: 270,519,713) equity shares of Rs. 10/- each	374.43	270.52	
Subscribed share capital			
374,427,276 (March 31, 2022: 270,519,713) equity shares of Rs. 10/- each	374.43	270.52	
Paid up (fully paid up)			
Equity shares			
374,427,276 (March 31, 2022: 270,519,713) equity shares of Rs. 10/- each fully paid up	374.43	270.52	
Total Equity	374.43	270.52	

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	Number of shares	(Rs. in crores)
As at March 31, 2021	253,061,513	253.06
Issued during the year #	17,458,200	17.46
As at March 31, 2022	270,519,713	270.52
Cancellation of SCL shares @	(70,437,147)	(70.44)
Fresh issue to shareholders of SCL @	105,113,114	105.11
Fresh issue to shareholders of SCUF @	69,231,596	69.23
As at March 31, 2023	374,427,276	374.43

@ Refer note 52 - Business Combination

On June 12, 2021, the Company allotted 13,986,000 Equity Shares of face value Rs. 10/- each to eligible qualified institutional buyers at the issue price of Rs. 1,430/- per Equity Share (including a premium of Rs. 1,420/- per Equity Share) at a discount of Rs. 3.32 per Equity Share i.e. 0.23% of the floor price of Rs. 1,433.32 per Equity Share, aggregating to Rs. 19,999,980,000/- by way of qualified institutions placement (QIP Issue). The QIP Issue opened on June 07, 2021 and closed on June 11, 2021. The entire proceeds have been utilised for the objects of the QIP Issue. Pursuant to the allotment of Equity Shares in the QIP Issue, the paid - up equity share capital of the Company stood increased from Rs. 2,530,615,130/- to Rs. 2,670,475,130/- on June 12, 2021 comprising of 267,047,513 fully paid-up equity shares of face value of Rs.10/- each and securities premium reserve by Rs. 1,964.78 crores (net of share issue expenses of Rs. 21.23 crores).

On July 08, 2021, the Company allotted (i) 1,736,100 Equity Shares of the Company, fully paid-up, at a price of Rs. 1,440/- per Equity Share including a premium of Rs. 1,430/- per Equity Share, aggregating up to Rs. 2,499,984,000/- and (ii) 1,736,100 Warrants convertible into 1,736,100 Equity Shares at a price (including the warrant subscription price and the warrant exercise price) of Rs. 1,440/- each, aggregating up to Rs. 2,499,984,000/- on a preferential basis to Shriram Capital Limited, Promoter of the Company (Preferential Issue). The Company received the subscription money of Rs. 624,996,000/- for allotment of 1,736,100 Warrants convertible into Equity Shares, being 25% of the Issue price of Rs. 1,440/- of the Warrants at Rs. 360/- per Warrant, towards the warrant subscription price. The entire proceeds have been utilised for the objects of the Preferential Issue. Pursuant to allotment of the Equity Shares in the Preferential Issue, the

30 EQUITY SHARE CAPITAL (Contd.)

paid-up share capital of the Company stood increased on July 08, 2021 from Rs. 2,670,475,130/- to Rs. 2,687,836,130/- comprising of 268,783,613 equity shares of face value of Rs. 10/- each and securities premium reserve by Rs. 248.06 crores.

On November 25, 2021, the Company allotted 1,736,100 Equity Shares of face value of Rs. 10/- each fully paid up issued at a premium of Rs. 1,430/- per equity share to Shriram Capital Limited, Promoter of the Company upon exercise of option of conversion of 1,736,100 Warrants by Shriram Capital Limited. The Issue Price of the Warrant was Rs. 1,440/- per warrant of which 25% was paid by Shriram Capital Limited on subscription of 1,736,100 warrants on July 08, 2021 and the balance 75% i.e. Rs. 1,080/- per warrant being the Warrant Exercise Price was paid by Shriram Capital Limited. The entire proceeds have been utilised for the objects of the Preferential Issue. Pursuant to allotment of the Equity Shares in the Preferential Issue, the paid-up share capital of the Company stood increased on November 25, 2021 from Rs. 2,687,836,130/- to Rs. 2,705,197,130/- comprising of 270,519,713 equity shares of face value of Rs. 10/- each and securities premium reserve by Rs. 248.26 crores.

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The final dividend is subject to the approval of the shareholders in the ensuing annual general meeting.

The Board of Directors in their meeting held on April 27, 2023 has recommended a final dividend of Rs. 20/- per equity share of nominal face value of Rs.10/- each fully paid up i.e. 200 %, for the financial Year 2022-23 subject to approval by shareholders in the ensuing 44th Annual General Meeting (44th AGM) of the Company. This is in addition to the interim dividend of Rs. 15/- per equity share of Rs. 10/- each fully paid-up (150%) for the financial Year 2022-23 declared by the Company on December 24, 2022, amounting to Rs. 5,616,409,140/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders. The record date for payment of interim dividend was January 04, 2023. The interim dividend was paid to eligible shareholders on January 13, 2023. With this the total dividend for the financial year 2022-23 will be Rs. 35/- per equity share (i.e. 350 %). Pursuant to Regulation 42 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to the confirmation by the Stock Exchanges, the book closure period for the purpose of payment of the final dividend and 44th AGM will be from June 17, 2023 to June 23, 2023 (both days inclusive). The final dividend will be paid to eligible Shareholders on or before July 22, 2023 subject to deduction of tax at source as per the applicable rate(s).

The Board of Directors in their meeting held on March 05, 2022 declared second interim equity dividend of 120% (Rs. 12/- per equity share of nominal face value of Rs. 10/- each fully paid up) for the Financial Year 2021-22, amounting to Rs. 3,246,236,556/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders. The record date for payment of second interim equity dividend was March 14, 2022. The second interim dividend was paid to eligible shareholders on March 24, 2022. The Board of Directors in their meeting held on October 29, 2021 declared interim equity dividend of 80% (Rs. 8/- per equity share of nominal face value of Rs. 10/- each fully paid up) for the Financial Year 2021-22, amounting to Rs. 2,150,268,904/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders. The record date for payment of interim equity dividend was November 10, 2021. The interim dividend was paid to eligible shareholders on November 24, 2021. The Board of Directors in its meeting held on April 28, 2022 did not recommended final dividend. As such the interim dividend aggregating to Rs. 20/-per share (i.e. 200 %) was the final dividend for the Financial Year 2021-22 .

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

30 EQUITY SHARE CAPITAL (Contd.)

c. Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

The aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date were Nil (March 31, 2022: Nil). Refer note 52 Business combination.

d. Details of shareholders holding more than 5% equity shares in the Company

Details of shareholding	As at March 31, 2023		As at March 31, 2022	
	Number of shares	% holding	Number of shares	% holding
Equity shares of Rs. 10/- each				
Shriram Capital Private Limited (formerly known as Shriram Financial Ventures (Chennai) Private Limited)	67,145,784	17.93%	-	-
Shriram Capital Limited (Refer note 52 Business combination)	-	-	70,437,147	26.04%
Piramal Enterprises Limited	31,221,449	8.34%	-	-
Life Insurance Corporation of India	₹	₹	18,004,597	6.66%

₹ holding less than 5% equity shares

e. Refer note 53 - Capital management for the Company's objectives, policies and processes for managing capital.

f. Proposed dividends on equity shares

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
Proposed dividend on equity shares for the year ended on March 31, 2023: Rs. 20/- per share (March 31, 2022: Rs. Nil per share)	748.85	-
Total	748.85	-

g. Shareholding of Promoters

Promoter & Promoter Group	Relationship	Shares held at the end of the year		% Change during the year *
		No. of Shares	% of Total Shares	
As at March 31, 2023				
Shriram Capital Private Limited (formerly known as Shriram Financial Ventures (Chennai) Private Limited)	Promoter	67,145,784	17.93%	0.00%
Shriram Ownership Trust	Promoter	7,840,080	2.09%	13677.25%
Shriram Value Services Limited	Promoter group	12,993,461	3.47%	1130.00%
Sanlam Life Insurance Limited	Promoter group	7,536,951	2.01%	0.00%
As at March 31, 2022				
Shriram Capital Limited **	Promoter	70,437,147	26.04%	5.19%
Shriram Ownership Trust	Promoter group	56,906	0.02%	0.00%
Shriram Value Services Limited	Promoter group	1,056,379	0.39%	0.00%

* percentage change is computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue.

30 EQUITY SHARE CAPITAL (Contd.)

**As per the composite scheme of amalgamation of SCL and SCUF with STFC with appointed date as of April 01, 2022, the relevant share capital of SCL has been nullified in current financial year.

h. Amount of per share dividend recognised as distribution to equity shareholders

Particulars	Year ended March 31,	
	2023	2022
Proposed dividend for the year ended March 31, 2023 (Rs. per share)	20.00	-
Interim dividend for the year ended March 31, 2023 (Rs. per share)	15.00	-
Interim dividend for the year ended March 31, 2022 (Rs. per share)	-	20.00
Final dividend for the year ended March 31, 2021 (Rs. per share)	-	6.00

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
31 OTHER EQUITY		
Share application money pending allotment	-	-
Statutory reserve (Pursuant to Section 45-IC of The RBI Act, 1934)		
Opening balance	4,707.98	4,166.39
Add: Transfer from retained earnings	1,195.87	541.59
Add: Amalgamation adjustment account	1,706.81	-
Closing balance	7,610.66	4,707.98
Securities premium		
Opening balance	5,662.38	3,201.27
Add: Premium on shares issued during the year	11,689.60	2,482.54
Less: Share issue expenses incurred during the year	-	(21.43)
Closing balance	17,351.98	5,662.38
Capital reserve		
Opening balance	27.64	27.64
Effects of business combination (Refer note 52)	76.93	-
Closing balance	104.57	27.64
Capital redemption reserve	53.88	53.88
Debenture redemption reserve		
Opening Balance	307.28	921.41
Add: Creation due to business combinations	55.07	-
Add: Transfer from retained earnings	93.23	170.31
Less: Transfer to retained earnings on account of redemption	(36.45)	(784.44)
Closing balance	419.13	307.28
General reserve		
Opening balance	2,934.07	2,663.27
Add: Transfer from retained earnings	597.94	270.80
Add: Amount transferred from share option outstanding on account of forfeiture of share options	0.04	-
Closing balance	3,532.05	2,934.07

		(Rs. in crores)	
Particulars	As at March 31, 2023	As at March 31, 2022	
31 OTHER EQUITY (Contd.)			
Convertible warrants			
Money received during the year	-	250.00	
Shares allotted during the year	-	(250.00)	
Closing balance	-	-	
Share option outstanding			
Opening balance	-	-	
Add: Expenses on Employee Stock Option Plan (Refer note 51)	164.56	-	
Less: Adjustment on exercise of Employee Stock Option Plan	(53.33)	-	
Less: Transfer to general reserve on account of forfeiture of share options	(0.04)	-	
Add: Effects of business combination (Refer note 52)	83.65	-	
Closing balance	194.84	-	
Amalgamation adjustment account			
Opening balance	-	-	
Statutory reserve of transferor company reinstated	(1,706.81)	-	
Closing Balance	(1,706.81)	-	
Other comprehensive income			
Remeasurement gain/(loss) on defined benefit plan (net of tax)			
Opening balance	(12.08)	(9.66)	
Add: Addition during the year	(6.00)	(2.42)	
Closing balance	(18.08)	(12.08)	
Gain / (loss) on fair valuation of quoted investments in equity shares			
Opening balance	-	-	
Add: Addition during the year	(8.83)	-	
Closing balance	(8.83)	-	
Effective portion of cash flow hedges			
Opening balance	(213.40)	(93.02)	
Add: Addition during the year	(10.99)	(120.38)	
Closing balance	(224.39)	(213.40)	
Retained earnings			
Opening balance	12,193.92	10,384.13	
Add: Profit for the current year	5,979.34	2,707.93	
Add /(Less): Appropriations			
Transfer to statutory reserve as per Section 45-IC of The RBI Act, 1934	(1,195.87)	(541.59)	
Transfer to general reserve	(597.94)	(270.80)	
Effects of business combination (Refer note 52)	(83.65)	-	
Amount transferred from share option outstanding on account of forfeiture of share options	0.90	-	
Transferred (to)/from debenture redemption reserve	(111.85)	614.13	
Interim dividend [March 31, 2023: Rs. 15.00 per share (March 31, 2022: Rs. 20.00 per share)]	(561.64)	(539.65)	
Final dividend (for March 31, 2021: Rs. 6.00 per share)	-	(160.23)	
Total appropriations	(2,550.05)	(898.14)	
Closing balance	15,623.21	12,193.92	
Total	42,932.21	25,661.67	

31 OTHER EQUITY (Contd.)**Nature and purpose of reserves**

- a) **Share application money pending allotment:** The amount received on the application for equity shares of the Company on which allotment is not yet made, to the extent not refundable.
- b) **Securities premium:** The amount received in excess of face value of the equity shares is recognised in securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.
- c) **Capital reserve:** Capital reserve is the excess of net assets taken over cost of consideration paid during amalgamation. (Refer note 52: Business combination)
- d) **Capital redemption reserve:** The Company has recognised capital redemption reserve on redemption of non-convertible redeemable preference shares from its retained earnings. The amount in capital redemption reserve is equal to nominal amount of the non-convertible redeemable preference shares redeemed. The Company may issue fully paid up bonus shares to its members out of the capital redemption reserve.
- e) **Debenture redemption reserve:**
- (1) Pursuant to Section 71 of the Companies Act, 2013 and circular 04/2013, read with notification issued date June 19, 2016 issued by Ministry of Corporate Affairs, the Company is required to transfer 25% of the value of the outstanding debentures issued through public issue as per the present SEBI (Issue and Listing of Debt Securities) Regulation, 2008 to Debenture redemption reserve (DRR) and no DRR is required in case of privately placed debenture. Also the Company is required before 30th day of April of each year to deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debenture issued through public issue maturing within one year from the balance sheet date.
 - (2) As per the notification G.S.R. 574(E) dated August 16, 2019, the Ministry of Corporate Affairs has amended the Companies (Share Capital & Debentures) Rules, DRR need not be created for debentures issued by a Non-Banking Finance Company subsequent to the notification date. The Company has not created DRR on public issue of non-convertible debentures issued after the date of said notification.
 - (3) In respect of the debentures issued through public issue, the Company has created DRR of Rs. 93.23 crores (March 31, 2022: Rs. 170.31 crores). The Company subsequent to the year end has deposited a sum of Rs. 204.00 crores (March 31, 2022: Rs. 37.00 crores) in the form of fixed deposits with scheduled banks, representing 15% of the debenture issued through public issue, which are due for redemption within one year from the balance sheet date.
 - (4) On redemption of the debentures for which the DRR is created, the amounts no longer necessary to be retained in this account need to be transferred to the retained earnings.
- f) **General reserve:** Under the erstwhile Companies Act, 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.
- g) **Statutory reserve:** Every year the Company transfers a sum of not less than twenty per cent of net profit of that year as disclosed in the statement of profit and loss to its Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934.

31 OTHER EQUITY (Contd.)

The conditions and restrictions for distribution attached to statutory reserves as specified in Section 45-IC(1) in The Reserve Bank of India Act, 1934:

- (1) Every non-banking financial company (NBFC) shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.
- (2) No appropriation of any sum from the reserve fund shall be made by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty-one days from the date of such withdrawal:

Provided that the RBI may, in any particular case and for sufficient cause being shown, extend the period of twenty-one days by such further period as it thinks fit or condone any delay in making such report.

- (3) Notwithstanding anything contained in sub-section (1), the Central Government may, on the recommendation of the RBI and having regard to the adequacy of the paid-up capital and reserves of a NBFC in relation to its deposit liabilities, declare by order in writing that the provisions of sub-section (1) shall not be applicable to the NBFC for such period as may be specified in the order:

Provided that no such order shall be made unless the amount in the reserve fund under sub-section (1) together with the amount in the share premium account is not less than the paid-up capital of the NBFC.

h) Amalgamation adjustment account: Upon amalgamation of the erstwhile Shriram City Union Finance (“SCUF”) the transferor company, with Shriram Transport Finance Limited (“STFC”) the transferee company, renamed as Shriram Finance Limited (“SFL”), the statutory reserves (i.e. Reserve under Section 45 IC of the Reserve Bank of India Act, 1934) of Rs. 1,706.81 crores of the Transferor Companies as on April 01, 2022 (“the Appointed Date”) were recorded in the books of Shriram Finance Limited with a corresponding debit to Amalgamation Adjustment Account. When the identity of the statutory reserves is no longer required to be maintained, both the statutory reserves and the aforesaid account will be reversed. (Refer note 52: Business combination)

i) Share option outstanding: The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

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

k) Other comprehensive income: Other comprehensive income includes Effective portion of cash flow hedges and Gain/(loss) on fair valuation of investments in quoted equity shares.

Effective portion of cash flow hedges represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges, which shall be reclassified to the statement of profit and loss only when the hedged transaction affects the statement of profit and loss, or included as a basis adjustment to the non-financial hedged item, consistent with the Company accounting policies.

Gain/(loss) on fair valuation of investments in quoted equity shares represents gains and losses from the change in the fair value of investments in quoted equity instruments in accordance with paragraph 5.7.5 of Ind AS 109, Financial Instruments.

l) Retained earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve, general reserve and dividend distributed to shareholders.

(Rs. in crores)

Particulars	Year ended March 31, 2023			Year ended March 31, 2022		
	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	Total	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	Total
32 INTEREST INCOME						
Interest on loans	27,504.20	-	27,504.20	18,054.67	-	18,054.67
Interest income from investments	412.17	81.91	494.08	275.11	40.85	315.96
Interest on deposits with banks						
- Margin money deposit	214.38	-	214.38	155.53	-	155.53
- Deposits with banks	315.08	-	315.08	88.14	-	88.14
Other interest income						
- Delayed payments by customers	74.84	-	74.84	28.79	-	28.79
- Unwinding of security deposit	4.78	-	4.78	3.17	-	3.17
Total	28,525.45	81.91	28,607.36	18,605.41	40.85	18,646.26

(Rs. in crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
33 FEES AND COMMISSION INCOME		
Income from commission services - life insurance	41.49	16.52
Income from commission services - general insurance	70.59	36.15
Income from loan related and other commission services	130.53	47.41
Total	242.61	100.08

Revenue from contracts with customers

Set out below is the revenue from contracts with customers and reconciliation to the statement of profit and loss.

(Rs. in crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Type of services or service		
Fees and commission income	242.61	100.08
Total revenue from contract with customers	242.61	100.08
Geographical markets		
- India	242.61	100.08
- Outside India	-	-
Total revenue from contract with customers	242.61	100.08
Timing of revenue recognition		
Services transferred at a point in time	242.61	100.08
Services transferred over time	-	-
Total revenue from contracts with customers	242.61	100.08

33 FEE AND COMMISSION INCOME (Contd.)

Contract balance

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
Trade receivables	17.00	5.35
Contract assets	-	-

The Company does not have any contract assets or liability, hence disclosures related to it have not been presented.

Particulars	(Rs. in crores)	
	Year ended March 31, 2023	Year ended March 31, 2022

34 NET GAIN/(LOSS) ON FAIR VALUE CHANGES

(A) Net gain/(loss) on financial instruments at fair value through profit or loss:		
(i) On trading portfolio	-	-
(ii) On financial instruments designated at fair value through profit or loss	-	-
(B) Others:		
- Investment in shares, venture capital fund, mutual funds and certificate of deposits	373.62	236.83
- Direct assignment	(33.55)	(15.13)
Total Net gain/(loss) on fair value changes (C)	340.07	221.70
Fair value changes:		
- Realised	338.24	183.34
- Unrealised	1.83	38.36
Total Net gain/(loss) on fair value changes (D)	340.07	221.70

Particulars	(Rs. in crores)	
	Year ended March 31, 2023	Year ended March 31, 2022

35 OTHER OPERATING INCOME

Bad debt recovery	350.97	69.22
Total	350.97	69.22

Particulars	(Rs. in crores)	
	Year ended March 31, 2023	Year ended March 31, 2022

36 OTHER INCOME

Interest on income tax refund	14.66	-
Interest others	0.16	0.15
Miscellaneous income	15.91	18.91
Total	30.73	19.06

		(Rs. in crores)	
Particulars	Year ended March 31, 2023	Year ended March 31, 2022	
37 FINANCE COSTS			
On Financial liabilities measured at amortised cost			
Interest on deposits	2,347.08	1,710.15	
Interest on borrowings (other than debt securities)			
- Loans from banks	2,619.17	1,042.07	
- Loans from institutions and others	761.45	377.99	
- External commercial borrowings	524.99	368.27	
- Interest paid on securitisation	1,614.62	1,766.19	
Interest on debt securities			
- Debentures	2,646.22	1,780.59	
- Senior secured notes	75.32	90.86	
- External commercial bond	1,406.70	2,016.66	
- Commercial paper	-	40.90	
Interest on subordinated liabilities	502.86	508.66	
Other interest expense			
- Interest on tax liability	0.06	-	
- Interest on lease liability	47.29	31.97	
Total	12,545.76	9,734.31	

		(Rs. in crores)	
Particulars	Year ended March 31, 2023	Year ended March 31, 2022	
38 FEES AND COMMISSION EXPENSES			
Brokerage	30.01	44.79	
Commission paid for loan sourcing	229.42	-	
Professional charges-resource mobilisation	31.87	24.14	
Processing charges on loans	2.08	4.52	
Professional charges on securitisation	10.23	18.29	
Total	303.61	91.74	

		(Rs. in crores)	
Particulars	Year ended March 31, 2023	Year ended March 31, 2022	
39 IMPAIRMENT ON FINANCIAL INSTRUMENTS			
On financial instruments measured at amortised cost			
Loans (Refer note 64)*	4,128.79	3,865.02	
Investments	4.70	(2.00)	
Others			
- Undrawn commitments	(0.40)	(4.00)	
- Other assets	26.08	1.84	
Total	4,159.17	3,860.86	

*Includes loss on disposal of repossessed assets Rs. 293.79 crores for the year ended March 31, 2023 (March 31, 2022: Rs. 492.30 crores).

39 IMPAIRMENT ON FINANCIAL INSTRUMENTS (Contd.)

The table below shows the ECL charges on financial instruments for the year recorded in the statement of profit and loss based on evaluation stage:

Year ended March 31, 2023

(Rs. in crores)

Particulars	General approach			Simplified Approach	Total
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective		
Loans and advances to customers measured at amortised cost	537.21	332.60	3,258.98	-	4,128.79
Debt instruments measured at amortised cost	4.70	-	-	-	4.70
Others					
- Undrawn commitments	(0.40)	-	-	-	(0.40)
- Other assets	-	-	-	26.08	26.08
Total impairment loss	541.51	332.60	3,258.98	26.08	4,159.17

Year ended March 31, 2022

(Rs. in crores)

Particulars	General approach			Simplified Approach	Total
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective		
Loans and advances to customers measured at amortised cost	1,228.00	76.37	2,560.65	-	3,865.02
Debt instruments measured at amortised cost	(2.00)	-	-	-	(2.00)
Others					
- Undrawn commitments	(4.00)	-	-	-	(4.00)
- Other assets	-	-	-	1.84	1.84
Total impairment loss	1,222.00	76.37	2,560.65	1.84	3,860.86

(Rs. in crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
40 EMPLOYEE BENEFITS EXPENSES		
Salaries, other allowance and bonus	2,150.57	907.11
Contribution to provident and other funds	133.67	59.60
Staff welfare expenses	43.87	23.69
Gratuity expenses (Refer note 46)	13.44	6.69
Share based payments to employees	164.56	-
Total	2,506.11	997.09

(Rs. in crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
41 DEPRECIATION, AMORTISATION AND IMPAIRMENT		
Depreciation of property, plant and equipment	67.17	44.91
Depreciation of investment property	0.05	0.03
Amortisation of intangible assets	305.85	1.57
Depreciation on Right-of-use assets (Refer note 18)	151.11	88.86
Total	524.18	135.37

		(Rs. in crores)	
Particulars	Year ended March 31, 2023	Year ended March 31, 2022	
42 OTHER EXPENSES			
Rent (Refer note 18)	6.52	3.24	
Rates and taxes	30.68	5.22	
Energy costs	30.69	16.45	
Repairs and maintenance	96.55	60.61	
Communication costs	78.50	34.28	
Printing and stationery	39.86	10.30	
Advertisement and publicity	33.24	7.31	
Director's fees, allowances and expenses	2.14	1.25	
Auditor fees and expenses (Refer note 57 and 58)			
- As Auditor	1.55	0.99	
- For taxation matters	0.09	0.09	
- For other services (certification)	0.33	0.09	
- For reimbursement of expenses	0.25	0.02	
Legal and professional charges	198.67	111.54	
Other expenditure:			
Travelling and conveyance	122.05	69.38	
Business promotion	186.83	93.16	
Outsourcing expenses	131.73	63.82	
Royalty	324.85	204.19	
Insurance	7.69	2.03	
Bank charges	55.52	38.51	
Loss on sale of property, plant and equipment (net)	1.00	0.79	
Service charges	43.15	50.35	
CSR expenses (Refer note 63)	93.74	69.72	
Miscellaneous expenses	93.54	62.27	
Total	1,579.17	905.61	

43 INCOME TAX

The components of income tax expense for the financial year ended March 31, 2023 and March 31, 2022 are:

		(Rs. in crores)	
Particulars	Year ended March 31, 2023	Year ended March 31, 2022	
Current tax	2,875.01	1,112.57	
Adjustment in respect of current income tax of prior years	11.50	(82.32)	
Deferred tax relating to origination and reversal of temporary differences	(680.96)	(188.93)	
Total tax charge	2,205.55	841.32	
Current tax	2,886.51	1,030.25	
Deferred tax	(680.96)	(188.93)	

43 INCOME TAX (Contd.)

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at Indian corporate tax rate.

A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the financial year ended March 31, 2023 and March 31, 2022 is, as follows:

Particulars	(Rs. in crores)	
	Year ended March 31, 2023	Year ended March 31, 2022
Accounting profit before tax	8,184.89	3,549.25
At India's statutory income tax rate of 25.168% (2022: 25.168%)	2,059.97	893.28
Adjustment in respect of current income tax of prior years	11.50	(82.32)
Income subject to tax at special rate	-	-
Income not subject to tax	-	-
Non-deductible expenses		
Corporate social responsibility expenditure not allowable for tax purpose	23.59	17.55
Adjustment in respect of prior years	(11.50)	82.32
Others	121.98	(69.51)
Income tax expense reported in the statement of profit and loss	2,205.55	841.32

The effective income tax rate for March 31, 2023 is 26.95% (March 31, 2022: 23.70%).

Deferred tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense:

Particulars	(Rs. in crores)			
	Deferred tax assets As at March 31, 2023	Deferred tax liabilities As at March 31, 2023	Statement of Profit and Loss Year ended March 31, 2023	OCI Year ended March 31, 2023
Property, plant and equipment, intangible assets and investment property - carrying amount other than on account of fair valuation	43.91	-	(0.50)	-
Provision for post retirement benefits	27.18	-	(8.84)	(2.02)
Expenses allowable for tax purposes when paid	49.33	-	(13.18)	-
EIR impact on debt instrument in the nature of borrowings measured at amortised cost	-	-	(4.41)	-
Cash flow hedge reserve	75.47	-	-	(3.69)
Impairment allowance on loans and advances	1,662.51	-	(812.82)	-
Impairment allowance for undrawn commitments	24.83	-	(9.25)	-
Fair valuation on derecognition of financial instrument	-	68.02	17.42	-
Right-of-use assets	22.24	-	(2.49)	-
ESOP compensation expenses	49.24	-	(28.24)	-
Fair valuation impact of merger	70.98	225.85	187.65	-
Other temporary differences	16.26	4.15	(6.30)	(2.97)
Total	2,041.93	298.01	(680.96)	(8.68)

43 INCOME TAX (Contd.)

The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense:

Particulars	Deferred tax assets	Deferred tax liabilities	Statement of Profit and Loss	OCI
	As at March 31, 2022	As at March 31, 2022	Year ended March 31, 2022	Year ended March 31, 2022
Property, plant and equipment, intangible assets and investment property - carrying amount other than on account of fair valuation	25.23	-	(2.56)	-
Provision for post retirement benefits	10.20	-	0.46	(0.81)
Expenses allowable for tax purposes when paid	36.15	-	1.47	-
EIR impact on debt instrument in the nature of borrowings measured at amortised cost	-	4.34	(3.27)	-
Cash flow hedge reserve	71.77	-	-	(40.49)
Impairment allowance on loans and advances	762.27	-	(229.96)	-
Impairment allowance for undrawn commitments	10.75	-	1.51	-
Fair valuation on derecognition of financial instrument	-	47.61	35.82	-
Right-of-use assets	14.04	-	(1.35)	-
Other temporary differences	-	9.08	8.94	-
Total	930.41	61.03	(188.94)	(41.30)

Reconciliation of deferred tax assets/(liabilities)

Particulars	As at March 31, 2023	As at March 31, 2022
	Opening balance	869.38
Recognised pursuant to merger of erstwhile Shriram City Union Finance Limited	184.89	-
Recognised in statement of profit and loss	680.96	188.94
Recognised in statement of profit and loss under OCI	8.68	41.30
Closing balance	1,743.92	869.38

Amounts recognised in respect of current tax / deferred tax directly in equity:

Particulars	As at March 31, 2023	As at March 31, 2022
	Amounts recognised in respect of current tax/deferred tax directly in equity	-

Tax losses

Particulars	As at March 31, 2023	As at March 31, 2022
	Unused tax losses for which no deferred tax asset has been recognised	-

44 EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit for the year attributable to equity holders of Company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
Net profit after tax as per Statement of profit and loss (Rs. in crores) (A)	5,979.34	2,707.93
Weighted average number of equity shares for calculating basic EPS (in crores) (B)	37.44	26.62
Weighted average number of equity shares for calculating diluted EPS (in crores) (C)	37.61	26.62
Basic earnings per equity share (in Rupees) (face value of Rs. 10/- per share) (A) / (B)	159.69	101.74
Diluted earnings per equity share (in Rupees) (face value of Rs. 10/- per share) (A) / (C)	158.99	101.74

45 INVESTMENT IN SUBSIDIARIES AND ASSOCIATES

The Company has invested in the following entities:

Name of the entity	Relationship	Country of incorporation	Principal place of business	Principal activities	% Equity interest	
					As at March 31, 2023	As at March 31, 2022
Shriram Housing Finance Limited (SHFL)	Subsidiary	India	Mumbai	Housing Finance	84.82%	NA
Shriram Automall India Limited (SAMIL)	Associate	India	New Delhi	Market leader in physical bidding for acquisition and disposal of pre-owned vehicles and equipment.	44.56%	44.56%

The Company has recognised its investment in subsidiary and associate at cost.

The Company's share in the associate is as follows:

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
(a) share in profit or loss from continuing operations	8.56	13.17
(b) share in post-tax profit or loss from discontinued operations	-	-
(c) share in other comprehensive income	(0.26)	(0.02)
(d) share in total comprehensive income	8.30	13.15

(Rs. in crores)

46 RETIREMENT BENEFIT PLAN

a) Defined contribution plan

A defined contribution plan is a pension plan under which the Company pays fixed contributions; there is no legal or constructive obligation to pay further contributions. The assets of the plan are held separately from those of the Company in a fund under the control of trustees.

The Company makes Provident fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 112.05 crores (March 31, 2022: Rs. 50.66 crores) for Provident fund contributions and Rs. 20.35 crores (March 31, 2022: Rs. 8.80 crores) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

b) Defined benefit plan

Gratuity

The Company has a defined benefit gratuity plan (funded). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and last drawn salary. The fund is managed by third party fund managers.

Each year, the Board of Trustees reviews the level of funding in the gratuity plan. Such a review includes the asset-liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks. The Board of Trustees decides contribution to be made by the Company based on the results of this annual review. The trust is in process of investing entire funds in government securities through third party fund managers and as on March 31, 2023, 74.78% funds are invested in government securities and balance 25.22% funds are invested in money market and corporate debt instruments. The Board of Trustees aim to keep annual contributions of the Company relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

The following tables summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

Amount recognised in the statement of profit and loss in respect of the defined benefit plan are as follows:

Particulars	(Rs. in crores)	
	Year ended March 31, 2023	Year ended March 31, 2022
Amounts recognised in statement of profit and loss in respect of defined benefit plans are as follows:		
Current service cost	13.88	6.56
Interest expense	9.87	4.61
Interest income	(10.31)	(4.48)
Past service cost	-	-
Components of defined benefit costs recognised in statement of profit and loss (A)	13.44	6.69
Remeasurement of gains/(losses) in other comprehensive income:		
Return on plan assets (excluding amounts included in net interest expense)	(0.94)	(0.01)
Actuarial changes arising from changes in demographic assumptions	(2.92)	0.55
Actuarial changes arising from changes in financial assumptions	(6.77)	(3.57)
Experience adjustments	18.66	6.27
Components of defined benefit costs recognised in other comprehensive income (B)	8.03	3.24
Total (A + B)	21.47	9.93

46 RETIREMENT BENEFIT PLAN (Contd.)

Movement in the present value of the defined benefit obligation are as follows :

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
Change in the obligation during the year ended		
Present value of defined obligation at the beginning of the year	82.20	72.88
Expenses recognised in statement of profit and loss:		
Current service cost	13.88	6.56
Interest expense/(income)	9.87	4.61
Recognised in other comprehensive income remeasurement gains/(losses)	8.97	3.25
Liability transferred in/acquisitions	60.83	-
Benefits paid from the fund	(6.85)	(5.10)
Present value of defined obligation at the end of the year	168.90	82.20

Change in the Fair value of plan assets:

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets at the beginning of the year	79.96	70.80
Interest income	10.31	4.48
Contributions by the employer	12.54	9.77
Assets transferred in acquisitions	69.43	-
Benefits paid from the fund	(6.85)	(5.10)
Return on plan assets excluding interest income	0.94	0.01
Fair value of plan assets at the end of the year	166.33	79.96

Calculation of benefit liability/ (asset):

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
Defined benefit obligation/ liability	168.90	82.20
Fair value of plan assets	166.33	79.96
Benefit liability	2.57	2.24

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars		
	As at March 31, 2023	As at March 31, 2022
Expected return on plan assets	7.41%	6.90%
Rate of discounting	7.41%	6.90%
Expected rate of salary increase	5.00%	5.00%
Rate of employee turnover	For service 4 years and below 26.00% p.a. and for service 5 years and above 6.00% p.a.	For service 4 years and below 25.00% p.a. and for service 5 years and above 7.25% p.a.

46 RETIREMENT BENEFIT PLAN (Contd.)

Particulars	As at March 31, 2023	As at March 31, 2022
Mortality rate during employment	Indian Assured Lives mortality (2012-14) Urban	Indian Assured Lives mortality (2012-14) Urban
Mortality rate after employment	NA	NA

Investments quoted in active markets:

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
Government securities	124.38	75.16
Debt and other instruments	41.95	4.80
Total	166.33	79.96

Assumptions	Sensitivity level	(Rs. in crores)	
		Impact on defined benefit obligation March 31, 2023	Impact on defined benefit obligation March 31, 2022
Discount rate	1% increase	(11.95)	(5.63)
	1% decrease	13.77	6.46
Future salary increases	1% increase	13.78	6.44
	1% decrease	(12.14)	(5.70)
Attrition rate	1% increase	2.49	0.84
	1% decrease	(2.82)	(0.95)

Expected payment for future years	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
Within the next 12 months (next annual reporting period)	19.70	8.31
Between 2 and 5 years	55.50	29.15
Between 5 and 10 years	68.11	34.24
Beyond 10 years	205.60	83.99
Total expected payments	348.91	155.69

The Company expects to contribute Rs. 18.03 crores to the fund in the next financial year.

The weighted average duration of the defined benefit obligation as at March 31, 2023 is 9 years (March 31, 2022: 9 years).

Asset liability matching strategies

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

46 RETIREMENT BENEFIT PLAN (Contd.)

c) **Compensated Absences**

The principal assumptions used in determining obligations for the Company are shown below:

Particulars	As at March 31, 2023	As at March 31, 2022
Rate of discounting	7.41%	6.90%
Expected rate of salary increase	5.00%	5.00%
Rate of employee turnover		
Service 4 years and below	26.00%	25.00%
Service 5 years and above	6.00%	7.25%
Mortality	Indian Assured Lives mortality (2012-14) Urban	Indian Assured Lives mortality (2012-14) Urban

(Rs. in crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Expenses recognised in statement of profit and loss	46.72	17.32

The Company has not funded its compensated absences liability and the same continues to remain as unfunded as at March 31, 2023.

The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.

Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.

47 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(Rs. in crores)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	9,505.30	-	9,505.30	10,662.44	-	10,662.44
Bank balance other than above	6,117.55	194.56	6,312.11	5,133.24	559.48	5,692.72
Derivative financial instruments	498.64	170.17	668.81	-	201.40	201.40
Receivables						
(I) Trade receivables	17.00	-	17.00	5.35	-	5.35
(II) Other receivables	148.99	111.13	260.12	101.06	89.43	190.49
Loans	72,241.31	99,743.27	171,984.58	41,448.37	75,216.78	116,665.15
Investments	1,420.60	7,144.46	8,565.06	2,943.69	3,865.47	6,809.16
Other financial assets	-	72.70	72.70	-	51.45	51.45
Non-financial assets						
Current tax asset	-	716.97	716.97	-	228.24	228.24
Deferred tax assets (net)	-	1,743.92	1,743.92	-	869.38	869.38
Investment property	-	2.62	2.62	-	1.97	1.97

47 MATURITY ANALYSIS OF ASSETS AND LIABILITIES (Contd.)

(Rs. in crores)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Property, plant and equipment	-	209.49	209.49	-	110.56	110.56
Right-of-use assets	-	490.21	490.21	-	302.52	302.52
Intangible assets under development	-	66.08	66.08	-	-	-
Goodwill	-	1,406.73	1,406.73	-	-	-
Other intangible assets	-	1,217.65	1,217.65	-	3.04	3.04
Other non-financial assets	72.83	351.68	424.51	43.68	268.54	312.22
Total assets	90,022.22	113,641.64	203,663.86	60,337.83	81,768.26	142,106.09
Liabilities						
Financial liabilities						
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	0.02	-	0.02
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	293.24	-	293.24	165.70	0.31	166.01
(II) Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	0.36	-	0.36	1.46	-	1.46
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1.09	-	1.09	1.21	-	1.21
Debt securities	19,009.08	24,643.51	43,652.59	11,901.72	29,354.83	41,256.55
Borrowings (other than debt securities)	31,719.07	41,870.95	73,590.02	19,869.86	26,807.07	46,676.93
Deposits	9,354.28	26,785.55	36,139.83	6,755.55	15,193.43	21,948.98
Subordinated liabilities	308.97	4,214.88	4,523.85	308.71	4,305.54	4,614.25
Lease liabilities	82.57	480.89	563.46	74.93	274.50	349.43
Other financial liabilities	944.98	75.68	1,020.66	755.06	104.58	859.64
Non-financial liabilities						
Current tax liabilities (net)	160.89	-	160.89	36.82	-	36.82
Provisions	211.48	-	211.48	99.87	38.31	138.18
Other non-financial liabilities	199.75	-	199.75	124.42	-	124.42
Total liabilities	62,285.76	98,071.46	160,357.22	40,095.33	76,078.57	116,173.90
Net	27,736.46	15,570.18	43,306.64	20,242.50	5,689.69	25,932.19

48 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

(Rs. in crores)

Particulars	As at March 31, 2022	Cash flows	Changes in fair value	Exchange difference	Other	As at March 31, 2023
Debt securities	41,256.55	2,237.81	-	-	158.23	43,652.59
Borrowings (other than debt securities)	46,676.93	26,688.78	-	-	224.31	73,590.02
Deposits	21,948.98	14,153.14	-	-	37.71	36,139.83
Subordinated liabilities	4,614.25	(138.30)	-	-	47.90	4,523.85
Lease liabilities	349.43	(182.65)	-	-	396.68	563.46
Total liabilities from financing activities	114,846.14	42,758.78	-	-	864.83	158,469.75

48 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES (Contd.)

(Rs. in crores)						
Particulars	As at March 31, 2021	Cash flows	Changes in fair value	Exchange difference	Other	As at March 31, 2022
Debt securities	40,061.87	655.45	-	-	539.23	41,256.55
Borrowings (other than debt securities)	45,281.37	1,282.92	-	-	112.64	46,676.93
Deposits	16,232.41	5,753.63	-	-	(37.06)	21,948.98
Subordinated liabilities	4,620.76	(51.96)	-	-	45.45	4,614.25
Lease liabilities	349.49	(109.13)	-	-	109.07	349.43
Total liabilities from financing activities	106,545.90	7,530.91	-	-	769.33	114,846.14

49 CONTINGENT LIABILITIES AND COMMITMENTS

(A) Contingent liabilities

(Rs. in crores)		
Particulars	As at March 31, 2023	As at March 31, 2022
a. In respect of Income tax demands where the Company has filed appeal before various authorities	55.87	175.17
b. VAT demand where the Company has filed appeal before various appellates	4.92	117.21
c. Service tax demands where the Company has filed appeal before various authorities	2,056.61	1,976.41
d. Penalty levied for Contravention of provisions of Section 6(3) (b) of FEMA, 1999 read with Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000	5.00	5.00
Total	2,122.40	2,273.79

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

(B) Commitments not provided for

(Rs. in crores)		
Particulars	As at March 31, 2023	As at March 31, 2022
a. Estimated amount of contracts remaining to be executed on capital account, net of advances	101.36	11.45
b. Commitments related to loans sanctioned but undrawn	283.98	92.43

50 RELATED PARTY TRANSACTIONS

Related Parties as at March 31, 2023

Relationship	Name of the party
I Promoter	: Shriram Capital Private Limited (formerly known as Shriram Financial Venture (Chennai) Private Limited) (w.e.f. November 24, 2022) Shriram Capital Limited (upto November 24, 2022)
II Promoter Group	: Shriram Value Services Limited Novac Technology Solutions Private Limited Shriram Fortune Solutions Limited Shriram General Insurance Company Limited Shriram Insight Share Brokers Limited Shriram Life Insurance Company Limited Shriram Asset Management Company Limited Shriram Financial Products Solutions (Chennai) Private Limited Insight Commodities and Futures Private Limited (upto May 18, 2022) Shriram Credit Company Limited Shriram Overseas Investments Private Limited Shriram Wealth Limited Bharath Investments Pte. Limited, Singapore SGI Philippines General Insurance Co. Inc. Novac Digital Service Private Limited Shriram LI Holdings Private Limited SEA funds Management India Private Limited Way2wealth Insurance Brokers Private Limited Way2wealth Securities Private Limited Way2wealth Brokers Private Limited Way2wealth Commodities Private Limited Shriram GI Holdings Private Limited Shriram Investment Holdings Limited Shriram Asset Reconstruction Private Limited (w.e.f. December 01, 2022) Novac Technology FZCO (w.e.f. February 08, 2023)
III Subsidiary	: Shriram Housing Finance Limited (w.e.f. April 01, 2022)
IV Associates	: Shriram Automall India Limited Cartradeexchange Solutions Private Limited Adroit Inspection Service Private Limited Augeo Asset Management Private Limited
V Key Management Personnel (KMP)	: Mr. Umesh Revankar, Vice Chairman & Managing Director (upto December 04, 2022) Mr. Umesh Revankar, Executive Vice Chairman (w.e.f. December 05, 2022) Mr. Y. S. Chakravarti, Director (upto December 04, 2022) Mr. Y. S. Chakravarti, Managing Director & CEO (w.e.f. December 05, 2022) Mr. Jugal Kishore Mohapatra, Chairman (w.e.f. December 04, 2022) Mr. Parag Sharma, Whole Time Director, Joint Managing Director & CFO Mr. S. Lakshminarayanan (upto December 04, 2022) Mrs. Kishori Udeshi (upto December 04, 2022) Mr. S. Sridhar, Independent Director Mr. Pradeep Kumar Panja, Independent Director

50 RELATED PARTY DISCLOSURES (Contd.)

- V Key Management Personnel (KMP) : Mrs. Maya Sinha, Independent Director (w.e.f. December 04, 2022)
Mr. D. V. Ravi, Director
Mr. Ignatius Michael Viljoen, Director
Mr. Srinivas K, Joint Managing Director (w.e.f. December 04, 2022)
Mr. G. M. Jilani, Joint Managing Director (w.e.f. December 04, 2022)
Mr. P. Sridharan, Joint Managing Director
Mr. Sudarshan Holla, Joint Managing Director
Mr. Nilesh Odedara, Joint Managing Director
Mr. S. Sunder, Joint Managing Director
Mr. R. Chandrasekar, Joint Managing Director & Chief Compliance Officer (w.e.f. December 04, 2022)
Mr. Aseem Gandhi, Executive Director (w.e.f. December 04, 2022)
Mr. U Balasundararao
Mr. Hardeep Singh Tur, Chief Risk Officer
- VI Relatives of Key Management Personnel (with whom the company has transactions) : Mrs. Suchita U. Revankar (Spouse of Mr. Umesh Revankar)
Mrs. Geeta G. Revankar (Mother of Mr. Umesh Revankar)
Mr. Anil G. Revankar (Brother of Mr. Umesh Revankar)
Mr. Shreyas U. Revankar (Son of Mr. Umesh Revankar)
Mr. Shirish U. Revankar (Son of Mr. Umesh Revankar)
Mr. Jayendra Purshottamdas Udeshi (Spouse of Mrs. Kishori Udeshi) (upto December 04, 2022)
Mrs. P. Suchitra (Sister of Mr. Pradeep Kumar Panja)
Mrs. P. Surekha (Sister of Mr. Pradeep Kumar Panja)
Mrs. Rama Sharma (Mother of Mr. Parag Sharma)
Ms. Atibhi Sharma (Daughter of Mr. Parag Sharma)
Mr. Amit Sharma (Brother of Mr. Parag Sharma)
Mrs. Sujatha Sunder (Spouse of Mr. S. Sunder)
Mrs. S. Arulmozhi (Spouse of Mr. P. Sridharan)
Mr. Sree Bhargav Y. (Son of Mr. Y. S. Chakravarti)
Mrs. Barathy Chandrasekar (Spouse of Mr. R. Chandrasekar)
Mrs. Deepika Karthik (Daughter of Mr. R. Chandrasekar)
Mr. Karthik (Husband of Daughter of Mr. R. Chandrasekar)
Ms. S. Karunyalakshmi (Daughter of Mr. P. Sridharan)
- VII Employee's Benefit Plan : Shriram Transport Finance Company Limited Employees Group Gratuity Assurance Scheme
Shriram City Union Finance Limited Employees Group Gratuity Assurance Scheme (w.e.f. April 01, 2022)

Note: Reduction in Promoter (Shriram Capital Private Limited) % holding is due to the merger scheme.

50 RELATED PARTY TRANSACTIONS (Contd.)

Summary of Related Party Transactions

(Rs. in crores)

Particulars/ Expenses	Promoter		Promoter group		Subsidiary		Associates		Employee's benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Payment to key management personnel	-	-	-	-	-	-	-	-	-	-	11.32	4.80	-	-	11.32
Royalty	-	-	-	-	-	-	-	-	-	-	-	-	-	-	298.03	187.67
Service charges	39.58	46.19	298.03	187.67	-	-	-	-	-	-	-	-	-	-	39.58	46.19
I.T. and BPO charges	-	-	121.85	55.86	-	-	-	-	-	-	-	-	-	-	121.85	55.86
Intangible assets under development	-	-	56.00	-	-	-	-	-	-	-	-	-	-	-	56.00	-
Rent	-	-	0.02	0.02	0.07	-	14.21	11.36	-	-	-	-	-	-	14.29	11.38
Payment for assignment	-	-	-	-	32.15	-	-	-	-	-	-	-	-	-	32.15	-
Business mobilisation expenses	-	-	-	-	-	-	0.04	0.07	-	-	-	-	-	-	0.04	0.07
Other administrative expenses	-	-	0.03	-	0.04	-	13.84	11.09	-	-	-	-	-	-	13.91	11.09
Insurance premium	-	-	23.54	9.62	-	-	-	-	-	-	-	-	-	-	23.54	9.62
Security deposit paid	-	-	0.45	-	-	-	-	-	-	-	-	-	-	-	0.45	-
Commission	-	-	100.51	100.94	-	-	0.32	1.10	-	-	-	-	-	-	100.83	102.04
Sales promotion	-	-	56.01	31.84	-	-	-	-	-	-	-	-	-	-	56.01	31.84
Unsecured loan and advances repaid	-	-	-	-	-	-	0.29	21.01	-	-	-	-	-	-	0.29	21.01
Revenue sharing paid	-	-	-	-	-	-	0.00	0.72	-	-	-	-	-	-	0.00	0.72
Valuation changes	-	-	31.50	-	-	-	-	-	-	-	-	-	-	-	31.50	-
Investment in mutual fund	-	-	0.37	-	-	-	-	-	-	-	-	-	-	-	0.37	-
Purchase of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gratuity paid	-	-	-	-	0.15	-	-	-	-	-	-	-	-	-	0.15	-
Interest paid	-	0.91	75.81	60.60	-	-	2.44	3.52	-	-	0.04	0.83	0.08	0.09	78.38	65.95
Equity dividend	100.72	219.84	18.89	0.11	-	-	-	-	-	-	0.10	0.10	0.00	0.00	119.72	220.05
Subordinated debts matured	-	-	33.90	-	-	-	-	-	-	-	-	-	-	-	33.90	-
Non-convertible debenture (secured) matured	-	10.00	32.11	38.36	-	-	1.10	5.00	-	-	0.10	2.21	0.07	0.10	33.39	55.67
Fixed deposit matured	-	-	4.07	1.50	-	-	8.00	-	16.48	-	0.04	0.50	0.45	0.26	12.55	2.26
Employer contribution to employees group gratuity assurance scheme	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16.48	9.77
Inter-corporate deposit repaid	-	-	-	-	-	-	48.28	84.60	-	-	-	-	-	-	48.28	84.60
Receipts/ Income																
Recovery of common sharing expenses	0.02	0.02	0.62	0.95	0.06	-	0.24	0.59	-	-	-	-	-	-	0.94	1.56
Commission received on disbursement	-	-	-	-	0.07	-	-	-	-	-	-	-	-	-	0.07	-
Reimbursement of expenses	-	0.01	0.04	-	0.12	-	-	-	-	-	-	-	-	-	0.16	0.01
Dividend received	-	-	-	-	-	-	5.35	-	-	-	-	-	-	-	5.35	-
Gratuity, leave encashment, bonus and leave travel allowances received	0.03	-	5.63	-	-	-	0.15	-	-	-	-	-	-	-	5.81	-
Sale of property, plant and equipment	-	-	0.02	0.00	0.01	-	-	-	-	-	-	-	-	-	0.03	0.00
Rent and electricity	0.10	0.17	0.10	-	0.40	-	4.21	4.18	-	-	-	-	-	-	4.81	4.35
Business auxiliary services	0.07	-	-	-	0.06	-	-	-	-	-	-	-	-	-	0.07	-
Collection fees income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.06	-
Other income	-	-	0.00	-	-	-	-	-	-	-	-	-	-	-	0.00	-
Insurance claims	-	-	0.54	-	-	-	-	-	-	-	-	-	-	-	0.54	-
Insurance premium received	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00	-
Investment in mutual fund redeemed	-	-	25.10	-	-	-	-	-	-	-	-	-	-	-	25.10	-
Revenue sharing received	-	-	-	-	-	-	0.42	-	-	-	-	-	-	-	0.42	-
Commission received	-	-	92.39	49.60	-	-	-	-	-	-	-	-	-	-	92.39	49.60
Fixed deposit received	-	-	22.07	15.63	-	-	19.66	65.50	-	-	1.12	0.26	1.53	0.97	44.39	82.36
Received towards preferential issue warrants	-	250.00	-	-	-	-	-	-	-	-	-	-	-	-	-	250.00
Received towards convertible	-	250.00	-	-	-	-	-	-	-	-	-	-	-	-	-	250.00
Inter-corporate deposit received	-	-	-	-	-	-	20.83	62.75	-	-	-	-	-	-	20.83	62.75

50 RELATED PARTY TRANSACTIONS (Contd.)

Particulars	Promoter		Promoter group		Subsidiary		Associates		Employee's benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Balance outstanding at the year end	67.15	70.44	12.99	1.06	-	-	-	-	-	-	0.07	0.05	0.00	0.00	80.21
Equity share capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,575.61	13.37
Investment in equity shares	-	-	-	-	1,562.24	-	13.37	-	-	-	-	-	-	-	30.21	4.67
Commission and other receivables	0.02	11.41	87.65	88.84	0.59	-	1.06	0.91	-	-	-	-	-	-	89.32	101.16
Outstanding expenses	-	-	12.00	-	-	-	-	-	-	-	-	-	-	-	12.00	-
Investment in mutual fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fixed deposit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Public deposit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Deposit from corporates	-	-	64.11	29.57	-	-	107.76	89.37	-	-	1.30	1.47	1.55	-	3.47	3.02
Subordinated debt	-	-	523.20	516.07	-	-	-	-	-	-	-	-	-	-	171.87	118.94
Non-convertible debenture (secured)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	523.20	516.07
- Public issue	-	-	70.80	29.28	-	-	16.88	17.86	-	-	-	0.13	-	0.09	87.68	47.36
- Privately placed	-	-	370.13	10.01	-	-	-	-	-	-	-	-	-	-	370.13	10.01
Inter-corporate deposit	-	-	-	-	-	-	-	27.45	-	-	-	-	-	-	-	27.45

Income /expenses are presented excluding GST.

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

There were no guarantees given on behalf of related parties during the year.

The Company has not granted loans or advances to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that is repayable on demand or without specifying any terms or period of repayment for the financial year ended March 31, 2023 and March 31, 2022.

Breakup of Related Party Transactions

Particulars	Promoter		Promoter group		Subsidiary		Associates		Employee's benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Payments/ Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Employee benefits for key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Short term benefits	-	-	-	-	-	-	-	-	-	-	7.99	3.22	-	-	7.99	3.22
- Post employment benefits	-	-	-	-	-	-	-	-	-	-	1.78	0.43	-	-	1.78	0.43
Commission and sitting fee paid to directors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mr. S. Lakshminarayanan	-	-	-	-	-	-	-	-	-	-	0.32	0.31	-	-	0.32	0.31
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	-	-	0.30	0.26	-	-	0.30	0.26
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	-	-	0.37	0.30	-	-	0.37	0.30
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	-	-	0.39	0.28	-	-	0.39	0.28
- Mrs. Maya Sinha	-	-	-	-	-	-	-	-	-	-	0.09	-	-	-	0.09	-
- Mr. Jugal Kishore Mohapatra	-	-	-	-	-	-	-	-	-	-	0.07	-	-	-	0.07	-
License fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Shriram Value Services Limited	-	-	298.03	187.67	-	-	-	-	-	-	-	-	-	-	298.03	187.67
Service charges	32.25	46.19	-	-	-	-	-	-	-	-	-	-	-	-	32.25	46.19
- Shriram Capital Limited	7.33	-	-	-	-	-	-	-	-	-	-	-	-	-	7.33	-
- Shriram Capital Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Voice call services	-	-	11.05	8.91	-	-	-	-	-	-	-	-	-	-	11.05	8.91
- Novac Technology Solutions Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IT and BPO charges	-	-	110.80	46.96	-	-	-	-	-	-	-	-	-	-	110.80	46.96
- Novac Technology Solutions Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets under development	-	-	56.00	-	-	-	-	-	-	-	-	-	-	-	56.00	-
- Novac Technology Solutions Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

50 RELATED PARTY TRANSACTIONS (Contd.)

Particulars	Promoter		Promoter group		Subsidiary		Associates		Employee's benefit plan		Key management personnel		Relative of key management personnel		Total		
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	
	(Rs. in crores)																
Rent																	
- Shriram Automall India Limited	-	-	-	-	-	-	14.21	11.36	-	-	-	-	-	-	14.21	11.36	-
- Shriram Housing Finance Limited	-	-	-	-	0.07	-	-	-	-	-	-	-	-	-	0.07	-	-
- Shriram Asset Management Company Limited	-	-	0.02	0.02	-	-	-	-	-	-	-	-	-	-	0.02	0.02	-
Payments for assignment																	
- Shriram Housing Finance Limited	-	-	-	-	32.15	-	-	-	-	-	-	-	-	-	32.15	-	-
Business mobilisation expenses																	
- Shriram Automall India Limited	-	-	-	-	-	-	0.04	0.07	-	-	-	-	-	-	0.04	0.07	-
Other administrative expenses																	
- Shriram Housing Finance Limited	-	-	-	-	0.04	-	-	-	-	-	-	-	-	-	0.04	-	-
- Shriram Insight Share Brokers Limited	-	-	0.03	-	-	-	-	-	-	-	-	-	-	-	0.03	-	-
- Shriram Automall India Limited	-	-	-	-	-	-	13.84	11.09	-	-	-	-	-	-	13.84	11.09	-
Insurance premium																	
- Shriram Life Insurance Company Limited	-	-	14.15	5.99	-	-	-	-	-	-	-	-	-	-	14.15	5.99	-
- Shriram General Insurance Company Limited	-	-	9.39	3.63	-	-	-	-	-	-	-	-	-	-	9.39	3.63	-
Security deposit paid																	
- Shriram Life Insurance Company Limited	-	-	0.25	-	-	-	-	-	-	-	-	-	-	-	0.25	-	-
- Shriram General Insurance Company Limited	-	-	0.20	-	-	-	-	-	-	-	-	-	-	-	0.20	-	-
Commission																	
- Shriram Fortune Solutions Limited	-	-	68.22	82.04	-	-	-	-	-	-	-	-	-	-	68.22	82.04	-
- Adroit Inspection Service Private Limited	-	-	-	-	-	-	0.32	1.10	-	-	-	-	-	-	0.32	1.10	-
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	21.38	7.92	-	-	-	-	-	-	-	-	-	-	21.38	7.92	-
- Shriram Insight Share Brokers Limited	-	-	8.92	8.23	-	-	-	-	-	-	-	-	-	-	8.92	8.23	-
- Shriram Wealth Limited	-	-	1.61	2.56	-	-	-	-	-	-	-	-	-	-	1.61	2.56	-
- Way2wealth Securities Private Limited	-	-	0.38	0.19	-	-	-	-	-	-	-	-	-	-	0.38	0.19	-
Sales promotion																	
- Shriram Fortune Solutions Limited	-	-	40.80	23.99	-	-	-	-	-	-	-	-	-	-	40.80	23.99	-
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	12.75	5.16	-	-	-	-	-	-	-	-	-	-	12.75	5.16	-
- Shriram Insight Share Brokers Limited	-	-	2.03	2.04	-	-	-	-	-	-	-	-	-	-	2.03	2.04	-
- Shriram Wealth Limited	-	-	0.37	0.59	-	-	-	-	-	-	-	-	-	-	0.37	0.59	-
- Way2wealth Securities Private Limited	-	-	0.08	0.05	-	-	-	-	-	-	-	-	-	-	0.08	0.05	-
Unsecured loan and advances repaid																	
- Shriram Automall India Limited	-	-	-	-	-	-	-	21.01	-	-	-	-	-	-	-	-	21.01
Revenue sharing paid																	
- Shriram Automall India Limited	-	-	-	-	-	-	0.29	-	-	-	-	-	-	-	0.29	-	-
Interest on inter-corporate deposit																	
- Shriram Automall India Limited	-	-	-	-	-	-	0.55	1.28	-	-	-	-	-	-	0.55	1.28	-

50 RELATED PARTY TRANSACTIONS (Contd.)

Particulars	Promoter		Promoter group		Subsidiary		Associates		Employee's benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	(Rs. in crores)															
Valuation charges paid																
- Adroit Inspection Service Private Limited	-	-	-	-	-	-	-	0.72	-	-	-	-	-	-	-	0.72
- Shriram Automall India Limited	-	-	-	-	-	-	0.00	-	-	-	-	-	-	-	0.00	-
Investment in mutual fund																
- Shriram Asset Management Company Limited	-	-	31.50	-	-	-	-	-	-	-	-	-	-	-	31.50	-
Purchase of property, plant and equipment																
- Shriram Life Insurance Company Limited	-	-	0.07	-	-	-	-	-	-	-	-	-	-	-	0.07	-
- Shriram Fortune Solutions Limited	-	-	0.30	-	-	-	-	-	-	-	-	-	-	-	0.30	-
Gratuity paid																
- Shriram Housing Finance Limited	-	-	-	-	0.15	-	-	-	-	-	-	-	-	-	0.15	-
Interest on fixed deposit																
- Key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	-	0.15	-	-	-	-	-	0.15
- Mr. Parag Sharma	-	-	-	-	-	-	-	-	-	-	0.00	-	-	-	-	0.00
- Mr. Hardeep Singh Tur	-	-	-	-	-	-	-	-	-	-	0.00	-	-	-	-	0.00
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	-	0.05	-	-	0.05	0.06
- Shriram Automall India Limited	-	-	-	-	-	-	0.34	-	-	-	-	-	-	-	0.34	-
- Shriram Fortune Solutions Limited	-	-	0.02	-	-	-	-	-	-	-	-	-	-	-	0.02	-
- Shriram Asset Management Company Limited	-	-	-	-	-	-	0.26	-	-	-	-	-	-	-	-	0.26
- Cartradeexchange Solutions Private Limited	-	-	-	-	-	-	-	0.06	-	-	-	-	-	-	0.06	-
Interest on subordinated debt																
- Shriram Life Insurance Company Limited	-	-	13.73	12.38	-	-	-	-	-	-	-	-	-	-	13.73	12.38
- Shriram General Insurance Company Limited	-	-	34.33	34.41	-	-	-	-	-	-	-	-	-	-	34.33	34.41
Interest on non-convertible debenture (secured)																
- Shriram Life Insurance Company Limited	-	-	11.25	3.22	-	-	-	-	-	-	-	-	-	-	11.25	3.22
- Shriram General Insurance Company Limited	-	-	16.20	-	-	-	-	-	-	-	-	-	-	-	16.20	-
- Shriram Asset Management Company Limited	-	-	0.27	1.42	-	-	-	-	-	-	-	-	-	-	0.27	1.42
- Shriram Insight Share Brokers Limited	-	-	0.01	0.05	-	-	-	-	-	-	-	-	-	-	0.01	0.05
- Shriram Automall India Limited	-	-	-	-	-	-	1.49	2.24	-	-	-	-	-	-	1.49	2.24
- Shriram Capital Limited	-	-	0.91	-	-	-	-	-	-	-	-	-	-	-	0.91	-
- Shriram Value Services Limited	-	-	-	8.86	-	-	-	-	-	-	-	-	-	-	-	8.86
- Key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mr. Umesh Revankar	-	-	-	-	-	-	-	-	-	-	0.04	-	-	-	-	0.04
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	-	-	0.03	-	-	-	-	0.03
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	-	-	0.03	-	-	-	-	0.03
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	-	0.03	-	-	0.03	0.03

50 RELATED PARTY TRANSACTIONS (Contd.)

Particulars	Promoter		Promoter group		Subsidiary		Associates		Employee's benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	(Rs. in crores)															
Equity dividend																
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	0.00	0.00	0.00	0.00
- Key management personnel																
- Mr. Parag Sharma	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mr. S. Sunder	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mr. P. Sridharan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mr. Sudarshan Holla	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mr. U Balasundararao	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mr. R. Chandrasekar	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mr. D. V. Ravi	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mr. G. M. Jilani	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Shriram Capital Limited	-	219.84	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Shriram Capital Private Limited	100.72	-	-	0.11	-	-	-	-	-	-	-	-	-	-	-	-
- Shriram Value Services Limited	-	-	18.89	-	-	-	-	-	-	-	-	-	-	-	18.89	-
Subordinated debts matured																
- Shriram General Insurance Company Limited	-	-	27.90	-	-	-	-	-	-	-	-	-	-	-	27.90	-
- Shriram Life Insurance Company Limited	-	-	6.00	-	-	-	-	-	-	-	-	-	-	-	6.00	-
Non convertible debenture (secured) matured																
- Shriram Life Insurance Company Limited	-	-	31.90	-	-	-	-	-	-	-	-	-	-	-	31.90	-
- Shriram Insight Share Brokers Limited	-	-	-	0.52	-	-	-	-	-	-	-	-	-	-	-	0.52
- Shriram Capital Limited	-	10.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Shriram Asset Management Company Limited	-	-	0.21	12.84	-	-	-	-	-	-	-	-	-	-	0.21	12.84
- Shriram Automall India Limited	-	-	-	-	-	-	1.10	5.00	-	-	-	-	-	-	1.10	5.00
- Shriram Value Services Limited	-	-	-	25.00	-	-	-	-	-	-	-	-	-	-	-	25.00
- Key management personnel																
- Mr. Umesh Revankar	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	0.07	0.10	0.07	0.10
Fixed deposit matured																
- Key management personnel																
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mr. Parag Sharma	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mr. Hardeep Singh Tur	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	0.45	0.26	0.45	0.26
- Shriram Automall India Limited	-	-	-	-	-	-	5.00	-	-	-	-	-	-	-	-	-
- Shriram Fortune Solutions Limited	-	-	4.07	-	-	-	-	-	-	-	-	-	-	-	-	-
- Shriram Asset Management Company Limited	-	-	-	1.50	-	-	-	-	-	-	-	-	-	-	-	-
- Cartradeexchange Solutions Private Limited	-	-	-	-	-	-	3.00	-	-	-	-	-	-	-	-	-

50 RELATED PARTY TRANSACTIONS (Contd.)

	Promoter		Promoter group		Subsidiary		Associates		Employee's benefit plan		Key management personnel		Relative of key management personnel		(Rs. in crores)		
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	
Particulars																	
Employer contribution to employees group gratuity assurance scheme	-	-	-	-	-	-	-	-	16.48	9.77	-	-	-	-	16.48	9.77	-
Inter-corporate deposit repaid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Shriram Automall India Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	140.30	276.94	853.09	486.52	32.40	-	88.52	138.46	16.48	9.77	11.60	8.44	0.60	0.45	1,142.98	920.58	-
Receipts/ Income																	
Recovery of common sharing expenses																	
- Shriram Automall India Limited	-	-	-	-	-	-	0.24	0.59	-	-	-	-	-	-	0.24	0.59	-
- Shriram Capital Limited	0.02	0.02	-	-	-	-	-	-	-	-	-	-	-	-	0.02	0.02	-
- Shriram Insight Share Brokers Limited	-	-	0.03	0.03	-	-	-	-	-	-	-	-	-	-	0.03	0.03	-
- Shriram Fortune Solutions Limited	-	-	0.50	0.92	-	-	-	-	-	-	-	-	-	-	0.50	0.92	-
- Shriram Credit Company Limited	-	-	0.09	-	-	-	-	-	-	-	-	-	-	-	0.09	-	-
- Shriram Housing Finance Limited	-	-	-	-	0.06	-	-	-	-	-	-	-	-	-	0.06	-	-
Commission received on disbursements																	
- Shriram Housing Finance Limited	-	-	-	-	0.07	-	-	-	-	-	-	-	-	-	0.07	-	-
Reimbursement of expenses																	
- Shriram Fortune Solutions Limited	-	-	0.04	-	-	-	-	-	-	-	-	-	-	-	0.04	-	-
- Shriram Insight Share Brokers Limited	-	-	0.01	-	-	-	-	-	-	-	-	-	-	-	0.01	-	-
- Shriram Housing Finance Limited	-	-	-	-	0.12	-	-	-	-	-	-	-	-	-	0.12	-	-
- Shriram Capital Limited	-	0.01	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01	-
Dividend received																	
- Shriram Automall India Limited	-	-	-	-	-	-	5.35	-	-	-	-	-	-	-	5.35	-	-
Gratuity, leave encashment, bonus and leave travel allowances received																	
- Shriram Automall India Limited	-	-	-	-	-	-	0.15	-	-	-	-	-	-	-	0.15	-	-
- Shriram Capital Limited	0.03	-	-	-	-	-	-	-	-	-	-	-	-	-	0.03	-	-
- Shriram General Insurance Company Limited	-	-	0.55	-	-	-	-	-	-	-	-	-	-	-	0.55	-	-
- Shriram Life Insurance Company Limited	-	-	0.80	-	-	-	-	-	-	-	-	-	-	-	0.80	-	-
- Shriram Fortune Solutions Limited	-	-	4.25	-	-	-	-	-	-	-	-	-	-	-	4.25	-	-
- Novac Technology Solutions Private Limited	-	-	0.01	-	-	-	-	-	-	-	-	-	-	-	0.01	-	-
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	0.00	-	-	-	-	-	-	-	-	-	-	-	0.00	-	-
- Shriram Value Services Limited	-	-	0.01	-	-	-	-	-	-	-	-	-	-	-	0.01	-	-
Sale of property, plant and equipment																	
- Novac Technology Solutions Private Limited	-	-	-	0.00	-	-	-	-	-	-	-	-	-	-	-	0.00	-
- Shriram Life Insurance Company Limited	-	-	0.02	-	-	-	-	-	-	-	-	-	-	-	0.02	-	-
- Shriram Housing Finance Limited	-	-	-	-	0.01	-	-	-	-	-	-	-	-	-	0.01	-	-
Rent and electricity																	
- Shriram Fortune Solutions Limited	-	-	0.10	-	-	-	-	-	-	-	-	-	-	-	0.10	-	-
- Shriram Insight Share Brokers Limited	-	-	0.01	-	-	-	-	-	-	-	-	-	-	-	0.01	-	-
- Shriram Housing Finance Limited	-	-	-	-	0.40	-	-	-	-	-	-	-	-	-	0.40	-	-
- Shriram Capital Limited	0.10	0.17	-	-	-	-	-	-	-	-	-	-	-	-	0.10	0.17	-
- Shriram Automall India Limited	-	-	-	-	-	-	4.21	4.18	-	-	-	-	-	-	4.21	4.18	-

50 RELATED PARTY TRANSACTIONS (Contd.)

Particulars	Promoter		Promoter group		Subsidiary		Associates		Employee's benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2022	March 31, 2022
	(Rs. in crores)															
Business auxiliary services																
- Shriram Capital Private Limited	0.07	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.07
Collection fees income																
- Shriram Housing Finance Limited	-	-	-	0.06	-	-	-	-	-	-	-	-	-	-	-	0.06
Other income																
- Shriram Asset Management Company Limited	-	-	0.00	-	-	-	-	-	-	-	-	-	-	-	-	0.00
Insurance claim																
- Shriram General Insurance Company Limited	-	-	0.54	-	-	-	-	-	-	-	-	-	-	-	-	0.54
Insurance premium received																
- Shriram Capital Limited	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00
Investment in mutual fund redeemed																
- Shriram Asset Management Company Limited	-	-	25.10	-	-	-	-	-	-	-	-	-	-	-	-	25.10
Revenue sharing received																
- Shriram Automall India Limited	-	-	-	-	-	-	0.42	-	-	-	-	-	-	-	-	0.42
Commission received																
- Shriram General Insurance Company Limited	-	-	50.90	33.08	-	-	-	-	-	-	-	-	-	-	-	50.90
- Shriram Life Insurance Company Limited	-	-	41.49	16.52	-	-	-	-	-	-	-	-	-	-	-	41.49
Fixed deposit																
- Key management personnel																
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	-	-	0.25	-	-	-	-	0.25
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	-	-	0.10	-	-	-	-	0.10
- Mr. Parag Sharma	-	-	-	-	-	-	-	-	-	-	0.00	-	-	-	-	0.00
- Mr. Hardeep Singh Tur	-	-	-	-	-	-	-	-	-	-	0.00	-	-	-	-	0.00
- Mr. R. Chandrasekar	-	-	-	-	-	-	-	-	-	-	1.02	-	-	-	-	1.02
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	-	1.53	0.97	-	-	0.97
- Shriram Asset Management Company Limited	-	-	20.00	15.63	-	-	-	-	-	-	-	-	-	-	-	15.63
- Shriram Fortune Solutions Limited	-	-	2.07	-	-	-	-	-	-	-	-	-	-	-	-	2.07
- Shriram Automall India Limited	-	-	-	-	-	-	11.16	54.00	-	-	-	-	-	-	-	11.16
- Cartradeexchange Solutions Private Limited	-	-	-	-	-	-	8.50	11.50	-	-	-	-	-	-	-	8.50
Received towards preferential issue warrants																
- Shriram Capital Limited	-	250.00	-	-	-	-	-	-	-	-	-	-	-	-	-	250.00
Received towards convertible warrants																
- Shriram Capital Limited	-	250.00	-	-	-	-	-	-	-	-	-	-	-	-	-	250.00
Inter-corporate deposit																
- Shriram Automall India Limited	-	-	-	-	-	-	20.83	62.75	-	-	-	-	-	-	-	20.83
TOTAL	0.23	500.20	146.52	66.18	0.71	-	50.86	133.02	-	-	1.12	0.26	1.53	0.97	200.98	700.63

Income / expenses are presented excluding GST.

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

The Company has not granted loans or advances to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that is repayable on demand or without specifying any terms or period of repayment for the financial year ended March 31, 2023 and March 31, 2022.

50 RELATED PARTY TRANSACTIONS (Contd.)

Breakup of Related Party Transactions

Particulars	Promoter		Promoter group		Subsidiary		Associates		Employee's benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	(Rs. in crores)															
Balance outstanding at the year end																
Equity share capital																
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00	0.00	0.00
- Key management personnel																
- Mr. Parag Sharma											0.05	0.05			0.05	0.05
- Mr. S. Sunder											0.00	0.00			0.00	0.00
- Mr. P. Sridharan											0.00	0.00			0.00	0.00
- Mr. Sudarshan Holla											0.00	0.00			0.00	0.00
- Mr. U Balasundarao											0.00	0.00			0.00	0.00
- Mr. D. V. Ravi											0.00	0.00			0.00	0.00
- Mr. G. M. Jillani											0.02	0.02			0.02	0.02
- Mr. R. Chandrasekar											0.01	0.01			0.01	0.01
- Shriram Capital Private Limited	67.15														67.15	
- Shriram Capital Limited		70.44														70.44
- Shriram Value Services Limited			12.99	1.06											12.99	1.06
Investment in equity shares																
- Shriram Automall India Limited								13.37							13.37	13.37
- Shriram Housing Finance Limited					1,562.24										1,562.24	
Commission & other receivables																
- Shriram General Insurance Company Limited			6.81	3.21											6.81	3.21
- Shriram Life Insurance Company Limited				1.46											1.46	
- Shriram Fortune Solutions Limited			4.25												4.25	
- Shriram Investment Holding Limited			11.87												11.87	
- Shriram Housing Finance Limited					0.24										0.24	
Outstanding expenses																
- Shriram Housing Finance Limited					0.59										0.59	
- Shriram Capital Limited	11.41															11.41
- Shriram Capital Private Limited	0.02															0.02
- Shriram Automall India Limited							1.06	0.91							1.06	0.91
- Shriram Value Services Limited			76.91	77.85											76.91	77.85
- Novac Technology Solutions Private Limited			7.75	1.96											7.75	1.96
- Shriram Fortune Solutions Limited			0.30	6.37											0.30	6.37
- Shriram Financial Products Solutions (Chennai) Private Limited			1.90	1.85											1.90	1.85
- Shriram Insight Share Brokers Limited			0.68	0.65											0.68	0.65
- Shriram Wealth Limited			0.04	0.08											0.04	0.08
- Way2wealth Securities Private Limited			0.07	0.08											0.07	0.08
Investment in mutual fund																
- Shriram Asset Management Company Limited			12.00												12.00	
Fixed deposit																
- Key management personnel																
- Mrs. Kishori Udeshi															1.27	1.27
- Mr. Pradeep Kumar Panja											0.06	0.06			0.06	0.06

50 RELATED PARTY TRANSACTIONS (Contd.)

Particulars	Promoter		Promoter group		Subsidiary		Associates		Employee's benefit plan		Key management personnel		Relative of key management personnel		Total		
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2022	
	(Rs. in crores)																
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.11
- Mr. Parag Sharma	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00
- Mr. Hardeep Singh Tur	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.03
- Mr. R. Chandrasekar	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.02
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.55
- Shriram Asset Management Company Limited	-	-	64.11	29.57	-	-	-	-	-	-	-	-	-	-	-	-	64.11
- Shriram Automall India Limited	-	-	-	-	-	-	89.33	77.45	-	-	-	-	-	-	-	-	89.33
- Cartradeexchange Solutions Private Limited	-	-	-	-	-	-	18.43	11.92	-	-	-	-	-	-	-	-	18.43
Non-convertible debenture (secured)																	
- Key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.13
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.09
- Shriram Life Insurance Company Limited	-	-	172.33	36.71	-	-	-	-	-	-	-	-	-	-	-	-	172.33
- Shriram General Insurance Company Limited	-	-	213.15	-	-	-	-	-	-	-	-	-	-	-	-	-	213.15
- Shriram Asset Management Company Limited	-	-	2.24	2.50	-	-	-	-	-	-	-	-	-	-	-	-	2.24
- Shriram Insight Share Brokers Limited	-	-	0.07	0.08	-	-	-	-	-	-	-	-	-	-	-	-	0.07
- Shriram Value Services Limited	-	-	53.14	-	-	-	-	-	-	-	-	-	-	-	-	-	53.14
- Shriram Automall India Limited	-	-	-	-	-	-	16.88	17.86	-	-	-	-	-	-	-	-	16.88
Subordinated debt																	
- Shriram Life Insurance Company Limited	-	-	168.95	149.04	-	-	-	-	-	-	-	-	-	-	-	-	168.95
- Shriram General Insurance Company Limited	-	-	354.25	367.03	-	-	-	-	-	-	-	-	-	-	-	-	354.25
Inter-corporate deposit received																	
- Shriram Automall India Limited	-	-	-	-	-	-	-	27.45	-	-	-	-	-	-	-	-	-

Income /expenses are presented excluding GST.

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

The Company has not granted loans or advances to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that is repayable on demand or without specifying any terms or period of repayment for the financial year ended March 31, 2023 and March 31, 2022.

50 RELATED PARTY TRANSACTIONS (Contd.)

Disclosure pursuant to Schedule V of Clause A.2 of Regulation 34 (3) and Regulation 53(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I. Disclosures relating Loans and Advances/ Investments

(Rs. in crores)					
Sr. No.	Loans and Advances in the nature of Loans	Amount outstanding as at March 31, 2023	Maximum amount outstanding during the year March 2023	Amount outstanding as at March 31, 2022	Maximum amount outstanding during the year March 2022
A)	To Subsidiary				
	- Shriram Housing Finance Limited	-	-	-	-
B)	To Associate				
	- Shriram Automall India Limited	-	-	-	-

II. Shriram Finance Limited (SFL) holds 44.56% (March 31, 2022: 44.56%) of equity shares of Shriram Automall India Limited (Associate) and 84.82% (March 31, 2022: Nil) of Shriram Housing Finance Limited (Subsidiary). Disclosure relating to transactions with SFL is given above.

50 RELATED PARTY TRANSACTIONS (Contd.)

Disclosure on Related Party Transactions as per the RBI notification no. RBI/2022-23/26DOR.ACC.REC.No.20/21.04.018/2022-23 on Disclosure requirements under Scale Based Regulation for NBFCs dated April 19, 2022

(Rs. in crores)

Particulars	Parent (as per ownership or control)		Promoter		Promoter group		Subsidiary		Associates/Joint Ventures		Key Management Personnel		Relatives of Key Management Personnel		Directors		Relatives of Directors		Others		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Maximum outstanding during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	1,003.52	614.21	-	-	-	-	18.11	23.53	-	-	-	-	0.14	2.98	0.10	0.21	-	-	1,021.66	640.92
Deposits	-	-	64.45	29.82	-	-	-	-	132.80	124.74	1.03	0.03	0.12	0.11	1.61	1.75	2.58	1.47	-	-	202.59	157.93
Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	25.09	-	-	-	1,562.24	-	13.37	13.37	-	-	-	-	-	-	-	-	-	-	1,600.70	13.37
Balance outstanding at the year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	964.12	555.36	-	-	-	-	16.88	17.86	-	-	-	-	-	0.13	-	0.09	-	-	981.00	573.44
Deposits	-	-	64.11	29.57	-	-	-	-	107.76	116.82	1.02	0.03	0.12	0.11	0.28	1.43	2.05	1.44	-	-	175.34	149.40
Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	12.00	-	-	-	1,562.24	-	13.37	13.37	-	-	-	-	-	-	-	-	-	-	1,587.61	13.37
Purchase of property, plant and equipments	-	-	0.37	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.37	-
Sale of property, plant and equipments	-	-	0.02	0.00	-	-	0.01	-	-	-	-	-	-	-	-	-	-	-	-	-	0.03	0.00
Interest paid	-	-	-	60.60	-	-	-	-	-	3.52	-	-	-	0.00	0.04	0.83	0.07	0.09	-	-	78.37	65.95
Interest received	-	-	0.91	75.81	-	-	-	-	2.44	-	-	-	0.01	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Royalty paid	-	-	-	187.67	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity dividend paid	-	-	298.03	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	298.03	187.67
Received towards preferential issue	-	-	100.72	219.84	-	-	-	-	-	-	0.04	0.00	0.00	0.07	0.09	0.00	0.00	-	-	119.72	220.05	
Received towards convertible warrants	-	-	250.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	250.00
	-	-	-	250.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	250.00

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

51 EMPLOYEE STOCK OPTION PLAN

The Company provides share-based payment schemes to its Employees.

Employee Stock Option Plan (2013)

51.01: About the plan

Pursuant to clause 3.35.11 of the approved the Composite Scheme of Arrangement and Amalgamation (“Scheme”), all the employees in service of Shriram City Union Finance Limited (“Transferor Company”) have become employee of the Company with effect from appointed date of the scheme i.e April 01, 2022. The Transferor Company prior to the Scheme had framed and implemented the Shriram City Union Finance Limited Employee Stock Options Scheme 2013 (“SCUF ESOS 2013”) under which Employee Stock Options were granted to certain of its eligible employees. Shriram Finance Limited Employee Stock Options Scheme 2023 (“SFL ESOS 2023”) has been created in lieu of the SCUF ESOS 2013 to issue stock options to the eligible employee of the Transferor Company taking into account the share exchange ratio as provided in terms of clause 3.36.1 of the Scheme. The objective of SFL ESOS 2023 plan is that the eligible employees of the Transferor Company continue to enjoy the benefit of stock options upon becoming the employees of the Company and to restore the value of options post amalgamation in the manner provided in terms of Clause 3.35.17 of the Scheme. This SFL ESOS 2023 plan has been adopted on March 15, 2023 by the Board and Nomination and Remuneration Committee of the Company.

Total no. of grant of options under SCUF ESOS 2013 plan are 2,627,000.

Details of grants made under SCUF ESOS 2013 plan are as follows:

Particulars	Grant date	No. of options granted
Grant I	August 11, 2020	300,221
Grant II	November 02, 2020	300,030
Grant III	January 29, 2021	315,396
Grant IV	July 29, 2021	302,601
Grant V	October 27, 2021	303,270
Grant VI	January 28, 2022	301,582
Grant VII	April 29, 2022	599,800
Grant VIII	July 27, 2022	28,913

Particulars	Number of options
Options Outstanding under SCUF ESOS Scheme 2013; as on April 01, 2022	1,188,819
Options granted between April 01, 2022 to March 14, 2023	628,713
Options exercised between April 01, 2022 to March 14, 2023	404,724
Options lapsed/ forfeited between April 01, 2022 to March 14, 2023	30,120
Options Outstanding under SCUF ESOS Scheme 2013; as on March 14, 2023	1,382,688
No. of options not yet granted under SCUF ESOS Scheme 2013 as on March 14, 2023	216,594
Total Options Outstanding including ungranted options under SCUF ESOP Scheme 2013; as on March 14, 2023	1,599,282
Fresh Options to be granted under SFL ESOS Scheme 2023 in lieu of SCUF ESOP Scheme 2013 Swap ratio of 1.55 shares per one share	2,478,888
Roundup adjustment for fractional options resulting on account of conversion	620
Total Fresh Options granted under SFL ESOS Scheme 2023 adopted on March 15, 2023	2,479,508
Options lapsed/ forfeited after adoption of SFL ESOS Scheme 2023	36,097
No of options not yet granted under SFL ESOS Scheme 2023 in lieu of SCUF ESOP Scheme 2013 Swap ratio of 1.55 shares per one share	335,720
Total share Options Outstanding under SFL ESOS 2023 as on March 31, 2023	2,107,691

The options shall vest in the hands of the Option holder after a minimum period of 12 months from the date of grant of option or such longer period as may be determined by the Committee subject to the condition that the Option grantee continues to be an employee of the Company and the performance or other conditions as may be determined by the Committee. The maximum period of vesting shall be 5 years from the date of grant.

51 EMPLOYEE STOCK OPTION PLAN (Contd.)

The period during which the options granted by the Transferor Company under SCUF ESOS 2013 plan were held by the eligible employee shall be adjusted against the minimum vesting period. That is, the date of vesting under the SCUF ESOS 2013 plan shall be considered as the vesting date under SFL ESOS 2023 plan.

The exercise price shall be Rs. 193.55 per Fresh Options under the SFL ESOS 2023.

The options vested shall be exercised within period of ten years from the vesting date. When exercisable, each option is convertible into one equity share. Any option granted shall be exercisable according to the terms and conditions as determined by the Scheme.

51.02: Fair value of the options granted

The Company has recorded employee stock-based compensation expense relating to the SFL ESOS 2023 options on the basis of fair value of SCUF ESOS 2013 options.

The fair value of the options granted is mentioned below as per vesting period. The fair value of the options is determined using Black-Scholes model which takes into account the exercise price, the term of the option (time to maturity), the share price as at the grant date and expected price volatility (standard deviation) of the underlying share, the expected dividend yield and risk-free interest rate for the term of the option.

Fair value and assumptions for the equity-settled grants under the SCUF ESOS 2013 plan is as under;

Particulars	Grant I	Grant II	Grant III	Grant IV	Grant V	Grant VI	Grant VII	Grant VIII
Grant Date	August 11, 2020	November 02, 2020	January 29, 2021	July 29, 2021	October 27, 2021	January 28, 2022	April 29, 2022	July 27, 2022
Vesting Date	August 11, 2020	November 02, 2021	January 29, 2022	July 29, 2022	October 27, 2022	January 28, 2023	April 29, 2023	July 27, 2023
Exercise Price (in Rs.)	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00
Fair value of option (in Rs.)	399.20	560.18	756.39	1,539.79	1,985.23	1,517.66	1,440.68	1,686.59
Input Variables:								
Share price as on grant date (in Rs.)	661.80	822.75	1,018.70	1,814.10	2,257.45	1,787.90	1,708.60	1,949.95
Standard deviation (Volatility)	38.28%	44.52%	47.21%	27.52%	49.85%	53.76%	51.12%	49.47%
Risk-free rate	5.85%	5.88%	6.20%	4.48%	4.82%	5.03%	5.51%	6.46%
Time to maturity (in years)	2	2	2	2	2	2	2	2
Expected Dividend per annum (in Rs.)	20.00	25.00	30.00	-	-	-	-	-
Dividend yield	3.00%	3.00%	3.00%	-	-	-	-	-

Since the SFL ESOS scheme 2023 is already recorded by applying fair value method, the disclosure required under para 48 of guidance note on "Accounting for Employees Share Based Payments" issued by ICAI for reconciling the impact on net profit and earnings per share is not required.

51.03: Rationale for the variables used

The variables used for calculating the fair values and their rationale are as follows:

a. Stock Price

The latest available closing market price on the National Stock Exchange (NSE) date on which options are granted under SCUF ESOS 2023 plan has been considered for the purpose of valuation.

51 EMPLOYEE STOCK OPTION PLAN (Contd.)

b. Volatility

Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes option pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time.

The period to be considered for volatility must be adequate to represent a consistent trend in the price movements. Accordingly, the annualised volatility has been computed based on the share price data of past one year, from the date of the valuation.

The fair value is very sensitive to this variable. Higher the volatility, higher is the fair value. The rationale being, the more volatile a stock is, the more is its potential to go up (or come down), and the more is the probability to gain from the movement in the price. Accordingly, an option to buy a highly volatile stock is more valuable than the one to buy a less volatile stock, since the probability of gaining is lesser in the latter case.

c. Risk free interest rate

The risk-free interest rate being considered for the calculation is the interest rate applicable on Government securities - having 10 year maturity period.

d. Exercise price

Exercise price of the options granted is as per SCUF ESOS 2013 plan.

e. Time to maturity / Expected life of options

Time to maturity / expected life of options is the period from the grant date to the date on which option is expected to be exercised. The minimum life of stock option is the minimum period before which the options cannot be exercised and maximum life is the period after which the options cannot be exercised.

Considering the deep discount on the market price i.e. 55% to 70%, it is expected that the options will be exercised in 1 year from the vesting date. As such the average expected life of options is considered at 2 years.

51.04: Effect of the employee share-based payment plans on the Statement of profit and loss and on its financial position

The Company has recorded employee stock-based compensation cost of Rs. 164.56 crores in the Statement of profit and loss for the year ended March 31, 2023 (March 31, 2022: Rs. Nil)

The share option outstanding in the Balance Sheet as at March 31, 2023 is Rs. 194.84 crores (March 31, 2022: Rs. Nil)

52 BUSINESS COMBINATION

The Board of Directors of the Company in its meeting held on December 13, 2021 had approved a Composite Scheme of Arrangement and Amalgamation ("Scheme"), inter alia, involving amalgamation of Shriram Capital Limited (SCL) (after demerger of a few undertakings from the said Shriram Capital Limited) and Shriram City Union Finance Limited (SCUF) with the Company under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Reserve Bank of India vide its letter dated June 15, 2022 conveyed its No-Objection to the Scheme. As per the directions of the Hon'ble National Company Law Tribunal, Chennai Bench, ("NCLT") in the common order dated May 11, 2022, the meeting of the Equity Shareholders, Secured Creditors and Unsecured Creditors was held on July 04, 2022 and the Scheme was approved by the requisite majority of the Equity shareholders, Secured Creditors and Unsecured Creditors in their respective meetings. The Company had obtained approvals/no objection to the Scheme from various statutory authorities, as applicable. The Hon'ble NCLT had sanctioned the Scheme, vide order dated November 09, 2022 to be read with Corrigendum order dated November 17, 2022 effective from appointed date of the Scheme being April 01, 2022. Pursuant to the scheme, Shrelekha Business Consultancy Private Limited ("SBCPL") was amalgamated with SCL. The undertaking carrying on the business of financial services from SCL was demerged and transferred to Shriram Investment Holdings Limited ("SIHL"). The undertakings which were carrying on the businesses of Life Insurance and General Insurance were demerged from SCL and transferred to Shriram LI Holdings Private Limited ("SLIH"), and Shriram GI Holdings Private Limited ("SGIH") respectively. The remaining undertaking of SCL and its investments in STFC and SCUF were amalgamated with STFC.

52 BUSINESS COMBINATION (Contd.)

Pursuant to the Scheme, the name of the Company is changed to Shriram Finance Limited upon receipt of necessary approval from the Registrar of Companies, Tamil Nadu, Chennai, Ministry of Corporate Affairs, with effect from November 30, 2022. Pursuant to the Scheme, new equity shares of face value of Rs. 10/- each fully paid-up have been issued and allotted to the eligible shareholders of SCL and SCUF on December 12, 2022 as per the share exchange ratio contained in the Scheme. As per Ind AS 103, the amalgamation has been accounted under “acquisition method”. The difference between the purchase consideration and fair value has been accounted as goodwill/capital reserve on amalgamation, as applicable.

The Company has determined the useful life of the intangible asset in the nature of branch network acquired through the scheme of amalgamation as five years and started amortising the same over its useful life by making a suitable change in the accounting estimate. Impact for future periods will be Rs. 302.58 crores per annum over next four years. The figures for the current reporting period include the effect of merger of transferor Companies SCUF and SCL as discussed above and are therefore not comparable with figures of the respective previous year.

Summary of acquisitions done during the financial year ended March 31, 2023

(i) Shriram City Union Finance Limited (“SCUF”)

The Hon’ble National Company Law Tribunal, Chennai Bench, (“NCLT”) had approved the Composite Scheme of Arrangement and Amalgamation (“Scheme”), inter alia, involving amalgamation of Shriram City Union Finance Limited (SCUF) with its entire undertaking with the Company, vide order dated November 09, 2022 to be read with Corrigendum order dated November 17, 2022 effective from Appointed date of the Scheme being April 01, 2022, for a share exchange ratio of 1.55:1. The percentage of voting equity interests acquired was 100%. This acquisition is highly beneficial to all the stakeholders, by bringing together the capabilities and the presence of the Company in the categories of transport finance, and retail finance, and in the process create a larger financial lending entity with both these businesses combined, and the resulting benefits of scale and synergies of operation. This acquisition further consolidates the leadership position of the Company in the Commercial Vehicle market. Following the acquisition, the amalgamated entity is able to launch retail finance products in new locations.

(a) The fair value of assets and liabilities recognised as a result of the acquisition are as follows:

(Rs. in crores)	
Particulars	Amounts
Assets	
Cash and cash equivalents	5,217.31
Bank balance other than above	1,395.47
Receivables	4.39
Loans	30,589.43
Investments	2,733.66
Other financial assets	48.00
Current tax assets (net)	26.66
Deferred tax assets (net)	151.66
Property, plant and equipment (net)	64.15
Intangible assets (net)	1.89
Right-of-use assets	162.60
Other non-financial assets	135.38
Distribution network	1,512.90
Total assets	42,043.50
Liabilities	
Payables	(40.56)
Debt securities	(6,619.08)
Borrowings (other than debt securities)	(17,333.50)
Deposits	(7,274.04)
Other financial liabilities	(333.83)
Provisions	(26.60)
Other non-financial liabilities	(62.36)
Total liabilities	(31,689.97)
Net identifiable assets acquired	10,353.53

52 BUSINESS COMBINATION (Contd.)

(b) Calculation of goodwill

The difference between the purchase consideration and amount attributable to identified intangible assets / assets and liabilities represents residual goodwill in the business. As a result of the merger, the Company receives customer information such as names, contact information, historical credit provided and repayment information, etc. of existing customers of SCUF and vice versa. This information can further be divided into different customer profiles based on demography, zones, age groups, etc., which helps businesses target products/services according to their target audience that will be used by the merged entity to gain synergies from cross selling its products. Consequently, the Goodwill in the transaction subsumes the above synergy benefit, along with assembled workforce, future potential of the new branches that are planned to open, new customers, new geographies etc.

(Rs. in crores)	
Particulars	Amounts
Purchase consideration	11,793.51
Less: Net identifiable assets acquired	(10,353.53)
Less: Deferred tax liability on net identifiable assets acquired	(33.25)
Goodwill #	1,406.73

#Goodwill is not deductible for tax purpose

(c) The revenues and profits contributed to the Company for the financial year ended March 31, 2023 are as follows:

(Rs. in crores)	
Particulars	Amounts
Revenue	7,949.32
Profit before tax	1,742.31

(d) Acquired Receivables

(Rs. in crores)	
Particulars	Amounts
Fair value of acquired trade receivables	4.39
Gross contractual amount for trade receivables	4.39
Contractual cash flows not expected to be collected	-

(e) Purchase consideration - cash outflow

(Rs. in crores)	
Particulars	Amounts
Net outflow of cash - investing activities	-

(f) Acquisition related costs:

Acquisition related costs of Rs. 26.53 crores (March 31, 2022: Rs. Nil) have been recognised under Miscellaneous expenses in the Statement of Profit and Loss.

(ii) Shriram Capital Limited ("SCL")

The Hon'ble National Company Law Tribunal, Chennai Bench, ("NCLT") had approved the Composite Scheme of Arrangement and Amalgamation ("Scheme"), inter alia, involving amalgamation of Shriram Capital Limited (SCL) with its remaining undertaking with the Company, vide order dated November 09, 2022 to be read with Corrigendum order dated November 17, 2022, effective from Appointed date of the Scheme being April 01, 2022 for a share exchange ratio 1:0.97. The amalgamation will achieve the combination of the remaining line of business activities of SCL with the Company which is a listed entity engaged in the business of financial lending. This will ensure that the companies forming part of the Shriram Group, which are focused on the business of lending are concentrated in a single large entity, which has the necessary means, presence and resources to achieve still larger scales in the business of lending, while reducing the presence of multiple entities across the Group, with an interest and presence in the same line of business.

52 BUSINESS COMBINATION (Contd.)

- (a) The fair value of assets and liabilities recognised as a result of the acquisition are as follows:

(Rs. in crores)	
Particulars	Amounts
Assets	
Property, plant and equipment (net)	0.01
Bank balance	0.10
Trade receivables	12.47
Total assets	12.58
Liabilities	
Trade payables	0.02
Total liabilities	0.02
Net identifiable assets acquired	12.56

- (b) Amount recognised directly in other equity (Capital Reserve):

(Rs. in crores)	
Particulars	Amounts
Purchase consideration	-
Less: Net identifiable assets acquired	12.56
Capital reserve	12.56

- (c) The revenues and profits contributed to the Company for the financial year ended March 31, 2023 are as follows:

(Rs. in crores)	
Particulars	Amounts
Revenue	-
Profit before tax	(0.58)

- (d) Acquired Receivables

(Rs. in crores)	
Particulars	Amounts
Fair value of acquired trade receivables	12.45
Gross contractual amount for trade receivables	12.45
Contractual cash flows not expected to be collected	-

- (e) Purchase Consideration - Cash Outflow

(Rs. in crores)	
Particulars	Amounts
Net outflow of cash - investing activities	-

53 CAPITAL MANAGEMENT

The Company maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company.

As an NBFC, the RBI requires us to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. The capital management process of the Company ensures to maintain a healthy CRAR at all the times. Refer note 85 and 95 for the Company's Capital ratios.

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and

53 CAPITAL MANAGEMENT (Contd.)

the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years except those incorporated on account of regulatory amendments. However, they are under constant review by the Board. The Company has complied with the notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 "Implementation of Indian Accounting Standards."

54 FAIR VALUE MEASUREMENT

54.01: Valuation principle

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained in significant accounting policies of the year ended March 31, 2023.

54.02: Fair value hierarchy of assets and liabilities

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

As at March 31, 2023

(Rs. in crores)

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
<i>Derivative financial instruments</i>				
Forward contracts	-	(193.57)	-	(193.57)
Currency swaps	-	121.65	-	121.65
Interest rate swaps	-	35.75	-	35.75
Cross currency interest rate swaps	-	588.33	-	588.33
Interest rate caps	-	116.65	-	116.65
Total derivative financial instruments	-	668.81	-	668.81
<i>Financial assets held for trading</i>				
Mutual funds	512.31	-	-	512.31
Equity instruments	63.35	-	25.40	88.75
Venture capital fund	-	1.53	-	1.53
Total financial assets held for trading	575.66	1.53	25.40	602.59
Total assets measured at fair value on a recurring basis	575.66	670.34	25.40	1,271.40
Assets measured at fair value on a non-recurring basis				
Non-current assets and disposals held for sale	-	-	-	-
Total assets measured at fair value on a non-recurring basis	-	-	-	-
Total assets measured at fair value	575.66	670.34	25.40	1,271.40

54 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

Liabilities measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Total financial liabilities measured at fair value on a recurring basis	-	-	-	-
Liabilities measured at fair value on a non-recurring basis				
Non-current liabilities and disposals held for sale	-	-	-	-
Total financial liabilities measured at fair value on a non-recurring basis	-	-	-	-
Total liabilities measured at fair value	-	-	-	-

As at March 31, 2022

(Rs. in crores)

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
<i>Derivative financial instruments</i>				
Forward contracts	-	97.84	-	97.84
Currency swaps	-	(276.95)	-	(276.95)
Interest rate swaps	-	3.18	-	3.18
Cross currency interest rate swaps	-	364.13	-	364.13
Interest rate caps	-	13.20	-	13.20
Total derivative financial instruments	-	201.40	-	201.40
<i>Financial assets held for trading</i>				
Mutual funds	1,523.02	-	-	1,523.02
Equity instruments	-	-	23.89	23.89
Certificate of deposits	-	822.29	-	822.29
Venture capital fund	-	1.53	-	1.53
Total financial assets held for trading	1,523.02	823.82	23.89	2,370.73
Total assets measured at fair value on a recurring basis	1,523.02	1,025.22	23.89	2,572.13
Assets measured at fair value on a non-recurring basis				
Non-current assets and disposals held for sale	-	-	-	-
Total assets measured at fair value on a non-recurring basis	-	-	-	-
Total assets measured at fair value	1,523.02	1,025.22	23.89	2,572.13

(Rs. in crores)

Liabilities measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Total financial liabilities measured at fair value on a recurring basis	-	-	-	-
Liabilities measured at fair value on a non-recurring basis				
Non-current liabilities and disposals held for sale	-	-	-	-
Total financial liabilities measured at fair value on a non-recurring basis	-	-	-	-
Total liabilities measured at fair value	-	-	-	-

54 FAIR VALUE MEASUREMENT (Contd.)

54.03: Valuation techniques

Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:

Investments in Mutual funds/ Equity instruments

Investment in units of mutual funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are generally Level 1. Equity instruments in non-listed entities are initially recognised at transaction price and re-measured (to the extent information is available) and valued on a case-by-case and classified as Level 3. Quoted equity instruments on recognised stock exchanges are valued at Level 1 hierarchy being the unadjusted quoted price as the reporting date.

Derivative Financial Instruments

Foreign exchange contracts include foreign exchange forward and swap contracts, interest rate swaps and over-the-counter foreign exchange options. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points and option valuation models. With the exception of contracts where a directly observable rate is available which are disclosed as Level 1, the Company classifies derivative financial instruments as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole).

Certificate of deposits (CDs)

Certificate of deposits are short-term financial instruments issued by Banks. Financial Benchmark India Private Limited (FBIL) has developed the FBIL-CD, a new benchmark for the money market based on traded CDs reported on the FIMMDA Trade Reporting and Confirmation System (FTRAC) platform of The Clearing Corporation of India Limited (CCIL). FBIL-CD is announced for seven tenors of 14 days, 1 month, 2 months, 3 months, 6 months, 9 months and 12 months. For valuation, the Company uses FBIL-CD benchmark and based on that benchmark the Company interpolates and calculates CD prices corresponding to their residual maturities and such instruments are classified as Level 2.

54.04: Transfer between fair value hierarchy levels

During the year there were no transfers between level 1 and level 2. Similarly, there were no transfers from or transfer to level 3.

54.05: Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value. Transfers from Level 3 to Level 2 occur when the market for some securities became more liquid, which eliminates the need for the previously required significant unobservable valuation inputs. Since the transfer, these instruments have been valued using valuation models incorporating observable market inputs. Transfers into Level 3 reflect changes in market conditions as a result of which instruments become less liquid. Therefore, the Company requires significant unobservable inputs to calculate their fair value.

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

Particulars	(Rs. in crores)	
	Equity instruments	
	As at March 31, 2023	As at March 31, 2022
Opening balance	23.89	6.74
On account of business combination	0.01	-
Purchase	-	-
Sales	-	-
Issuances	-	-
Settlements	-	-

54 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

Particulars	Equity instruments	
	As at March 31, 2023	As at March 31, 2022
Transfers into level 3	-	-
Transfers from level 3	-	-
Net interest income, net trading income and other income	-	-
Other comprehensive income	-	-
Unrealised gains and losses related to balances held at the end of the year	1.50	17.15
Closing balance	25.40	23.89

54.06: Impact of changes to key assumptions on fair value of level 3 financial instruments measured at fair value

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Company's level 3 assets and liabilities. The range of values indicates the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation. Relationships between unobservable inputs have not been incorporated in this summary.

(Rs. in crores)

Particulars	Fair value		Valuation technique	Significant unobservable inputs
	Level 3 assets	Level 3 assets		
	As at March 31, 2023	As at March 31, 2022		
Equity instruments	25.40	23.89	Based on the discounted cashflow	Based on the discounted cashflow

54.07: Sensitivity of fair value measurements to changes in unobservable market data

The table below describes the effect of changing the significant unobservable inputs to reasonable possible alternatives. All changes would be reflected in the Statement of profit and loss. Sensitivity data are calculated using a number of techniques, including analysing price dispersion of different price sources, adjusting model inputs to reasonable changes within the fair value methodology.

The ranges are not comparable or symmetrical as the model inputs are usually not in the middle of the favourable/unfavourable range.

The table below shows data in relation to level 3 inputs that are already aggregated on the underlying product levels without assuming any potential diversification effect, but including potential off-sets from economic or accounting hedge relationships in place. The Company is of the opinion that, whilst there may be some diversification benefits, incorporating these would not be significant to the analysis.

(Rs. in crores)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Favourable changes 5% increase	Unfavourable changes 5% decrease	Favourable changes 5% increase	Unfavourable changes 5% decrease
Equity instruments based on the discounted cashflow	26.67	24.13	25.03	22.64

54.08: Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

54 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

As at March 31, 2023	Carrying amount	Fair value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	9,505.30	4,581.25	4,937.42	-	9,518.67
Bank balance other than cash and cash equivalents	6,312.11	8.63	6,280.10	-	6,288.73
Trade receivables	17.00	-	-	17.00	17.00
Other receivables	260.12	-	-	260.12	260.12
Loans	171,984.58	-	-	171,368.77	171,368.77
Investments at amortised cost	6,386.86	5,077.41	-	1,187.68	6,265.09
Other investments	1,575.61	-	-	1,575.61	1,575.61
Other financial assets	72.70	-	-	63.86	63.86
Total financial assets	196,114.28	9,667.29	11,217.52	174,473.04	195,357.85
Financial liabilities:					
Trade payables	293.24	-	-	293.24	293.24
Other payables	1.45	-	-	1.45	1.45
Debt securities	43,652.59	-	39,229.29	-	39,229.29
Borrowings (other than debt securities)	73,590.02	-	72,288.01	-	72,288.01
Deposits	36,139.83	-	-	35,308.09	35,308.09
Subordinated liabilities	4,523.85	-	4,542.12	-	4,542.12
Lease liabilities	563.46	-	-	563.46	563.46
Other financial liabilities	1,020.66	-	-	1,020.66	1,020.66
Total financial liabilities	159,785.10	-	116,059.42	37,186.90	153,246.32
Off-balance sheet items					
Other commitments	283.98	-	-	283.98	283.98
Total off-balance sheet items	283.98	-	-	283.98	283.98

(Rs. in crores)

As at March 31, 2022	Carrying amount	Fair value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	10,662.44	5,953.99	4,701.32	-	10,655.31
Bank balance other than cash and cash equivalents	5,692.72	9.72	5,126.81	-	5,136.53
Trade receivables	5.35	-	-	5.35	5.35
Other receivables	190.49	-	-	190.49	190.49
Loans	116,665.15	-	-	115,370.83	115,370.83
Investments at amortised cost	4,425.06	3,155.70	-	1,082.12	4,237.82
Other investments	13.37	-	-	13.37	13.37
Other financial assets	51.45	-	-	42.70	42.70
Total financial assets	137,706.03	9,119.41	9,828.13	116,704.86	135,652.40
Financial liabilities:					
Trade payables	166.03	-	-	166.03	166.03
Other payables	2.67	-	-	2.67	2.67
Debt securities	41,256.55	-	40,467.60	-	40,467.60
Borrowings (other than debt securities)	46,676.93	-	47,147.82	-	47,147.82
Deposits	21,948.98	-	-	23,963.34	23,963.34
Subordinated liabilities	4,614.25	-	4,962.46	-	4,962.46
Lease liabilities	349.43	-	-	349.43	349.43
Other financial liabilities	859.64	-	-	859.64	859.64
Total financial liabilities	115,874.48	-	92,577.88	25,341.11	117,918.99
Off-balance sheet items					
Other commitments	92.43	-	-	92.43	92.43
Total off-balance sheet items	92.43	-	-	92.43	92.43

54 FAIR VALUE MEASUREMENT (Contd.)**Note:**

The management assessed that cash and cash equivalents, trade receivables, trade payables, other receivables, other payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

54.09: Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: trade receivables, other receivables, balances other than cash and cash equivalents and trade payables without a specific maturity.

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models based on contractual cash flows using actual yields.

Pass through certificates

These instruments include asset backed securities. The market for these securities is not active. Therefore, the Company uses a variety of valuation techniques to measure their fair values. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers such as loan-to-value ratios, emergence period estimation, indebtedness and rental income levels. Instruments with no comparable instruments or valuation inputs are classified as Level 3.

Investment in associate at cost

Investment in associate: As per Ind AS 28 Interest in associate are recognised at cost and not adjusted to fair value at the end of each reporting period. Cost represents amount paid for acquisition of the said investments. The Company assesses at the end of each reporting period, if there are any indications that the said investments may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

Investment in subsidiary

The Company has accounted for its investment in subsidiary at fair value at the time of acquisition due to business combination. The investment is subsequently measured at cost.

Investment in government securities at amortised cost

The fair values financial assets held-to-maturity investments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties credit risk.

Issued debt and borrowings

The fair value of issued debt is estimated by a discounted cash flow model incorporating interest rate from market-observable data such as secondary prices for its traded debt.

Deposits

The fair value of public deposits and deposit from corporates is estimated by discounting the future cash flows considering the interest rate applicable on the reporting date for deposits of similar tenure and scheme (cumulative/non-cumulative). Inter-corporate deposits are estimated at their carrying amounts due to the short-term maturities of these deposits.

Off-balance sheet positions

Estimated fair values of off-balance sheet positions are based on the carrying amounts due to the short-term maturities of these positions.

54 FAIR VALUE MEASUREMENT (Contd.)

The carrying value of financial instruments by categories is as follows:

(Rs. in crores)

As at March 31, 2023	Amortised cost	Derivative instruments in hedging relationship	At Fair value Through OCI	At Fair value Through profit or loss	Others (at cost)	Total
Financial assets:						
Cash and cash equivalents	9,505.30	-	-	-	-	9,505.30
Bank balance other than cash and cash equivalents	6,312.11	-	-	-	-	6,312.11
Derivative financial instruments	-	668.81	-	-	-	668.81
Receivables						
(I) Trade receivables	17.00	-	-	-	-	17.00
(II) Other receivables	260.12	-	-	-	-	260.12
Loans	171,984.58	-	-	-	-	171,984.58
Investments	6,386.86	-	63.35	539.24	1,575.61	8,565.06
Other financial assets	72.70	-	-	-	-	72.70
Total financial assets	194,538.67	668.81	63.35	539.24	1,575.61	197,385.68
Financial liabilities:						
Payables						
(I) Trade Payables	293.24	-	-	-	-	293.24
(II) Other Payables	1.45	-	-	-	-	1.45
Debt securities	43,652.59	-	-	-	-	43,652.59
Borrowings (other than debt securities)	73,590.02	-	-	-	-	73,590.02
Deposits	36,139.83	-	-	-	-	36,139.83
Subordinated liabilities	4,523.85	-	-	-	-	4,523.85
Lease liabilities	563.46	-	-	-	-	563.46
Other financial liabilities	1,020.66	-	-	-	-	1,020.66
Total financial liabilities	159,785.10	-	-	-	-	159,785.10

(Rs. in crores)

As at March 31, 2022	Amortised cost	Derivative instruments in hedging relationship	At Fair value Through OCI	At Fair value Through profit or loss	Others (at cost)	Total
Financial assets:						
Cash and cash equivalents	10,662.44	-	-	-	-	10,662.44
Bank balance other than cash and cash equivalents	5,692.72	-	-	-	-	5,692.72
Derivative financial instruments	-	201.40	-	-	-	201.40
Receivables						
(I) Trade receivables	5.35	-	-	-	-	5.35
(II) Other receivables	190.49	-	-	-	-	190.49
Loans	116,665.15	-	-	-	-	116,665.15
Investments	4,425.06	-	-	2,370.73	13.37	6,809.16
Other financial assets	51.45	-	-	-	-	51.45
Total financial assets	137,692.66	201.40	-	2,370.73	13.37	140,278.16
Financial liabilities:						
Payables						
(I) Trade Payables	166.03	-	-	-	-	166.03
(II) Other Payables	2.67	-	-	-	-	2.67
Debt securities	41,256.55	-	-	-	-	41,256.55
Borrowings (other than debt securities)	46,676.93	-	-	-	-	46,676.93
Deposits	21,948.98	-	-	-	-	21,948.98
Subordinated liabilities	4,614.25	-	-	-	-	4,614.25
Lease liabilities	349.43	-	-	-	-	349.43
Other financial liabilities	859.64	-	-	-	-	859.64
Total financial liabilities	115,874.48	-	-	-	-	115,874.48

55 RISK MANAGEMENT

Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

55.01: Introduction and risk profile**55.01.01: Risk management structure**

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Board has constituted the Risk Management Committee which is responsible for monitoring the overall risk process within the Company.

The Risk Management Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Risk Management Committee is responsible for managing risk decisions and monitoring risk levels.

The Chief Risk officer is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The Risk owners within each department will report to the Risk Committee.

The Risk owners are responsible for monitoring compliance with risk principles, policies and limits across the Company. Each department has its Risk owner who is responsible for the control of risks, including monitoring the actual risk of exposures against authorised limits and the assessment of risks.

The Company's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

The Company's policy is that risk management processes throughout the Company are audited annually by the Internal Audit function, which examines both the adequacy of the procedures and the Company's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to Risk Management Committee.

55.01.02: Risk mitigation and risk culture

As part of its overall risk management, the Company can use derivatives and other instruments to manage exposures resulting from changes in interest rates and foreign currencies associated with foreign currency transactions.

55.01.03: Risk measurement and reporting systems

The Company's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment, as necessary.

The Company's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Information compiled from all the departments is examined and processed in order to analyse, control and identify risks on a timely basis. This information is presented and explained to the Risk Management Committee and the head of each department.

The Risk Management Committee receives a comprehensive risk report once a quarter which is designed to provide all the necessary information to assess and conclude on the risks of the Company.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to that they decide to take on. The Company's continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Company's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees annual ratings and remuneration reviews.

55.01.04: Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on spreading its lending portfolio across all the states with a cap on maximum limit of exposure for a state and also for an individual/ group.

55 RISK MANAGEMENT (Contd.)

55.02: Credit risk

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

Credit risk is monitored by the credit department of the Company. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit manager, as well as the business with tools like credit risk systems, policies, models and reporting.

The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties.

The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

The Company's internal credit rating grades on days past due(dpd) basis:

Internal rating grade	Internal rating description
Performing	
High grade	0 dpd
Standard grade	1 to 30 dpd
Sub-standard grade	31 to 60 dpd
Past due but not impaired	61 to 90 dpd
Non-performing	90+ dpd

55.02.01: Derivative financial instruments

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet.

With gross-settled derivatives, the Company is also exposed to a settlement risk, being the risk that the Company honours its obligation, but the counterparty fails to deliver the counter value.

55.02.02: Impairment assessment

The references below show where the Company's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the Summary of significant accounting policies.

The Company's definition and assessment of default (Note 55.02.02.01).

- How the Company defines, calculates and monitors the probability of default, exposure at default and loss given default (Notes 55.02.02.02 to 55.02.02.04)
- When the Company considers there has been a significant increase in credit risk of an exposure (Note 55.02.02.05).
- The Company's policy of segmenting financial assets where ECL is assessed on a collective basis (Note 55.02.02.07).
- The details of the ECL calculations and categorisation of loans for stage 1, stage 2 and stage 3 assets (Note 6.1.(xi)).

55.02.02.01: Definition of default

The Company considers a financial instrument defaulted and therefore stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as stage 3 for ECL calculations or whether stage 2 is appropriate. Such events include:

- The borrower requesting emergency funding from the Company.
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral.
- A covenant breach not waived by the Company.
- The debtor (or any legal entity within the debtor's Company) filing for bankruptcy application/protection.

55 RISK MANAGEMENT (Contd.)

- All the facilities of a borrower are treated as stage 3 when one of his facility becomes 90 days past due i.e. credit impaired.
- The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise.

55.02.02.02: PD estimation process

It is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Company. While arriving at the PD, the Company also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. Company calculates the 12 month PD by taking into account the past historical trends of the portfolio and its credit performance. In case of assets where there is a significant increase in credit risk, lifetime PD has been applied which is computed based on survival analysis. For credit impaired assets, a PD of 100% has been applied.

55.02.02.03: Exposure at Default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 months ECL.

For stage 2 and stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

In case of undrawn loan commitments, a credit conversion factor of 100% is applied for expected drawdown.

55.02.02.04: Loss Given Default (LGD)

LGD is an estimate of the loss arising in case where a default occurs. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any security.

55.02.02.05: Significant increase in credit risk (SICR)

The Company continuously monitors all assets subject to ECLs in order to determine whether an instrument or a portfolio of instruments is subject to 12 month ECL or lifetime ECL. The Company assesses whether there has been an event which could cause a significant increase in the credit risk of the underlying asset or the customers ability to pay and accordingly change the 12 month ECL to a lifetime ECL.

In certain cases, the Company may also consider that events explained in Note 55.02.02.01 are a significant increase in credit risk as opposed to a default. Regardless of the above, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

When estimating ECLs on a collective basis for a Company of similar assets (as set out in Note 55.02.02.07), the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

55.02.02.06: Forward looking information

As explained in Note 6.1.(xi), the Company has incorporated forward looking information and macro-economic factors while calculating PD and LGD rate.

55 RISK MANAGEMENT (Contd.)

55.02.02.07: Grouping financial assets measured on a collective basis

As explained in Note 6.1.(xi) dependent on the factors below, the Company calculates ECLs only on a collective basis.

The Company segments the exposure into smaller homogeneous portfolios, based on a combination of internal and external characteristics of the loans as described below.

1. Secured Loans for New Vehicles
2. Secured Loans for Used Vehicles
3. Gold Loans
4. MSME Loans
5. Two-Wheeler Loans
6. Personal Loans

55.02.03: Analysis of risk concentration

The maximum credit exposure to any individual client or counterparty as of March 31, 2023 was Rs. 61.78 crores (March 31, 2022: Rs. 61.13 crores).

Credit risk exposure analysis

(Rs. in crores)

Particulars	As at March 31, 2023			
	Stage 1 collective	Stage 2 collective	Stage 3 collective	Total
Credit risk exposure	155,619.94	16,336.30	11,382.18	183,338.42

55.03: Liquidity risk and funding management

In assessing the Company's liquidity position, consideration shall be given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds. The Company maintains a portfolio of marketable assets that are assumed to be easily liquidated and undrawn cash credit limits which can be used in the event of an unforeseen interruption in cash flow. The Company also enters into securitisation deals (direct assignment as well as pass through certificates) of their loan portfolio, the funding from which can be accessed to meet liquidity needs. In accordance with the Company's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company. Net liquid assets consist of cash, short-term bank deposits and investments in mutual fund available for immediate sale, less issued securities and borrowings due to mature within the next month. Borrowings from banks and financial institutions, issue of debentures and bonds and acceptance of public deposits are considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings.

The Board of Directors also approves constitution of Asset Liability Committee (ALCO), Asset Liability Management Committee(ALCO) reviews or monitors Asset Liability Management (ALM) mismatch. ALCO conducts periodic reviews relating to the liquidity position and stress test assuming various what if scenarios. The ALCO is responsible for ensuring adherence to the limits set by the Board as well as for deciding the business strategy of the Company in line with the Company's budget and decided risk management objectives. The ALCO is a decision-making unit responsible for balance sheet planning from risk-return perspective including strategic management of interest rate and liquidity risks. The ALCO also evaluates the Borrowing Plan of subsequent quarters on the basis of previous borrowings of the Company. The ALCO will be responsible for ensuring the adherence to the target set by the Board of Directors. The meetings of ALCO are held at quarterly intervals. The ALM Support Groups consisting of operating staff are responsible for analysing, monitoring and reporting the risk profiles to the ALCO. ALCO support group meets every fortnight. The minutes of ALCO meetings are placed before the RMC and the Board of Directors in its next meeting for its ratification.

55 RISK MANAGEMENT (Contd.)

55.03.01: Analysis of financial assets and liabilities by remaining maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities as at March 31. All derivatives used for hedging and natural hedges are shown by maturity. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Company expects that many customers will not request repayment on the earliest date it could be required to pay and the table does not reflect the expected cash flows indicated by its deposit retention history.

Maturity pattern of assets and liabilities as on March 31, 2023:

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents	9,505.30	-	-	-	-	-	9,505.30
Bank balance other than above	3,374.44	841.04	1,902.06	98.97	95.60	-	6,312.11
Derivative assets	-	490.73	7.91	104.49	65.68	-	668.81
Financial assets at fair value through profit and loss	512.31	-	-	-	-	26.93	539.24
Loans*	27,354.74	24,818.70	44,017.92	95,297.78	21,672.32	4,008.95	217,170.41
Financial investments at FVOCI	-	-	-	-	-	63.35	63.35
Financial investments at amortised cost	377.20	109.90	421.19	1,244.58	992.72	3,282.04	6,427.63
Trade receivables	17.00	-	-	-	-	-	17.00
Other receivables	49.42	37.83	61.74	102.07	9.01	0.05	260.12
Other financial assets	-	-	-	-	-	72.70	72.70
Total undiscounted financial assets	41,190.41	26,298.20	46,410.82	96,847.89	22,835.33	7,454.02	241,036.67
Financial liabilities							
Deposits*	2,252.10	2,671.47	5,513.94	21,117.21	9,750.56	-	41,305.28
Debt securities*	5,601.98	4,383.60	10,724.47	13,961.69	4,843.48	14,955.67	54,470.89
Borrowings (other than debt securities)*	11,578.09	10,926.52	13,937.53	36,903.84	8,715.73	1,311.05	83,372.76
Subordinated liabilities*	274.50	172.00	305.00	2,859.20	1,828.00	320.00	5,758.70
Trade payables	293.24	-	-	-	-	-	293.24
Other payables	1.45	-	-	-	-	-	1.45
Lease liabilities	44.81	43.30	82.38	244.67	109.05	179.07	703.28
Other financial liabilities	778.81	69.35	96.82	64.12	11.56	-	1,020.66
Total undiscounted financial liabilities	20,824.98	18,266.24	30,660.14	75,150.73	25,258.38	16,765.79	1,86,926.26
Net undiscounted financial assets/ (liabilities)	20,365.43	8,031.96	15,750.68	21,697.16	(2,423.05)	(9,311.77)	54,110.41
Cumulative net undiscounted financial assets/ (liabilities)	20,365.43	28,397.38	44,148.06	65,845.23	63,422.18	54,110.41	

(Rs. in crores)

* includes future interest

55 RISK MANAGEMENT (Contd.)

Maturity pattern of assets and liabilities as on March 31, 2022:

Particulars	(Rs. in crores)						Total
	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	
Financial assets							
Cash and cash equivalents	10,662.44	-	-	-	-	-	10,662.44
Bank balance other than above	2,784.30	1,031.15	1,317.79	559.48	-	-	5,692.72
Derivative assets	-	-	-	63.56	137.84	-	201.40
Financial assets at fair value through profit and loss	2,345.31	-	-	-	-	25.42	2,370.73
Loans*	15,723.90	14,546.00	26,984.78	71,816.77	17,558.94	1,792.34	148,422.73
Financial investments at FVOCI	-	-	-	-	-	-	-
Financial investments at amortised cost	326.03	113.89	158.46	641.28	565.38	2,656.02	4,461.06
Trade receivables	5.35	-	-	-	-	-	5.35
Other receivables	26.85	27.62	46.59	81.92	7.51	-	190.49
Other financial assets	-	-	-	-	-	51.45	51.45
Total undiscounted financial assets	31,874.18	15,718.66	28,507.62	73,163.01	18,269.67	4,525.23	172,058.37
Financial liabilities							
Deposits*	1,940.42	2,127.66	3,645.55	12,642.21	5,526.91	-	25,882.75
Debt securities*	2,556.00	808.00	10,135.48	21,192.82	5,692.14	8,960.67	49,345.11
Borrowings (other than debt securities)*	8,178.50	4,948.26	9,511.65	24,057.35	5,307.19	50.61	52,053.56
Subordinated liabilities*	137.00	152.00	466.40	3,323.50	521.20	1,606.00	6,206.10
Trade payables	165.70	-	-	0.31	-	-	166.01
Other payables	2.67	-	-	-	-	-	2.67
Lease liabilities	26.48	25.72	48.42	155.57	89.58	99.69	445.46
Other financial liabilities	643.75	53.30	58.01	99.19	5.39	-	859.64
Total undiscounted financial liabilities	13,650.52	8,114.94	23,865.51	61,470.95	17,142.41	10,716.97	134,961.30
Net undiscounted financial assets/ (liabilities)	18,223.66	7,603.72	4,642.11	11,692.06	1,127.26	(6,191.74)	37,097.07
Cumulative net undiscounted financial assets/ (liabilities)	18,223.66	25,827.38	30,469.49	42,161.55	43,288.81	37,097.07	

* includes future interest

55 RISK MANAGEMENT (Contd.)

The table below shows the expiry by maturity of the Company's contingent liabilities and commitments: Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

Particulars	(Rs. in crores)						Total
	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	
As at March 31, 2023							
In respect of Income tax demands where the Company has filed appeal before various authorities	-	-	-	-	-	55.87	55.87
VAT demand where the Company has filed appeal before various appellates	-	-	-	-	-	4.92	4.92
Service tax demands where the Company has filed appeal before various authorities	-	-	-	-	-	2,056.61	2,056.61
Penalty levied for Contravention of provisions of Section 6(3)(b) of FEMA, 1999 read with Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000	-	-	-	-	-	5.00	5.00
Estimated amount of contracts remaining to be executed on capital account, net of advances	101.36	-	-	-	-	-	101.36
Commitments related to loans sanctioned but undrawn	283.98	-	-	-	-	-	283.98
Total commitments	385.34	-	-	-	-	2,122.40	2,507.74
As at March 31, 2022							
In respect of Income tax demands where the Company has filed appeal before various authorities	-	-	-	-	-	175.17	175.17
VAT demand where the Company has filed appeal before various appellates	-	-	-	-	-	117.21	117.21
Service tax demands where the Company has filed appeal before various authorities	-	-	-	-	-	1,976.41	1,976.41
Penalty levied for Contravention of provisions of Section 6(3)(b) of FEMA, 1999 read with Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000	-	-	-	-	-	5.00	5.00
Estimated amount of contracts remaining to be executed on capital account, net of advances	11.45	-	-	-	-	-	11.45
Commitments related to loans sanctioned but undrawn	92.43	-	-	-	-	-	92.43
Total commitments	103.88	-	-	-	-	2,273.79	2,377.67

55 RISK MANAGEMENT (Contd.)

55.04: Market risk

Market risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non-trading portfolios and manages each of those portfolios separately.

Interest rate risk

The Company's exposure to changes in interest rates relates to the Company's outstanding floating rate liabilities. Most of the Company's outstanding liability is on fixed rate basis and hence not subject to interest rate risk. Some of the borrowings of the Company are linked to rate benchmarks such as Bank Marginal Cost of Funds based Lending Rate (MCLR) or London Inter-bank Offered Rate (LIBOR), Euro Interbank Offered Rate (EURIBOR), Secured Overnight Financing Rate (SOFR) and Mumbai Inter-Bank Offer Rate (MIBOR) and hence subject to interest rate risk. The Company hedges interest rate risks of foreign currency borrowings through derivative transactions. The sensitivity of the Company's floating rate borrowings to change in interest rate (assuming all other variables constant) is given below:

As at March 31, 2023 (Rs. in crores)

Particulars	Carrying amount	Favourable change 1% increase	Unfavourable change 1% decrease
Debt instrument	7,082.15	978.66	(440.23)
Term loans	32,966.72	3,080.87	(4,344.31)
Total floating rate borrowings	40,048.87	4,059.53	(4,784.54)

As at March 31, 2022 (Rs. in crores)

Particulars	Carrying amount	Favourable change 1% increase	Unfavourable change 1% decrease
Debt instrument	2,446.80	237.64	(294.97)
Term loans	11,198.93	1,356.11	(1,801.15)
Total floating rate borrowings	13,645.73	1,593.75	(2,096.12)

Fair value sensitivity analysis for fixed rate instruments

The Company's fixed rate instruments are carried at amortised cost and are not measured for interest rate risk, as neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

Inter-bank Offered Rate (IBOR) reform

The table below shows the Company's exposure at the year end to significant IBORs subject to reform that have yet to transition to alternative Risk Free Rates (RFRs). These exposures will remain outstanding until the IBOR ceases and will therefore transition in future and the table excludes exposures to IBOR that will expire before transition is required. The derivative hedging instruments provide a close approximation to the extent of the risk exposure the Company manages through hedging relationships.

(Rs. in crores)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Rate of interest	Notional amounts	Maturity date	Rate of interest	Notional amounts	Maturity date
Currency derivatives:						
- Spots and forwards	3 months LIBOR + 1.95%	6.71	June 10, 2022 to August 10, 2023	3 months LIBOR + 1.95%	22.19	June 10, 2022 to August 10, 2023
- Cross currency interest rate swaps	3 months LIBOR + 1.95%	2,402.33	August 10, 2023	3 months LIBOR + 1.95%	2,402.33	August 10, 2023
- Cross currency interest rate swaps	6 months LIBOR + 2.50%	106.91	December 11, 2029	6 months LIBOR + 2.50%	133.64	June 13, 2022 to December 11, 2026
Total		2,515.95			2,558.16	

55 RISK MANAGEMENT (Contd.)

Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency fluctuation risk for its foreign currency borrowing. The Company's borrowings in foreign currency are governed by RBI Master Direction External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019 (as and when updated) which requires entities raising External Commercial Borrowings (ECB) for an average maturity of less than 5 years to hedge minimum 70% of the its ECB exposure. The Company hedges its entire ECB and external commercial bond exposure as per Board approved hedging policy and resource mobilisation policy. The Company manages foreign currency risk by entering in to cross currency swaps and forward contract. When a derivative is entered in to for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match with the terms of the hedge exposure. The Company holds derivative financial instruments such as cross currency interest rate swap to mitigate risk of changes in exchange rate in foreign currency and floating interest rate. The Counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in market place. Refer note 22B - External commercial bond (ED) Secured and note 23C - External commercial borrowing, respectively for terms and conditions of external commercial bonds and external commercial borrowings.

Exposure to currency risk

The summary quantitative data about exposure to Currency risk (based on notional amounts) as reported:

(Amount in crores)

Particulars	As at March 31, 2023				As at March 31, 2022			
	Contracts in EURO		Contracts in USD		Contracts in EURO		Contracts in USD	
	EURO	INR	USD	INR	EURO	INR	USD	INR
Total foreign currency exposure in respect of recognised assets and liabilities	0.67	533.08	49.14	39,507.18	0.87	685.39	53.66	36,134.01
Cross currency Interest rate swap / Forward exchange contracts	0.67	533.08	49.14	39,507.18	0.87	685.39	53.66	36,134.01
Net Exposure	-	-	-	-	-	-	-	-

Movement in Cash flow hedge reserve

(Rs. in crores)

Cash flow hedge reserve	As at March 31, 2023			As at March 31, 2022		
	Realised	Unrealised	Total	Realised	Unrealised	Total
Balance at the beginning of the year	-	(213.40)	(213.40)	-	(93.02)	(93.02)
Add: Changes in the fair value during the year	-	(14.68)	(14.68)	-	(160.87)	(160.87)
Less: Income tax relating to items that will be reclassified to profit or loss	-	3.69	3.69	-	40.49	40.49
Less: Amounts reclassified to Statement of profit and loss	-	-	-	-	-	-
Balance at the end of the year	-	(224.39)	(224.39)	-	(213.40)	(213.40)

Nature and terms and conditions of outstanding derivative contracts

(Rs. in crores)

Particulars	As at March 31, 2023				As at March 31, 2022			
	Rate of interest	Maturity date	Notional amounts	Fair Value - Assets	Rate of interest	Maturity date	Notional amounts	Fair Value - Assets
(i) Currency derivatives:								
- Spots and forwards	3 months LIBOR + 1.95%	June 10, 2022 to August 10, 2023	6.71	0.05	3 months LIBOR + 1.95%	June 10, 2022 to August 10, 2023	22.19	(0.56)
- Spots and forwards	SOFR + 2.00%	December 27, 2023 to December 27, 2027	3,141.79	(11.58)	-	-	-	-
- Spots and forwards	4.08% to 6.91%	June 15, 2023 to December 15, 2031	13,715.75	(182.04)	4.15% to 5.95%	June 15, 2022 to June 15, 2027	17,018.41	98.39

55 RISK MANAGEMENT (Contd.)

(Rs. in crores)

Particulars	As at March 31, 2023				As at March 31, 2022			
	Rate of interest	Maturity date	Notional amounts	Fair Value - Assets	Rate of interest	Maturity date	Notional amounts	Fair Value - Assets
- Currency swaps	SOFR + 2.00%	January 20, 2026	1,425.88	14.24	-	-	-	-
- Currency swaps	4.78% to 5.25%	March 13, 2024 to July 18, 2025	1,290.05	107.41	4.15% to 5.10%	July 14, 2023 to July 18, 2025	2,320.47	(276.95)
- Cross currency interest rate swaps	3 months LIBOR + 1.95%	August 10, 2023	2,402.33	474.96	3 months LIBOR + 1.95%	August 10, 2023	2,402.33	197.16
- Cross currency interest rate swaps	6 months EURIBOR + 1.15%	April 26, 2022 to April 25, 2026	533.08	74.01	6 months EURIBOR + 1.15%	April 26, 2022 to April 25, 2026	685.38	155.82
- Cross currency interest rate swaps	6 months LIBOR + 2.50%	June 13, 2022 to December 11, 2026	106.91	15.87	6 months LIBOR + 2.50%	June 13, 2022 to December 11, 2026	133.64	5.50
- Cross currency interest rate swaps	SOFR + 2.10%	December 03, 2024	187.35	23.49	SOFR + 2.10%	December 03, 2024	187.35	5.66
(ii) Interest rate derivatives:								
- Interest rate swaps	4.08% to 5.10%	July 17, 2023 to December 15, 2031	12,927.24	103.18	4.15% to 5.95%	October 24, 2022 to July 18, 2025	14,049.63	3.18
- Interest rate swaps	SOFR + 2.00%	January 20, 2026 to December 27, 2027	4,303.18	13.47	-	-	-	-
- Interest rate caps	6 months EURIBOR + 1.15%	April 26, 2022 to April 25, 2026	-	35.75	6 months EURIBOR + 1.15%	April 26, 2022 to April 25, 2026	-	13.20
Total			40,040.27	668.81			36,819.40	201.40

Price risk

The Company's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Company uses the hypothetical derivative method to assess effectiveness.

Ineffectiveness is recognised on a cash flow hedge where the cumulative change in the designated component value of the hedging instrument exceeds on an absolute basis the change in value of the hedged item attributable to the hedged risk. In such cases, ineffectiveness may arise if:

- The critical terms of the hedging instrument and the hedged item differ (i.e. nominal amounts, timing of the forecast transaction, interest resets changes from what was originally estimated), or
- differences arise between the credit risk inherent within the hedged item and the hedging instrument.

There were no ineffectiveness recognised in the statement of profit and loss.

There were no other sources of ineffectiveness in these hedge relationships.

56 DISCLOSURE UNDER THE MSME ACT 2006, (AS PER THE INTIMATION RECEIVED FROM THE VENDOR)

Based on the intimation received by the Company, some of the suppliers have confirmed to be registered under “The Micro, Small and Medium Enterprises Development (‘MSMED’) Act, 2006”. Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
The principal amount remaining unpaid to supplier as at the end of the year	0.36	1.48
The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

57 DISCLOSURE REGARDING AUDITORS REMUNERATION DISCLOSED UNDER LEGAL AND PROFESSIONAL FEES

In addition to the auditors remuneration shown in note 42 Other expenses, the Company has also incurred auditors remuneration in connection with audit and related statutory services to be performed by auditors in connection with issue of senior secured notes of Rs. 0.60 crores (March 31, 2022: Rs. 0.54 crores) shown under Legal and professional fees in note 42 Other expenses.

58 DISCLOSURE REGARDING AUDITORS REMUNERATION DISCLOSED UNDER SHARE ISSUE EXPENSES

In addition to the auditors remuneration shown in note 42 Other expenses, the Company has also incurred auditors remuneration in connection with audit and related statutory services to be performed by auditors in connection with issue of Qualified institutional placement and preferential issue of equity shares of Rs. Nil (March 31, 2022: Rs. 0.33 crores) netted off against Securities premium in note 31 Other equity.

59 DISCLOSURE ON LOAN AGAINST GOLD VIDE RBI NOTIFICATION DNBS.CC.PD.NO.265/03.10.01 /2011-12 DATED MARCH 21, 2012

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
Total Asset under Management (on books)	183,338.42	125,699.03
Total Loan against Gold	4,478.39	-
Percentage of Gold Loan on Total Assets (on book)	2.44%	-

60 SEGMENT REPORTING

The Company is primarily engaged in the business of financing and there are no separate reportable segments identified as per the Ind AS 108 - Operating segments.

61 TRANSFER OF FINANCIAL ASSETS

Note 61.01: Transferred financial assets that are not derecognised in their entirety

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
Securitisation		
Carrying amount of transferred assets measured at amortised cost (held as collateral)	22,226.46	21,120.76
Carrying amount of associated liabilities [Borrowings (other than debt securities)-measured at amortised cost]	22,106.09	19,538.08
Fair value of assets	22,089.53	21,105.47
Fair value of associated liabilities	21,891.26	19,765.43
Net position at fair value	198.27	1,340.04

Note 61.02: Transferred financial assets that are derecognised in their entirety

The Company has assigned loans (earlier measured at amortised cost) by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 90% of the assets transferred to the buyer, the assets have been de-recognised from the Company's balance sheet. The table below summarises the carrying amount of the derecognised financial assets :

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
Direct assignment		
Carrying amount of transferred assets measured at amortised cost	2,665.25	1,599.67
Carrying amount of exposures retained by the Company at amortised cost	266.53	159.97

Note 61.03: Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

62 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

Particulars	(Rs. in crores)	
	Year ended March 31, 2023	Year ended March 31, 2022
Professional charges-resource mobilisation	106.28	36.63
Professional charges on securitisation	2.93	-
Total	109.21	36.63

63 DETAILS OF CSR EXPENSES

Particulars	(Rs. in crores)	
	Year ended March 31, 2023	Year ended March 31, 2022
a) Gross amount required to be spent by the Company during the year	93.66	69.12
b) Amount spent during the year		
- On purposes other than construction/acquisition of any asset		
Paid in cash	93.74	69.72
Yet to be paid in cash	-	-
Total	93.74	69.72

63 DETAILS OF CSR EXPENSES (Contd.)

There is no shortfall in the CSR amount required to be spent by the Company as per section 135(5) of the Act for the financial years ended March 31, 2023 and March 31, 2022.

CSR activities include Education, Preservation of Arts, Culture and Heritage, Preventive Healthcare, Scholarship Scheme, Training and Skill Development, Road Safety Awareness Program, Contribution towards - Primary, Secondary and Higher Education, Mathematical and Scientific Research, School Repairs and renovation and other activities which are specified under Schedule VII of Companies Act, 2013.

The Company has neither made any CSR contributions towards its related parties nor recorded any provision for CSR expenditure during the financial years ended March 31, 2023 and March 31, 2022.

64 NOTE ON COVID

The Company holds management overlay of Rs. 1,107.49 crores as at March 31, 2023 and Rs. 2,052.58 crores as at March 31, 2022.

65 MOVEMENT IN PROVISIONS

(Rs. in crores)				
Provision for taxes - contested	Opening Balance	Additional provision	Utilisation/reversal during the year	Closing Balance
As at March 31, 2023	90.93	7.66	-	98.59
As at March 31, 2022	92.75	-	1.82	90.93

The above provisions relate to disputed tax demands in relation to VAT and Service tax. Due to the very nature of such provisions and the litigations involved, it is not possible to estimate the timing/ uncertainties relating to their outflows.

66 EVENTS AFTER REPORTING DATE

There have been no events after the reporting date.

67 FLOATING CHARGE ON INVESTMENT IN GOVERNMENT SECURITIES

In accordance with the Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 dated August 25, 2016, the Company has created a floating charge on the statutory liquid assets comprising of investment in government securities (face value) to the extent of Rs. 5,346.44 crores (March 31, 2022: Rs. 3,354.44 crores) in favour of trustees representing the public deposit holders of the Company.

68 The Company invoked resolution plans to relieve COVID-19 pandemic related stress to eligible borrowers. The resolution plans are based on the parameters laid down in the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI on August 06, 2020 and May 05, 2021. The staging of accounts and provisioning for the eligible accounts where the resolution plans are invoked and implemented is in accordance with the Board approved policy in this regard.

Disclosure on Resolution Framework 2.0 implemented in terms of RBI notification no. RBI/2020-21/16 DOR.NO. BP.BC/3/21.04.048/2020-21 dated August 06, 2020 and RBI/2021-22/31/DOR.STR.REC.11 /21.04.048/2021-22 dated May 05, 2021

(Rs. in crores)					
Type of borrower	(A)	(B)	(C)	(D)	(E)
	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year
Personal loans #	765.81	41.53	2.70	168.06	553.52
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	765.81	41.53	2.70	168.06	553.52

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

pertains to automobile loans

69 The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Company towards Provident Fund and Gratuity. The effective date from which changes are applicable is yet to be notified and the rules thereunder are yet to be announced. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.

70 Refer note 6.2.i. Revenue from operations for the circumstances in which revenue recognition has been postponed pending uncertainty of realisation.

71 The Company's policy for sales out of amortised cost business model portfolios is given at note 6.1.x. of significant accounting policies.

72 REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES (ROC)

All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2023 and March 31, 2022. No charges or satisfactions are yet to be registered with ROC beyond the statutory period.

73 COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2023 and March 31, 2022.

74 COMPLIANCE WITH APPROVED SCHEME(S) OF ARRANGEMENTS

The Board of Directors of the Company in its meeting held on December 13, 2021 had approved a Composite Scheme of Arrangement and Amalgamation ("Scheme"), inter alia, involving amalgamation of Shriram Capital Limited (after de-merger of few undertakings from the said Shriram Capital Limited) and Shriram City Union Finance Limited with the Company under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Hon'ble National Company Law Tribunal, Chennai Bench ("NCLT") has approved the Composite Scheme of Arrangement and Amalgamation ("Scheme"). The effect of such Scheme of Arrangements has been accounted for in the books of account of the Company in accordance with the Scheme and in accordance with accounting standards.

75 UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM

The Company, as part of its normal business, grants loans and advances, makes investment, provides guarantees to and accept deposits and borrowings from its customers, other entities and persons. These transactions are part of Company's normal non-banking finance business, which is conducted ensuring adherence to all regulatory requirements.

Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has also not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

76 UNDISCLOSED INCOME

There are no transactions not recorded in the books of accounts for the financial years ended March 31, 2023 and March 31, 2022.

77 ITEMS OF INCOME AND EXPENDITURE OF EXCEPTIONAL NATURE

There are no items of income and expenditure of exceptional nature for the financial years ended March 31, 2023 and March 31, 2022.

78 DISCLOSURE ON MODIFIED OPINION, IF ANY, EXPRESSED BY AUDITORS, ITS IMPACT ON VARIOUS FINANCIAL ITEMS AND VIEWS OF MANAGEMENT ON AUDIT QUALIFICATIONS.

The auditors have expressed an unmodified opinion on the standalone financial statements of the Company for the financial years ended March 31, 2023 and March 31, 2022.

79 CORPORATE GOVERNANCE REPORT CONTAINING COMPOSITION AND CATEGORY OF DIRECTORS, SHAREHOLDING OF NON-EXECUTIVE DIRECTORS, ETC.

The corporate governance report containing composition and category of directors, shareholding of non-executive directors is part of the annual report for the financial year ended March 31, 2023.

80 AUCTION DETAILS

The Company auctioned 3,718 loan accounts (March 31, 2022: Nil) during the financial year and the outstanding dues on these loan accounts were Rs. 15.01 crores (March 31, 2022: Rs. Nil) till the respective dates of auction. The Company realised Rs. 14.57 crores (March 31, 2022: Rs. Nil) on auctioning of gold jewellery taken as security on these loans. The Company confirms that none of its sister concerns participated in the above auctions.

81A CHANGE IN POLICY FOR IMPAIRMENT OF FINANCIAL INSTRUMENTS

The Company had been fully providing for the underlying loans net of its estimated realisable value in respect of which collaterals had been repossessed and not sold for more than 12 months till June 30, 2021. During the quarter ended September 30, 2021, the Company had revised its policy to fully provide for the underlying loans net of its estimated realisable value in respect of which collaterals had been repossessed and not sold for more than 6 months. Had it continued to follow the earlier policy, impairment of financial instruments for the year ended March 31, 2022 would have been lower by Rs. 30.49 crores and profit before tax for the same period would have been higher by Rs. 30.49 crores.

81B CHANGE IN THE PROCESS OF NPA CLASSIFICATION

Pursuant to RBI circular RBI/2021-22/125 DOR/STR/REC.68/21.04.048/2021-22 dated November 12, 2021, on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications, the Company had revised its process of NPA classification to flagging of the borrower accounts as overdue as part of the day-end processes for the due date. Had the Company followed the earlier method, the profit before tax for the year ended on March 31, 2022 would have been higher by Rs. 407.65 crores.

82 LOANS TO DIRECTORS, SENIOR OFFICERS AND RELATIVES OF DIRECTORS

Disclosure pursuant to RBI notification RBI/2022-23/29 DOR.CRE.REC.No.25/03.10.001/2022-23 dated April 19, 2022.

Particulars	(Rs. in crores)	
	Year ended March 31, 2023	Year ended March 31, 2022
	Aggregate amount of such sanctioned loans and advances	
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives	-	-

83 PREVIOUS YEAR COMPARATIVES

The figures for the previous year have been regrouped/ rearranged wherever necessary to conform to the current year presentation. There are no significant regroupings/ reclassification for the year under report.

84 TITLE DEEDS OF IMMOVABLE PROPERTIES NOT HELD IN NAME OF THE COMPANY

Consequent to effect of scheme of amalgamation of SCUF with STFC and change in the name of the company from STFC to SFL, the Company is in process of applying for the name change in respect of its immovable properties.

85 ANALYTICAL RATIOS

Particulars	As at March 31, 2023			As at March 31, 2022	% Variance	Reasons for variance (if above 25%)
	Numerator (Rs. in crores)	Denominator (Rs. in crores)	Ratio	Ratio		
Capital to risk-weighted assets ratio (CRAR)	37,895.56	167,582.05	22.61%	22.97%	(1.55%)	NA
Tier I CRAR	35,526.68	167,582.05	21.20%	20.70%	2.44%	NA
Tier II CRAR	2,368.88	167,582.05	1.41%	2.27%	(37.81%)	Reduction in discounted value of Subordinated debts.
Liquidity Coverage Ratio	4,308.76	2,053.15	209.86%	148.70%	41.13%	Increase in LCR % is due to increase in value of HQLA.

86 DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

The Company has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2023 and March 31, 2022.

87 DETAILS OF BENAMI PROPERTY HELD

No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2023 and March 31, 2022.

88 WILFUL DEFAULTER

The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in the financial years ended March 31, 2023 and March 31, 2022.

89 RELATIONSHIP WITH STRUCK OFF COMPANIES

Transactions with companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 in the financial years ended March 31, 2023 and March 31, 2022 are given below:

Name of the struck off company	Relationship with the Struck off company	(Rs. in crores)		Nature of transaction
		Balance outstanding as at March 31, 2023 *	March 31, 2022 *	
Receivables (Loans outstanding)				
ARRR Constructions Chennai Private Limited	No	-	0.02	Borrower
Skilltech Services Private Limited	No	-	0.02	Borrower
Swift Equipments Private Limited	No	0.89	0.95	Borrower
Benze Vaccations Club Public Limited	No	0.01	-	Borrower
Gocha Infrastructure Private Limited	No	0.01	-	Borrower
Karainthi Private Limited	No	0.47	-	Borrower
Saanwi Housing Private Limited	No	0.06	-	Borrower
Seven Stones TM Private Limited	No	0.08	-	Borrower
Vekkaiamman Telecom Serv	No	0.06	-	Borrower
Janasaathi Media And Technologies Private Limited	No	0.01	-	Borrower
MCDN Management Services Private Limited	No	0.01	-	Borrower
Maltiton Equipments Private Limited	No	0.01	-	Borrower
Steigen Crop Tech Private Limited	No	0.44	-	Borrower

89 RELATIONSHIP WITH STRUCK OFF COMPANIES (Contd.)

(Rs. in crores)

Name of the struck off company	Relationship with the Struck off company	Balance outstanding as at		Nature of transaction
		March 31, 2023 *	March 31, 2022 *	
S.A. Industries Private Limited	No	0.23	-	Borrower
Three G Online Services Private Limited	No	0.03	-	Borrower
Shares held by struck off company**				
Nasik Capital and Financial Services Private Limited	No	0.00	0.00	Equity shareholder
Rasi Leasing Company Private Limited	No	0.00	0.00	Equity shareholder
Unickon Fincap Private Limited	No	0.00	-	Equity shareholder
Arunoday Holdings Private Limited	No	0.00	-	Equity shareholder
Tangmarg Investment and Trading Private Limited	No	0.00	-	Equity shareholder

*0.00 denotes amounts less than Rs. 1.00 lac

**In the financial years ended March 31, 2023 and March 31, 2022, the Company did not have any transaction with above equity shareholders, being the companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956. Our Company has not allotted any Equity share to the said companies. The shareholding data is as per the record of beneficiary position downloaded by the Registrar and Transfer Agent of the Company from the database maintained by the depositories and reported to us for the purpose of this disclosure.

90 LIQUIDITY COVERAGE RATIO

Disclosure as per the circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 issued by Reserve Bank of India on "Liquidity Coverage Ratio (LCR)"

Particulars	As at March 31, 2023			As at December 31, 2022			As at September 30, 2022			As at June 30, 2022			As at March 31, 2022		
	Total	Weighted value	(average)#	Total	Weighted value	(average)#	Total	Weighted value	(average)#	Total	Weighted value	(average)*	Total	Weighted value	(average)*
	(average)*	(average)#	(average)#	(average)*	(average)#	(average)#	(average)*	(average)#	(average)#	(average)*	(average)#	(average)*	(average)*	(average)#	(average)*
(Rs. in crores)															
High Quality Liquid Assets															
1	5,264.80	4,308.76	5,629.30	4,703.68	5,522.73	4,632.05	5,742.70	4,895.41	3,155.38	2,577.66					
Cash Outflows															
2	878.83	1,010.66	757.80	871.47	879.86	1,011.85	896.12	1,030.53	715.45	822.77					
3	82.00	94.30	49.55	56.98	36.53	42.01	206.48	237.45	52.65	60.55					
4	5,168.63	5,943.93	4,889.34	5,622.74	4,819.87	5,542.86	4,159.37	4,783.29	4,659.14	5,358.01					
5															
(i)	-	-	-	-	-	-	-	-	-	-					
(ii)	-	-	-	-	-	-	-	-	-	-					
(iii)	-	-	-	-	-	-	-	-	-	-					
6	799.59	919.53	752.82	865.74	797.99	917.69	872.08	1,002.89	474.20	545.34					
7	212.34	244.19	285.11	327.87	223.30	256.81	181.96	209.25	128.07	147.28					
8	7,141.39	8,212.61	6,734.62	7,744.80	6,757.55	7,771.22	6,316.01	7,263.41	6,029.51	6,933.95					
Cash Inflows															
9	-	-	-	-	-	-	-	-	-	-					
10	7,172.31	5,379.23	6,855.15	5,141.36	6,584.41	4,938.31	6,455.15	4,841.35	3,865.47	2,899.10					
11	8,495.15	6,371.36	11,948.45	8,961.33	15,473.09	11,604.81	16,143.09	12,107.32	10,829.56	8,122.17					
12	15,667.46	11,750.59	18,803.60	14,102.69	22,057.50	16,543.12	22,598.23	16,948.67	14,695.03	11,021.27					
		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value					
13		4,308.76		4,703.68		4,632.05		4,895.41		2,577.66					
14		2,053.15		1,936.20		1,942.80		1,815.85		1,733.49					
15		209.86%		242.93%		238.42%		269.59%		148.70%					

(Rs. in crores)

Particulars	As at March 31, 2023		As at December 31, 2022		As at September 30, 2022		As at June 30, 2022		As at March 31, 2022	
	Total	Weighted value (average)*	Total	Weighted value (average)*	Total	Weighted value (average)*	Total	Weighted value (average)*	Total	Weighted value (average)*
	Unweighted value (average)*	Unweighted value (average)*	Unweighted value (average)*	Unweighted value (average)*	Unweighted value (average)*	Unweighted value (average)*	Unweighted value (average)*	Unweighted value (average)*	Unweighted value (average)*	Unweighted value (average)*
Components of HQLA @										
1 Assets considered for HQLA without any haircut	484.59	484.59	993.39	993.39	1,055.90	1,055.90	1,492.28	1,492.28	263.86	263.86
2 Assets considered for HQLA with a minimum haircut of 15%	-	-	31.34	26.64	53.60	45.56	55.81	47.44	11.65	9.90
3 Assets considered for HQLA with a minimum haircut of 50%	-	-	-	-	-	-	-	-	-	-
4 Approved securities held as per the provisions of section 45 IB of RBI Act	4,780.21	3,824.17	4,604.57	3,683.65	4,413.23	3,530.59	4,194.61	3,355.69	2,879.87	2,303.90
Total	5,264.80	4,308.76	5,629.30	4,703.68	5,522.73	4,632.05	5,742.70	4,895.41	3,155.38	2,577.66

*Unweighted values calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

Weighted values calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.

Classification of inflows and outflows for determining the run off factors is based on the same estimates and assumptions as used by the Company for compiling the return submitted to the RBI, which has been relied upon by the auditors.

Qualitative disclosure around Liquidity Coverage Ratio (LCR)

The Reserve Bank of India has prescribed Guidelines on Maintenance of Liquidity Coverage Ratio (LCR). All non-deposit taking NBFCs with asset size of Rs. 10,000 crores and above, and all deposit taking NBFCs irrespective of their asset size, is required to maintain a liquidity buffer in terms of LCR which will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for 30 days. The stock of HQLA to be maintained by the NBFCs shall be minimum of 100% of total net cash outflows over the next 30 calendar days.

The LCR requirement was applicable from December 01, 2020 with the minimum HQLAs to be held being 50% of the LCR, progressively reaching a level upto 60%, 70%, 85% and 100% by December 01, 2021, December 01, 2022, December 01, 2023, December 01, 2024 respectively. The Company has implemented the LCR framework and has maintained LCR well above the regulatory threshold for all the quarters.

LCR comprises of HQLAs as numerator and net cash outflows in 30 days as denominator.

“High Quality Liquid Assets (HQLA)” means liquid assets that can be readily sold or immediately converted into cash at little or no loss of value or used as collateral to obtain funds in a range of stress scenarios. Total net cash outflows is defined as the total expected cash outflows minus total expected cash inflows for the subsequent 30 calendar days.

The average LCR is computed as simple averages of daily observations over the previous quarter.

The average LCR for the quarter ended March 31, 2023 is 209.86% which is well above against RBI prescribed LCR of 70%.

91 DISCLOSURE OF RESTRUCTURED ACCOUNTS

(Rs. in crores)

Sr. No.	Type of restructuring	Others													
		Financial year		Year ended March 31, 2023			Year ended March 31, 2022			Total	Standard	Sub-Standard	Doubtful	Loss	Total
		Asset classification		Standard	Sub-Standard	Doubtful	Loss	Standard	Sub-Standard						
1	Restructured accounts as on April 01	No. of borrowers	13,490	38,565	2,556	748	55,359	8,626	21,229	4,517	763	35,135			
		Amount outstanding	356.87	1,195.52	233.67	97.02	1,883.08	271.50	767.88	425.87	81.86	1,547.11			
2	Fresh restructuring during the year	Provision thereon	45.70	527.34	132.53	54.54	760.11	43.40	329.99	173.41	31.62	578.42			
		No. of borrowers	-	20,014	393	21	20,428	-	38,956	701	38	39,695			
		Amount outstanding	-	548.74	20.62	1.76	571.12	-	1,191.55	61.56	4.00	1,257.11			
		Provision thereon	-	208.67	7.93	0.69	217.29	-	517.79	28.75	1.75	548.29			
3	Upgradation	No. of borrowers	23,001	(22,336)	(616)	(49)	-	13,490	(12,338)	(1,076)	(76)	-			
		Amount outstanding	761.89	(721.28)	(36.58)	(4.03)	-	459.10	(397.93)	(56.64)	(4.53)	-			
		Provision thereon	333.67	(314.76)	(16.99)	(1.92)	-	197.90	(171.95)	(24.10)	(1.85)	-			
4	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the year and hence need not be shown as restructured advances at the beginning of the next year	No. of borrowers	-	-	-	-	-	(4,355)	-	-	-	(4,355)			
		Amount outstanding	-	-	-	-	-	(167.18)	-	-	-	(167.18)			
		Provision thereon	-	-	-	-	-	(23.77)	-	-	-	(23.77)			
5	Downgradation of restructured accounts during the year	No. of borrowers	-	(2,513)	2,063	450	-	-	-	(1,082)	696	386			
		Amount outstanding	-	(180.88)	109.43	71.45	-	-	-	(71.00)	22.73	48.27			
		Provision thereon	-	(83.12)	34.86	48.26	-	-	-	(29.60)	10.57	19.03			
6	Write-offs of restructured accounts during the year	No. of borrowers	(13,490)	(14,820)	(972)	(332)	(29,614)	(4,271)	(8,200)	(2,282)	(363)	(15,116)			
		Amount outstanding	(584.31)	(374.85)	(89.32)	(41.86)	(1,090.34)	(206.55)	(294.98)	(219.85)	(32.58)	(753.96)			
		Provision thereon	(283.69)	(138.44)	(44.44)	(0.65)	(467.22)	(171.83)	(118.89)	(56.10)	3.99	(342.83)			
7	Restructured accounts as on March 31	No. of borrowers	23,001	18,910	3,424	838	46,173	13,490	38,565	2,556	748	55,359			
		Amount outstanding	534.45	467.25	237.82	124.34	1,363.86	356.87	1,195.52	233.67	97.02	1,883.08			
		Provision thereon	95.68	199.69	113.89	100.92	510.18	45.70	527.34	132.53	54.54	760.11			

Note:

- The outstanding amount and number of borrowers as at March 31, 2023 and March 31, 2022 is after considering recoveries during the period.
- Additional facilities availed by borrowers or addition in outstanding balance in existing restructured accounts and partial repayments in existing restructured accounts are adjusted and disclosed under "Write-offs of restructured accounts", however, for the purpose of arithmetical accuracy the number of existing borrowers availing additional facility or partial repayments have been ignored.
- The Company has classified all the restructured accounts under stage 3 for ECL Calculations under Ind AS and Provision for Impairment Loss on all the restructured accounts have been provided in the books accordingly.
- Since the disclosure of restructured accounts pertains to section "Others", the first two sections namely "Under CDR Mechanism" and "Under SME Debt Restructuring Mechanism" as per the format prescribed in the Master Directions - Non-Banking Financial Company - Systemically Important Non-Deposit taking company and Deposit Taking Company (Reserve Bank) Directions 2016 as amended are not included above.
- For the purpose of arithmetical accuracy, movement in provisions in the existing restructured account as compared to balance of provision as disclosed in opening balance and fresh restructuring on account sale/recovery/settlement (for any change in provision) is adjusted and disclosed under "Write-offs of restructured accounts" during the year.
- The above disclosure does not include one-time restructuring implemented as prescribed in the notification no. RBI/2020-21/16 DOR.NO.BP/BC/3/21.04.048/2020-21 Resolution Framework for COVID-19-related Stress and RBI/2021-22/31/DOR-STR.REC.11 /21.04.048/2021-22 Resolution Framework - 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses dated May 05, 2021.

92 ASSET CLASSIFICATION AS PER RBI NORMS

Disclosure pursuant to Reserve Bank of India notification DOR (NBFC).CC.PD.No.109 /22.10.106/2019-20 dated March 13, 2020 pertaining to Asset classification as per RBI Norms:

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Year ended March 31, 2023					Year ended March 31, 2022				
		Gross carrying amount as per Ind AS	Loss allowances (Provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms	Gross carrying amount as per Ind AS	Loss allowances (Provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(3)	(4)	(5)	(6)	(7)
Performing assets											
Standard	Stage 1	155,619.94	4,541.30	151,078.64	646.07	3,895.23	103,492.98	3,381.35	100,111.63	429.51	2,951.84
	Stage 2	16,336.30	1,105.27	15,231.03	74.40	1,030.87	13,318.50	1,211.03	12,107.47	107.54	1,103.49
Subtotal		171,956.24	5,646.57	166,309.67	720.47	4,926.10	116,811.48	4,592.38	112,219.10	537.05	4,055.33
Non-Performing Assets (NPA)											
Substandard	Stage 3	7,900.73	3,539.80	4,360.93	1,498.88	2,040.92	6,863.72	3,171.79	3,691.93	672.60	2,499.19
Doubtful - up to 1 year	Stage 3	1,879.40	1,078.82	800.58	914.54	164.28	632.27	368.08	264.19	259.34	108.74
1 to 3 years	Stage 3	452.35	271.62	180.73	299.91	(28.29)	465.30	307.09	158.21	265.23	41.86
More than 3 years	Stage 3	1.52	0.70	0.82	1.50	(0.80)	-	-	-	-	-
Subtotal for doubtful		2,333.27	1,351.14	982.13	1,215.95	135.19	1,097.57	675.17	422.40	524.57	150.60
Loss	Stage 3	1,148.18	816.33	331.85	1,059.72	(243.39)	926.26	594.54	331.72	846.52	(251.98)
Subtotal for NPA		11,382.18	5,707.27	5,674.91	3,774.55	1,932.72	8,887.55	4,441.50	4,446.05	2,043.69	2,397.81
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	2,612.49	56.63	2,555.86	-	56.63	1,196.69	42.70	1,153.99	-	42.70
	Stage 2	49.56	4.17	45.39	-	4.17	-	-	-	-	-
	Stage 3	34.28	18.04	16.24	-	18.04	3.00	3.00	-	-	3.00
Subtotal		2,696.33	78.84	2,617.49	-	78.84	1,199.69	45.70	1,153.99	-	45.70
Total	Stage 1	158,232.43	4,597.93	153,634.50	646.07	3,951.86	104,689.67	3,424.05	101,265.62	429.51	2,994.54
	Stage 2	16,385.86	1,109.44	15,276.42	74.40	1,035.04	13,318.50	1,211.03	12,107.47	107.54	1,103.49
	Stage 3	11,416.46	5,725.31	5,691.15	3,774.55	1,950.76	8,890.55	4,444.50	4,446.05	2,043.69	2,400.81
	Total	186,034.75	11,432.68	174,602.07	4,495.02	6,937.66	126,898.72	9,079.58	117,819.14	2,580.74	6,498.84

93 LIQUIDITY RISK

Public Disclosure on Liquidity Risk for the year ended March 31, 2023 and March 31, 2022 pursuant to RBI circular dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

(i) Funding concentration based on significant counterparty¹ (both deposits and borrowings)

Particulars	Number of significant counterparties	Amount (Rs. in crores)*	% of Total deposits	% of Total liabilities ³
As at March 31, 2023	18	67,207.87	185.97%	41.91%
As at March 31, 2022	13	39,594.35	180.39%	34.08%

*Includes securitisation liabilities exposure

(ii) Top 20 large deposits (amount in Rs. in crores and % of total deposits)

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
Total amount of top 20 large deposits	1,628.33	1,793.23
Percentage of amount of top 20 large deposits to total deposits	4.51%	8.17%

(iii) Top 10 borrowings (amount in Rs. in crores and % of total borrowings)

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
Total amount of top 10 borrowings*	48,886.75	35,696.57
Percentage of amount of top 10 borrowings to total borrowings	30.96%	31.18%

*Includes securitisation liabilities exposure

(iv) Funding concentration based on significant instrument/ product²

Sr. No.	Name of the instrument/product	(Rs. in crores)			
		As at March 31, 2023		As at March 31, 2022	
		Amount	% of Total liabilities ³	Amount	% of Total liabilities ³
1	Redeemable non-convertible debentures (secured and unsecured)	30,244.58	18.86%	21,353.86	18.38%
2	External commercial bond	12,513.28	7.80%	19,011.29	16.36%
3	Term loan from banks	31,900.26	19.89%	16,755.62	14.42%
4	Term loan from financial institutions/ corporates	9,296.56	5.80%	5,685.24	4.89%
5	External commercial borrowing	9,828.01	6.13%	4,243.13	3.65%
6	Other loans - Securitisation liabilities	22,106.09	13.79%	19,538.08	16.82%
7	Deposits	36,139.83	22.54%	21,948.98	18.89%
8	Subordinated debts	4,523.85	2.82%	4,614.25	3.97%

(v) Stock ratios

Sr. No.	Particulars	As at March 31, 2023			As at March 31, 2022		
		as a % of Total public funds ⁴	as a % of Total liabilities ³	as a % of Total assets	as a % of Total public funds ⁴	as a % of Total liabilities ³	as a % of Total assets
(a)	Commercial papers	-	-	-	-	-	-
(b)	Non-convertible debentures (original maturity of less than one year)	-	-	-	-	-	-
(c)	Other short-term liabilities ⁵	3.62%	3.56%	2.80%	4.66%	4.58%	3.75%

93 LIQUIDITY RISK (Contd.)

(vi) Institutional set-up for liquidity risk management

Refer note 55.01.01: Risk management structure and 55.03: Liquidity risk and funding management for institutional set-up for liquidity risk management.

***Notes:**

- 1) Significant counterparty is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.
- 2) Significant instrument/product is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities, as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.
- 3) Total liabilities has been computed as sum of all liabilities (Total of Balance Sheet less Total Equity).
- 4) Public funds include funds raised either directly or indirectly through public deposits, inter-corporate deposits (except from associate), deposits from corporates (except from associate), bank finance and all funds received from outside sources such as funds raised by issue of commercial papers, debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue, as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016.
- 5) Other short-term liabilities include all short-term borrowings other than commercial papers and non-convertible debentures with original maturity less than one year.
- 6) The amount stated in this disclosure is based on the audited financial statements for the years ended March 31, 2023 and March 31, 2022.

94 RATINGS ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS DURING THE YEAR

Instruments	Credit Rating Agency	As at March 31, 2023	As at March 31, 2022
Bank Loan Long-term	CRISIL Limited	CRISIL AA+/Stable	CRISIL AA+/Stable
Bank Loan Short-term	CRISIL Limited	CRISIL A1+	CRISIL A1+
Bank Loans	India Ratings & Research Private Limited	IND AA+/Stable	-
Commercial Paper	India Ratings & Research Private Limited	IND A1+	IND A1+
Commercial Paper	CARE Ratings Limited	CARE A1+	CARE A1+
Commercial Paper	CRISIL Limited	CRISIL A1+	CRISIL A1+
Dual Recourse Bond	India Ratings & Research Private Limited	IND AAA (CE)/Stable	IND AAA (CE)/Stable
Fixed deposit	CRISIL Limited	-	CRISIL FAAA/ Stable
Fixed deposit	ICRA	[ICRA] AA+ (Stable)	MAA+ with Stable outlook
Term Deposit	India Ratings & Research Private Limited	IND AA+/Stable	-
Long Term Principal Protected Market Linked Debentures	CRISIL Limited	CRISIL PPMLD AA+/Stable	CRISIL PPMLD AA+r/Stable

94 RATINGS ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS DURING THE YEAR (Contd.)

Instruments	Credit Rating Agency	As at March 31, 2023	As at March 31, 2022
Principal Protected Market Linked Debentures	India Ratings & Research Private Limited	IND PP-MLD AA+/ Stable	-
Principal Protected Market Linked Debentures (Dual Recourse)	India Ratings & Research Private Limited	-	IND PP-MLD AAA(CE)emr'/ Stable
Long-Term Issuer Credit Rating	Standard & Poor's Ratings	BB-/ Stable	BB-/ Stable
Long-Term Issuer Default Rating	Fitch Ratings	BB/ Stable Outlook	BB/ Stable Outlook
Subordinated debt	CARE Ratings Limited	CARE AA+/Stable	CARE AA+/Stable
Subordinated debt	India Ratings & Research Private Limited	IND AA+/Stable	IND AA+/Stable
Subordinated debt	CRISIL Limited	CRISIL AA+/Stable	CRISIL AA+/Stable
Non-convertible debentures	CARE Ratings Limited	CARE AA+/Stable	CARE AA+/Stable
Non-convertible debentures	CRISIL Limited	CRISIL AA+/Stable	CRISIL AA+/Stable
Non-convertible debentures	India Ratings & Research Private Limited	IND AA+/Stable	IND AA+/Stable
Non-convertible debentures	ICRA	[ICRA] AA+ (Stable)	-
Offshore Rupee Denominated Bond (Masala Bond)	Standard & Poor's Ratings	BB-	BB-
Offshore Rupee Denominated Bond (Masala Bond)	Fitch Ratings	BB	BB
Short-Term Issuer Credit Rating	Standard & Poor's Ratings	B	B
Short-Term Issuer Default Rating	Fitch Ratings	B	B
U.S. Dollar Senior Secured Notes	Standard & Poor's Ratings	BB-	BB-
U.S. Dollar Senior Secured Notes	Fitch Ratings	BB	BB
Local Currency Long Term Issuer Default Rating	Fitch Ratings	BB/ Stable Outlook	BB/ Stable Outlook

95 CAPITAL ADEQUACY RATIO

(Rs. in crores unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
i) Tier I Capital	35,526.68	23,335.32
ii) Tier II Capital	2,368.88	2,563.01
iii) Total Capital	37,895.56	25,898.33
iv) Total Risk Weighted Assets	167,582.05	112,756.33
v) CRAR (%)	22.61	22.97
vi) CRAR - Tier I Capital (%)	21.20	20.70
vii) CRAR - Tier II Capital (%)	1.41	2.27
viii) Common equity Tier - 1 Capital (CET-1)	34,777.83	NA
ix) CET-1 (%)	20.75	NA
x) Amount of subordinated debt raised as Tier-II Capital*	4,543.70	4,676.10
xi) Amount raised by issue of Perpetual debt instruments	-	-

“Tier I Capital”, “Tier II Capital”, “Owned fund” and Capital Adequacy Ratio are calculated as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 “Implementation of Indian Accounting Standards” issued by RBI on March 13, 2020.

“Common Equity Tier 1 Capital (CET-1)” is calculated as defined in notification RBI/2022-23/30/DOR.CAP.REC. No.21/21.06.201/2022-23 Scale Based Regulation (SBR) for NBFCs: Capital requirements for Non-Banking Finance Companies – Upper Layer (NBFC-UL) issued by RBI on April 19, 2022.

*Discounted value of Rs. 1,944.88 crores (March 31, 2022: Rs. 2,640.62 crores) considered for Tier II Capital against the book value of Rs. 4,543.70 crores (March 31, 2022: Rs. 4,676.10 crores).

96 INVESTMENTS

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
(1) Value of investments		
(i) Gross value of investments		
(a) In India	8,542.48	6,845.16
(b) Outside India	63.35	-
(ii) Provisions for depreciation		
(a) In India	40.77	36.00
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	8,501.71	6,809.16
(b) Outside India	63.35	-
(2) Movement of provisions held towards depreciation on investments		
(i) Opening balance	36.00	38.01
(ii) Add : Provisions made during the year	4.77	-
(iii) Less : Write-off/write-back of excess provisions during the year	-	2.00
(iv) Closing balance	40.77	36.00

97 DERIVATIVES

97.01: Forward rate agreement/Interest rate swap

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
(i) The notional principal of swap agreements	40,040.27	36,819.39
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
(iii) Collateral required by the NBFC upon entering into swaps	-	-
(iv) Concentration of credit risk arising from the swap	-	-
(v) The fair value of the swap book	668.81	201.40

97.02: Exchange traded interest rate (IR) derivatives : Nil

97.03: Disclosures on risk exposure of derivatives

Qualitative disclosures

The Company has a Board approved policy in dealing with derivative transactions. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Company undertakes derivative transactions for hedging on-balance sheet assets and liabilities. Such outstanding derivative transactions are accounted on accrual basis over the life of the underlying instrument. The Asset Liability Management Committee and Risk Management Committee closely monitors such transactions and reviews the risks involved.

The Company has entered into derivative agreement to mitigate the foreign exchange risk and interest rate risk pertaining to external commercial borrowings and foreign currency bonds. The description of risk policies and risk mitigation strategies are disclosed in note 55 of the financial statements.

97 DERIVATIVES (Contd.)

Quantitative Disclosures

(Rs. in crores)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Currency derivatives	Interest rate derivatives	Currency derivatives	Interest rate derivatives
(i) Derivatives (Notional principal amount)				
For hedging	22,809.86	17,230.41	22,769.76	14,049.63
(ii) Marked to market positions				
a) Asset (+)	516.41	152.40	185.02	16.38
b) Liability (-)	-	-	-	-
(iii) Credit exposure	-	-	-	-
(iv) Unhedged exposures	-	-	-	-

98 DISCLOSURES RELATING TO SECURITISATION/DIRECT ASSIGNMENT

98.01: Disclosure as per RBI Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 dated September 24, 2021

The information on securitisation of the Company as an originator is given below:

(Rs. in crores)

Sr. No.	Particulars	Non-STC Transactions		STC Transactions#	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
1	No. of SPEs holding assets for securitisation transactions originated by the originator	95	86	-	1
2	Total amount of securitised assets as per books of the SPEs	22,277.04	19,061.78	-	765.73
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet	4,328.66	3,781.95	-	84.46
	a) Off-balance sheet exposures				
	• First loss	111.31	111.31	-	-
	• Others	-	-	-	-
	b) On-balance sheet exposures				
	• First loss	3,123.94	2,713.36	-	46.17
	• Others	1,204.72	1,068.59	-	38.29
4	Amount of exposures to securitisation transactions other than MRR	-	-	-	-
	a) Off-balance sheet exposures				
	i) Exposure to own securitisations				
	• First loss	-	-	-	-
	• Others	200.24	346.25	-	-
	ii) Exposure to third party securitisations				
	• First loss	-	-	-	-

98 DISCLOSURES RELATING TO SECURITISATION/DIRECT ASSIGNMENT (Contd.)

(Rs. in crores)

Sr. No.	Particulars	Non-STC Transactions		STC Transactions#	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
	• Others	-	-	-	-
	b) On-balance sheet exposures				
	i) Exposure to own securitisations				
	• First loss	-	-	-	-
	• Others	1,656.48	1,953.01	54.02	54.02
	ii) Exposure to third party securitisations				
	• First loss	-	-	-	-
	• Others	-	-	-	-
5	Sale consideration received for the securitised assets	16,965.25	11,950.46	-	923.43
	Gain/loss on sale on account of securitisation	2,480.32	2,331.79	-	131.45
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-	-	-
7	Performance of facility provided				
	Credit enhancement				
	(a) Amount paid	2,194.61	1,675.08	-	146.47
	(b) Repayment received	2,900.05	1,674.02	17.05	7.99
	(c) Outstanding amount	5,985.14	5,734.96	121.43	138.48
8	Average default rate of portfolios observed in the past				
	(a) Vehicle loans	7.36	7.56	-	7.56
	(b) Two wheeler loans	6.98	-	-	-
	(c) Trade finance	7.63	-	-	-
9	Amount and number of additional/top up loan given on same underlying asset	-	-	-	-
10	Investor complaints				
	(a) Directly/Indirectly received	-	-	-	-
	(b) Complaints outstanding	-	-	-	-

Simple, transparent and comparable (STC) securitisations as defined in RBI Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 dated September 24, 2021.

98.02: Disclosure as per Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021

Details of transfer through assignment in respect of loans not in default during the financial year ended March 31, 2023 and March 31, 2022:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Count of loans accounts assigned	187,450	53,252
Amount of loan accounts assigned (Rs. in crores)	2,171.20	1,267.08
Weighted average maturity (in months)	40	39
Weighted average holding period (in months)	10	13
Retention of beneficial economic interest	10.00%	10.00%
Coverage of tangible security	100.00%	100.00%
Rating wise distribution of rated loans	Not rated	Not rated

98 DISCLOSURES RELATING TO SECURITISATION/DIRECT ASSIGNMENT (Contd.)

Details of acquired through assignment in respect of loans not in default during the financial years ended March 31, 2023 and March 31, 2022:

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Secured loans	Unsecured loans	Secured loans	Unsecured loans
Count of loans accounts assigned	9,391	15,514	-	-
Amount of loan accounts assigned (Rs. in crores)	48.71	103.62	-	-
Weighted average maturity (in months)	25	16	-	-
Weighted average holding period (in months)	7	7	-	-
Retention of beneficial economic interest	80.00%	80.00%	-	-
Coverage of tangible security	64.66%	NA	-	-
Rating wise distribution of rated loans	Not rated	Not rated	-	-

The Company has neither acquired nor transferred any stressed loans during the financial years ended March 31, 2023 and March 31, 2022.

99 ASSET LIABILITY MANAGEMENT MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES

As at March 31, 2023

Particulars	(Rs. in crores)										
	Upto 0 - 7 days	Upto 8 - 14 days	Upto 15 - 30 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits *	263.83	116.96	453.06	636.32	788.10	2,473.58	4,756.63	18,544.71	8,240.84	-	36,274.03
Advances **	4,457.12	1,256.69	2,111.70	6,088.57	6,253.71	18,430.17	33,643.35	77,070.05	19,287.81	3,385.41	171,984.58
Investments	512.31	5.33	37.09	276.26	58.52	109.90	421.19	1,244.58	951.95	4,947.93	8,565.06
Borrowings ***	615.24	1,145.61	3,143.82	3,901.76	6,848.22	8,798.20	15,203.93	38,184.56	9,802.53	11,781.30	99,425.17
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	127.33	-	124.23	4,961.73	6,167.05	7,496.34	2,442.69	1,021.92	22,341.29

As at March 31, 2022

Particulars	(Rs. in crores)										
	Upto 0 - 7 days	Upto 8 - 14 days	Upto 15 - 30 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits *	230.91	119.21	342.61	579.91	607.03	1,901.57	3,056.24	10,673.39	4,520.04	-	22,030.91
Advances **	2,068.41	693.90	1,497.28	3,436.81	3,416.21	10,358.59	19,977.17	57,703.76	15,753.24	1,759.78	116,665.15
Investments	49.98	106.48	1,310.10	442.19	762.58	113.89	158.46	641.28	529.38	2,694.82	6,809.16
Borrowings ***	703.79	1,531.30	1,442.41	1,785.22	4,116.35	4,725.37	11,358.56	29,829.09	5,463.83	8,366.53	69,322.45
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	243.02	-	85.35	326.71	5,791.35	12,638.18	4,121.61	48.20	23,254.42

* includes deposits from corporates and unclaimed matured deposit.

** net of Impairment loss allowance.

*** excludes deposits which are shown separately and external commercial borrowings and external commercial bond which are shown separately under Foreign currency liabilities.

100 ADDITIONAL DISCLOSURES

100.01: Provisions and contingencies (Rs. in crores)

Break up of 'Provisions and contingencies' shown under the head expenditure in Profit and Loss account	Year ended March 31, 2023	Year ended March 31, 2022
Provisions for depreciation on investment	-	-
Provision towards NPA#	3,258.98	2,560.65
Provision made towards income tax ##	2,205.55	841.32
Provision for Standard Assets ###	-	-
Other Provision and contingencies	-	-
Provision towards impairment of financial instruments other than provision for stage 3 assets	900.19	1,300.21

Provision for stage 3 assets

Provision made towards income tax comprises of current tax, deferred tax and tax adjustment for earlier years.

Provision for standard assets is included in provision towards impairment of financial instruments other than provision for stage 3 assets.

100.02: Draw down from reserves

The draw down from reserves was Rs. Nil.

100.03: Concentration of Deposits, Advances, Exposures and NPAs

100.03.01: Concentration of Deposits (for deposit taking NBFCs)

	(Rs. in crores)	
Particulars	As at March 31, 2023	As at March 31, 2022
Total deposits of twenty largest depositors	921.10	760.82
Percentage of deposits of twenty largest depositors to total deposits of the NBFC	2.65%	3.75%

100.03.02: Concentration of advances

	(Rs. in crores)	
Particulars	As at March 31, 2023	As at March 31, 2022
Total advances to twenty largest borrowers *	399.15	308.66
Percentage of advances to twenty largest borrowers to total advances of the NBFC *	0.22%	0.25%

* Excludes retained interest on direct assignment Rs. 266.52 crores (March 31, 2022 Rs. 159.97 crores)

100.03.03: Concentration of exposures

	(Rs. in crores)	
Particulars	As at March 31, 2023	As at March 31, 2022
Total exposure to twenty largest borrowers/ customers *	399.15	308.66
Percentage of exposures to twenty largest borrowers/ customers to total exposure of the NBFC on borrowers/ customers *	0.22%	0.25%

* Excludes retained interest on direct assignment Rs. 266.52 crores (March 31, 2022 Rs. 159.97 crores).

100.03.04: Concentration of NPAs

	(Rs. in crores)	
Particulars	As at March 31, 2023	As at March 31, 2022
Total exposure to top four NPA accounts**	139.15	154.79

** NPA accounts refer to stage 3 assets.

100 ADDITIONAL DISCLOSURES (Contd.)

Note 101: Movement of NPAs \$

Particulars	(Rs. in crores)	
	Year ended March 31, 2023	Year ended March 31, 2022
(i) Net NPAs to net advances (%)	3.19%	3.67%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	8,887.55	8,292.81
(b) Additions during the year @	11,093.20	7,575.61
(c) Reductions during the year	(8,598.57)	(6,980.87)
(d) Closing balance	11,382.18	8,887.55
(iii) Movement of Net NPAs		
(a) Opening balance	4,446.05	4,806.68
(b) Additions during the year	7,169.14	4,038.36
(c) Reductions during the year	(5,940.28)	(4,398.99)
(d) Closing balance	5,674.91	4,446.05
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	4,441.50	3,486.13
(b) Provisions made during the year	3,924.06	3,537.25
(c) Write-off/write-back of excess provisions	(2,658.29)	(2,581.88)
(d) Closing balance	5,707.27	4,441.50

\$ NPAs refer to stage 3 assets.

@ includes Effects of business combination

102 CUSTOMER COMPLAINTS

102.01: Summary information on complaints received by the Company from customers and from the Offices of Ombudsman

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
	Complaints received by the Company from its customers		
1	Number of complaints pending at beginning of the year	62	88
2	Number of complaints received during the year *	9,837	3,449
3	Number of complaints disposed during the year	9,769	3,475
	3.1 Of which, number of complaints rejected by the Company	-	-
4	Number of complaints pending at the end of the year	130	62
	Maintainable complaints received by the Company from Office of Ombudsman		
5	Number of maintainable complaints received by the Company from Office of Ombudsman**	656	213
	5.1 Of 5, number of complaints resolved in favour of the Company by Office of Ombudsman	654	213
	5.2 Of 5, number of complaints resolved through conciliation/ mediation/ advisories issued by Office of Ombudsman	2	2
	5.3 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the Company	-	-
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

* includes 3 complaints pending as at March 31, 2022 in transferor company SCUF.

** includes 6 complaints pending as at March 31, 2023 which were resolved subsequently.

102 CUSTOMER COMPLAINTS (Contd.)

102.02: Top five grounds of Complaints received by the Company from Customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
As at March 31, 2023					
Loan Related *	47	2,883	29%	52	4
Documents Related	9	1,967	262%	23	2
Collection Related	1	1,461	1560%	14	-
Loan Settlement	1	419	424%	5	-
Policy Renewal	-	201	279%	3	-
Miscellaneous *	4	2,906	550%	33	-
Total	62	9,837	185%	130	6

* Effects of business combination (Refer note 52)

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
As at March 31, 2022					
Loan Related	59	2,238	65%	47	-
Documents Related	18	543	22%	9	-
Collection Related	2	88	38%	1	-
Loan Settlement	1	80	176%	1	-
Policy Renewal	6	53	(70%)	-	-
Miscellaneous	2	447	105%	4	-
Total	88	3,449	51%	62	-

103 OVERSEAS ASSETS (FOR THOSE WITH JOINT VENTURES AND SUBSIDIARIES ABROAD)

The Company does not have any joint venture or subsidiary abroad, hence not applicable.

104 OFF-BALANCE SHEET SPVS SPONSORED (WHICH ARE REQUIRED TO BE CONSOLIDATED AS PER ACCOUNTING NORMS)

The Company has not sponsored any off-balance sheet SPV which are required to be consolidated as per accounting norms.

105 INFORMATION ON INSTANCES OF FRAUD

Instances of fraud for the year ended March 31, 2023:

(Rs. in crores)

Nature of fraud	No. of cases	Amount of fraud	Recovery*	Amount written-off
Fraud committed by employees	3	0.41	-	-
Fraud committed by customers and outsiders	1	0.18	0.21	0.18

* includes Rs. 0.16 crores recovered from the fraud cases reported during the year ended March 31, 2015.

105 INFORMATION ON INSTANCES OF FRAUD (Contd.)

Instances of fraud for the year ended March 31, 2022: (Rs. in crores)

Nature of fraud	No. of cases	Amount of fraud	Recovery*	Amount written-off
Fraud committed by employees	2	3.14	0.01	-
Fraud committed by customers and outsiders	-	-	-	-

* includes Rs. 0.01 crores recovered from the fraud cases reported during the year ended March 31, 2020.

106 DISCLOSURE OF PENALTIES IMPOSED BY RBI AND OTHER REGULATORS

No penalties have been levied by any regulator on the Company for the financial year ended March 31, 2023 and March 31, 2022.

107 EXPOSURES

107.01: Exposure to real estate sector

(Rs. in crores)

Category	As at March 31, 2023	As at March 31, 2022
i) Direct exposure		
a) Residential Mortgages*		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented and also includes non-fund based (NFB) limits.	5,580.77	556.55
b) Commercial Real Estate*		
Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.) and also includes non-fund based (NFB) limits.	1,260.70	129.94
c) Investments in Mortgage-Backed Securities (MBS) and other securitised exposures		
i. Residential	-	-
ii. Commercial Real Estate	-	-
ii) Indirect Exposure		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	-	-
Total Exposure to Real Estate Sector	6,841.47	686.49

*Repayment of the MSME loans primarily depends on the cash flows from business operations of the borrower and are additionally secured by immovable property.

107.02: Sectoral exposure

Sectors	As at March 31, 2023			As at March 31, 2022		
	Total Exposure (Rs. in crores)	Gross NPAs (Rs. in crores)	Percentage of Gross NPAs to total exposure in that Sector	Total Exposure (Rs. in crores)	Gross NPAs (Rs. in crores)	Percentage of Gross NPAs to total exposure in that Sector
1) Agriculture and Allied Activities	-	-	-	-	-	-
2) Industry	-	-	-	-	-	-

107 EXPOSURES (Contd.)

Sectors	As at March 31, 2023			As at March 31, 2022		
	Total Exposure (Rs. in crores)	Gross NPAs (Rs. in crores)	Percentage of Gross NPAs to total exposure in that Sector	Total Exposure (Rs. in crores)	Gross NPAs (Rs. in crores)	Percentage of Gross NPAs to total exposure in that Sector
3) Services						
i) Transport Operators	153,208.66	9,737.34	6.36%	124,065.49	8,404.72	6.77%
ii) SME Loans	18,926.51	1,119.55	5.92%	1,363.81	413.55	30.32%
iii) Others	-	-	-	-	-	-
Total of Services	172,135.17	10,856.89	6.31%	125,429.30	8,818.27	7.03%
4) Personal Loan						
i) Gold loan	4,478.39	141.03	3.15%	-	-	-
ii) Others	6,724.86	384.25	5.71%	269.73	69.28	25.68%
Total of Personal Loan	11,203.25	525.29	4.69%	269.73	69.28	25.68%
5) Others, if any	-	-	-	-	-	-
TOTAL	183,338.42	11,382.18	6.21%	125,699.03	8,887.55	7.07%

107.03: Intra-group exposures

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
i) Total amount of intra-group exposures	1,587.61	13.37
ii) Total amount of top 20 intra-group exposures	1,587.61	13.37
iii) Percentage of intra-group exposures to total exposure of the Company on borrowers/ customers	0.87%	0.01%

107.04: Exposure to capital market

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt	1,664.36	37.26
ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	-	-
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-

107 EXPOSURES (Contd.)

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	-	-
v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
vii) Bridge loans to companies against expected equity flows / issues	-	-
viii) Underwriting commitments taken up by the Company in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
ix) Financing to stockbrokers for margin trading	-	-
x) All exposures to Alternative Investment Funds:		
(i) Category I	1.53	1.53
(ii) Category II	-	-
(iii) Category III	-	-
Total exposure to capital market	1,665.89	38.79

107.05: Unhedged foreign currency exposure

The Company does not have any unhedged foreign currency exposures for the financial years ended March 31, 2023 and March 31, 2022. Please refer to note 55 Risk management for the Company policies to manage currency induced risk.

107.06: Details of financing of parent company products

The Company does not have any Parent Company, hence not applicable.

107.07: Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Company has not exceeded the prudential exposure limits for Single Borrower Limit (SGL) / Group Borrower Limit (GBL) during the years ended March 31, 2023 and March 31, 2022.

107.08: Unsecured advances

The Company has not granted unsecured advances against collateral of intangible securities such as charge over the rights, licenses or authority.

108 BREACH OF COVENANT

There were no instances of default or breaches of covenant in respect of loan availed or debt securities issued during the financial years ended March 31, 2023 and March 31, 2022.

109 DIVERGENCE IN ASSET CLASSIFICATION AND PROVISIONING

The RBI has neither assessed any additional provisioning requirements in excess of 5 percent of the reported profits before tax and impairment loss on financial instruments for the financial year ended March 31, 2022, nor identified any additional Gross NPAs in excess of 5% of the reported Gross NPAs for the said period.

110 DISCONTINUED OPERATIONS

The Company had no discontinuing operations during the financial year ended March 31, 2023 and March 31, 2022.

111 WHISTLE- BLOWER COMPLAINTS

There were no whistle blower complaints received by the Company during the financial year ended March 31, 2023 and March 31, 2022.

As per our report of even date

For KKC & Associates LLP

(formerly Khimji Kunverji & Co LLP)

Chartered Accountants

ICAI Firm Registration No.: 105146W/W100621

For Sundaram & Srinivasan

Chartered Accountants

ICAI Firm Registration No.: 004207S

For and on behalf of the Board of Directors of

Shriram Finance Limited

(formerly Shriram Transport Finance Company Limited)

Devang Doshi
Partner

Membership No.: 140056
Mumbai
April 27, 2023

P Menakshi Sundaram
Partner

Membership No.: 217914
Mumbai
April 27, 2023

Jugal Kishore Mohapatra
Chairman

DIN: 03190289
New Delhi
April 27, 2023

Parag Sharma
Joint Managing Director & CFO
DIN: 02916744
Mumbai
April 27, 2023

Y. S. Chakravarti
Managing Director
& CEO
DIN: 00052308
Mumbai
April 27, 2023

U Balasundararao
Company Secretary
Mumbai
April 27, 2023

		(Rs. in crores)
(4)	Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities €	Amount Outstanding
	(i) Lease assets including lease rentals under sundry debtors :	
	(a) Financial lease	Nil
	(b) Operating lease	Nil
	(ii) Stock on hire including hire charges under sundry debtors :	
	(a) Assets on hire	Nil
	(b) Repossessed Assets	Nil
	(iii) Other loans counting towards asset financing activities : €	
	(a) Loans where assets have been repossessed	Nil
	(b) Loans other than (a) above	Nil

€ The Company has not disclosed amount outstanding under assets financing activities under note 4(iii) and included entire loan amount outstanding under note 3 as RBI has merged Asset Financing Companies, Loan Companies and Investment Companies in to a new category "NBFC - Investment and Credit Company" vide its circular no. DNBR (PD) CC. No. 097/03.10.001/2018-19 dated February 22, 2019.

		(Rs. in crores)
(5)	Break-up of Investments : \$	Amount Outstanding
	Current Investments :	
	1 Quoted :	
	(i) Shares :	
	(a) Equity	Nil
	(b) Preference	Nil
	(ii) Debentures and Bonds	Nil
	(iii) Units of Mutual Funds	Nil
	(iv) Government Securities	Nil
	(v) Others	Nil
	2 Unquoted :	
	(i) Shares:	
	(a) Equity	Nil
	(b) Preference	Nil
	(ii) Debentures and Bonds	Nil
	(iii) Units of Mutual Funds	Nil
	(iv) Government Securities	Nil
	(v) Others	Nil

		(Rs. in crores)
Assets side :		As at March 31, 2023
Break-up of Investments : \$		Amount Outstanding
Long Term Investments :		
1. Quoted :		
(i) Shares :		
(a) Equity		63.35
(b) Preference		Nil
(ii) Debentures and Bonds		Nil
(iii) Units of Mutual Funds		Nil
(iv) Government Securities		5,219.92
(v) Others		Nil
2. Unquoted :		
(i) Shares:		
(a) Equity		1,601.01
(b) Preference		Nil
(ii) Debentures and Bonds		Nil
(iii) Units of Mutual Funds		512.31
(iv) Government Securities		Nil
(v) Others		
- Venture Capital Fund		1.53
- Investment in PTC		1,166.94

\$ The Company has not disclosed the breakup of investment into Long term investment and current investment as the classification is not required under Indian Accounting Standards issued by MCA for NBFCs.

(6) **Borrower group-wise classification of assets, financed as in (3) and (4) above :**

Please see note 2 below

		(Rs. in crores)	
		Amount (Net of provisions)	
Category		Secured	Unsecured
1	Related Parties **		
	(a) Subsidiaries	Nil	Nil
	(b) Companies in the same group	Nil	Nil
	(c) Other Related Parties	Nil	Nil
2	Other than Related Parties	161,356.52	10,628.06
	Total	161,356.52	10,628.06

		(Rs. in crores)	
		As at March 31, 2023	
Category		Market Value/ Break up of fair value or NAV*	Book Value (Net of Provisions)
(7)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): \$ Please see note 3 below		
1	Related Parties **		
	(a) Subsidiaries	1,101.97	1,562.24
	(b) Companies in the same group	12.00	12.00
	(c) Other Related Parties	71.12	13.37
2	Other than Related Parties	6,855.68	6,977.45
	Total	8,040.77	8,565.06

* Disclosure is made in respect of available information.

** As per Indian Accounting Standard issued by MCA (Please see note 3)

\$ The Company has not disclosed the breakup of investment into Long term investment and current investment as the classification is not required under Indian Accounting Standards issued by MCA.

		(Rs. in crores)
Other information		Amount
(i)	Gross Non-Performing Assets ₹	
	(a) Related Parties	Nil
	(b) Other than Related Parties	11,382.18
(ii)	Net Non-Performing Assets ₹	
	(a) Related Parties	Nil
	(b) Other than Related Parties	5,674.91
(iii)	Assets acquired in satisfaction of debt	Nil

₹ NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

Notes :

- As defined in point xxvii of paragraph 3 of Chapter II of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
- Provisioning norms shall be applicable as prescribed in Indian Accounting Standards by MCA.
- All notified Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as amortised cost or at fair value (5) above.

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part A: Subsidiaries (Refer note 45)

(Rs. in crores)

Sr. No.	Particulars	
1	Name of the subsidiary	Shriram Housing Finance Limited (from April 01, 2022)
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA
4	Share capital	326.05
5	Reserves & surplus	973.14
6	Total assets	7,742.67
7	Total liabilities	6,443.48
8	Investments (included in total assets)	256.88
9	Turnover	793.63
10	Profit before taxation	169.96
11	Provision for taxation	32.21
12	Profit after taxation	137.75
13	Proposed dividend	-
14	% of shareholding	84.82%

Note:

- Names of subsidiaries which are yet to commence operations: NIL
- Names of subsidiaries which have been liquidated or sold during the year: NIL

Part B: Associates and joint venture (Refer note 45)

Sr. No.	Particulars - Associate	Shriram Automall India Limited
1	Latest audited balance sheet date	March 31, 2023
2	Shares of associate held by the Company on the year end	
	No.	13,369,565
	Amount of investment in associate (Rs. in crores)	13.37
	Extent of holding %	44.56%

Part B: Associates and joint venture (Refer note 45)

Sr. No.	Particulars - Associate	Shriram Automall India Limited
3	Description of how there is significant influence	By virtue of holdings being 20% or more - Associate Company
4	Reason why the associate is not consolidated	NA
5	Networth attributable to shareholding as per latest audited Balance Sheet (Rs. in crores) *	174.07
6	Profit/(Loss) for the year (Rs. in crores)*	
i	Considered in consolidation	8.56
ii	Not considered in consolidation	10.64

* on consolidated basis

The Company does not have any joint venture.

Note:

- Names of associates or joint ventures which are yet to commence operations: NIL
- Names of associates or joint ventures which have been liquidated or sold during the year: NIL

For and on behalf of the Board of Directors of
Shriram Finance Limited
(formerly Shriram Transport Finance Company Limited)

Jugal Kishore Mohapatra
Chairman

DIN: 03190289
New Delhi
April 27, 2023

Y. S. Chakravarti
Managing Director
& CEO

DIN: 00052308
Mumbai
April 27, 2023

Parag Sharma
Joint Managing Director
& CFO

DIN: 02916744
Mumbai
April 27, 2023

U Balasundararao
Company Secretary

Mumbai
April 27, 2023

To The Members of
Shriram Finance Limited (formerly Shriram Transport Finance Company Limited)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

1. We have audited the accompanying consolidated financial statements of Shriram Finance Limited (formerly Shriram Transport Finance Company Limited) ('the Parent') and its subsidiary (the parent and its subsidiary together referred to as 'the Group'), its associate, which comprise the consolidated balance sheet as at 31 March 2023 and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information ('the Consolidated Financial Statements').
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of such subsidiary and associate as were audited by the other auditors, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at 31 March 2023, and its consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India

('ICAI') together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained along with the consideration of audit reports of the other auditors referred to in the 'Other Matters' paragraph below is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

Emphasis of Matter

4. We draw attention to notes 52 and 72 of the Consolidated Financial Statements which state that the Composite Scheme of Arrangement and Amalgamation ("Scheme"), has been given effect to based on the Appointed date 01 April 2022 as approved by National Company Law Tribunal which is deemed to be the acquisition date for the purpose of accounting under Ind AS 103 'Business Combinations'. Our opinion on the Consolidated Financial Statements is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current year. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
6. We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Financial statement.

Key Audit Matter	How the matter was addressed in our audit								
<p>Acquisition accounting for the Composite Scheme of Arrangement and amalgamation (“Scheme”) of Shriram Capital Limited (SCL) and Shriram City Union Finance Limited (SCUF) with the Parent</p> <p>During the year, the Hon’ble National Company Law Tribunal, Chennai Bench (“NCLT”) has approved the Composite Scheme of Arrangement and Amalgamation (“Scheme”), inter alia, involving amalgamation of Shriram Capital Limited (SCL) with its Remaining undertaking with the Parent and amalgamation of Shriram City Union Finance Limited (SCUF) with its entire undertaking with the Parent, vide order dated November 9, 2022 to be read with Corrigendum order dated November 17, 2022 effective from Appointed date of the Scheme being 1 April 2022.</p> <p>Accounting for the amalgamation has involved judgment in order to:</p> <ul style="list-style-type: none"> • determine the fair value of consideration transferred; • identify and measure the fair value of the identifiable assets acquired and liabilities assumed; • allocate the purchase consideration between identifiable assets and liabilities, goodwill and intangible assets (distribution network); <p>This is a material acquisitions for the Group and given the level of estimation and judgement required, we considered it to be a key audit matter.</p> <p>The most significant judgements relate to the identification and valuation of intangible assets acquired. The identified intangible assets are the distribution network. This includes complex valuation considerations and requires the use of specialists.</p> <p>(Reference to Note 52 and 72 read with Statement of Accounting Policies Note 7.15 to the Consolidated Financial Statements)</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Scheme and the transaction from the management and identified key terms relevant to the accounting for the transaction. • Read relevant parts of the approval obtained from NCLT and assessed the Parent’s conclusion as regard business combination accounting in accordance with Ind AS 103 with respect to the amalgamation. • We tested the completeness of the identified assets and liabilities acquired by comparison to the scheme of arrangement, through discussions with the Parent. • We assessed the Parent’s determination of fair values for assets and liabilities acquired including intangible assets and the methods used to value the underlying assets by: <ul style="list-style-type: none"> ▶ reading the valuation report prepared by the appointed external valuation specialists. ▶ evaluating the competence, objectivity and integrity of the appointed external valuation specialists. ▶ Discussing with the external valuation specialists and Parent’s management the appropriateness of the methods used to determine the fair values of distribution rights including assumptions such as the discount rates applied. ▶ evaluating appropriateness of adequate disclosures in accordance with the applicable accounting standards. 								
<p>Impairment Loss Allowance of loans and advances</p> <p>(Reference to Note 13 read with Statement of Accounting Policies Note 7.1(xi) and Note No. 62 of the Other Notes forming part of Consolidated Financial Statements– Schedule to the Consolidated Financial Statements).</p> <p style="text-align: right;">(in INR Crores)</p> <table border="1" data-bbox="97 1816 603 1944"> <tr> <td>Gross Advances</td> <td style="text-align: right;">190,073.03</td> </tr> <tr> <td>Provisions*</td> <td style="text-align: right;">11,387.89</td> </tr> <tr> <td>Net Advances</td> <td style="text-align: right;">178,685.14</td> </tr> <tr> <td>COVID-19 Provisions*</td> <td style="text-align: right;">1,107.49</td> </tr> </table> <p>(*COVID-19 Provisions - towards management overlay on account of COVID-19 is included in above provisions)</p>	Gross Advances	190,073.03	Provisions*	11,387.89	Net Advances	178,685.14	COVID-19 Provisions*	1,107.49	<p>Audit Procedures included but were not limited to the following:</p> <p>Auditors of one subsidiary and we have started our audit procedures with understanding of the internal control environment related to Impairment loss allowance. Our procedures over internal controls focused on recognition and measurement of impairment loss allowance. We assessed the design and tested the operating effectiveness of the selected key controls implemented by the Company.</p> <p>Auditors of one subsidiary and we also assessed whether the impairment methodology used by the Company is in accordance with the assumptions and methodology approved by the Board of Directors of the Company which is based on and in compliance with Ind AS 109 “Financial Instruments”.</p> <p>Accordingly, Auditors of one subsidiary and we assessed the approach of the Company regarding definition of Default, Probability of Default (PD), Loss Given Default (LGD) and incorporation of forward-looking information for the calculation of ECL. For loans and advances which are assessed for impairment on a portfolio basis auditors of one subsidiary and we performed particularly the following procedures:</p>
Gross Advances	190,073.03								
Provisions*	11,387.89								
Net Advances	178,685.14								
COVID-19 Provisions*	1,107.49								

Key Audit Matter	How the matter was addressed in our audit
<p>Significant estimates and judgment involved Key Audit Matter</p> <p>Reserve Bank of India has issued Master circular and other clarifications on Income Recognition and Asset Classification and Provisioning pertaining to Advances ("IRAC"). These guidelines prescribe the prudential norms for identifying and classifying of advances as Stage 3 / NPAs.</p> <p>The Company has applied significant judgement to determine the identification and classification of such assets as Stage 3 / NPAs by applying quantitative as well as qualitative factors. The risk of identification of such assets as Stage 3 / NPAs is affected by factors like stress and liquidity concerns of such assets.</p> <p>Impairment loss allowance of loans and advances ("Impairment loss allowance") is a Key Audit Matter as the Company has significant credit risk exposure considering the large loan portfolio across a wide geographical range. The value of loans and advances on the balance sheet is significant and there is a high degree of complexity and judgment involved in estimating individual and collective credit impairment provisions, write-offs against these loans and to additionally determine the asset quality and provision of the Company. The Company's model to calculate expected credit loss ("ECL") is inherently complex and judgment is applied in determining the correct construction of the three-stage impairment model ("ECL Model") including the selection and input of forward looking information. ECL provision calculation require the use of large volumes of data. The completeness and reliability of data can significantly impact accuracy of the modelled impairment provisions. The accuracy of data flows and the implementation of related controls are critical for the integrity of the estimated impairment provisions.</p>	<ul style="list-style-type: none"> • Read the Company's policies for identification, classification and assessing compliance for Stage 3 / NPAs customers in line with the IRAC norms; • Auditors of one subsidiary and We understood the design, reliability and operating effectiveness of key data inputs and related management controls; • Auditors of one subsidiary and We performed substantial audit procedure relating to identification and classification of Stage 3 / NPAs by the company. • Auditors of one subsidiary and We tested the identification / grouping of the loan accounts mapped with the customer code as identified by the management; • Auditors of one subsidiary and We tested the exception reports generated from the company's software systems where the loan accounts have been recorded. • Auditors of one subsidiary and We performed analytical procedures to identify possible cases of evergreening of loans and tested these on sample basis. • Auditors of one subsidiary and We checked the stage classification as at the balance sheet date as per the definition of Default of the Company and Reserve Bank of India circulars issued from time to time; • Auditors of one subsidiary and We validated the ECL Model and its calculation by involving our Information Technology Expert; • Auditors of one subsidiary and We have checked on sample basis that the stage classification for the borrowers has been given in accordance with the Resolution Framework issued by Reserve Bank of India (the 'RBI') and the Board approved policy for ECL provisioning and stage classification with respect to such accounts; • Auditors of one subsidiary and We have verified whether the ECL provision is made in accordance with the Board Approved Policy in this regard; • Auditors of one subsidiary and We have also calculated the ECL provision manually for selected samples; • Auditors of one subsidiary and We have assessed the assumptions made by the Company in making accelerated provision considering forward looking information and based on an event in a particular geographical range; • With respect to management overlay made by the Company on account of the impact of COVID-19 pandemic, Auditors of one subsidiary and we broadly reviewed the underlying assumptions and estimates used by the management for the same but as the extent of impact is dependent on future developments which are highly uncertain, we have primarily relied on those assumptions and estimates. These assumptions and estimates are a subject matter of periodic review by the Company; and • Auditors of one subsidiary and We have assessed disclosure requirements for classification and identification of Stage 3/ NPAs in accordance with RBI circulars including those issued specifically issued for COVID-19 related matters. <p>For loans and advances which are written off during the year under audit, Auditors of one subsidiary and we read and understood the methodology and policy laid down and implemented by the Company in this regards along with its compliance on sample basis. We have also relied on such other audit procedures performed by the auditors of one subsidiary as disclosed under Key Audit Matter in their Independent Auditors Report.</p>

Other Information

7. The Parent's Board of Directors are responsible for the other information. The other information comprises the information included in the Parent's annual report, but does not include the Consolidated Financial Statements and our auditors' report thereon. The Other Information is expected to be made available to us after the date of this auditor's report.
8. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
9. In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done / audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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

10. The Parent's Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements, that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act.
11. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material

misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Parent, as aforesaid.

12. In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
13. The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of the Group and of its associate.

Auditor's responsibilities for the audit of the Consolidated Financial Statements

14. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.
15. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also
 - 15.1. Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - 15.2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures

that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls with reference to the Consolidated Financial Statements and the operating effectiveness of such controls.

- 15.3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- 15.4. Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- 15.5. Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 15.6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
16. We communicate with those charged with governance of the Parent and such other entities included in the

Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

17. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
18. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

19. We did not audit the financial statements of one subsidiary whose financial statements reflect total assets of Rs. 7,742.67 crores as at 31 March 2023, total revenues of Rs. 793.63 crores and net cash flows amounting to Rs. 375.77 crores for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net profit after tax of Rs. 8.56 crores for the year ended 31 March 2023, as considered in the Consolidated Financial Statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and associate and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiary and associate is based solely on the reports of the other auditors.
20. Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

21. As required by section 143(3) of the Act, based on our audit and on the consideration of audit reports of the other auditors on separate financial statements of such subsidiary and associate as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
- 21.1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
 - 21.2. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - 21.3. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
 - 21.4. In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act.
 - 21.5. On the basis of the written representations received from the directors of the Parent as on 31 March 2023, taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary company and associate company incorporated in India, none of the directors of the Group companies and its associate company incorporated in India are disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - 21.6. With respect to the adequacy of internal financial controls with reference to the Consolidated Financial Statements of the Parent, its subsidiary company and associate company incorporated in India and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'
 - 21.7. In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary company and associate company incorporated in India which were not audited by us, the remuneration paid during the current year by the Parent, its subsidiary company and associate company incorporated in India to its directors is in accordance with the provisions of Section 197 read with Schedule V to the Act.
22. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of audit reports of the other auditors on separate financial statements of such subsidiary and associate as noted in the 'Other Matters' paragraph:
- 22.1. The Consolidated Financial Statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group and its associate – Refer Note 49 to the Consolidated Financial Statements.
 - 22.2. Provision has been made in the Consolidated Financial Statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 11 to the Consolidated Financial Statements in respect of such items as it relates to the Group and its associate.
 - 22.3. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent and/or its subsidiary company and associate company incorporated in India during the year ended 31 March 2023.
 - 22.4. The respective managements of the Parent, its subsidiary and associate incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary and associate respectively, to best of their knowledge and belief, that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiary and associate to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing

or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiary and associate ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

22.5. The respective managements of the Parent, its subsidiary and associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary and associate respectively, to best of their knowledge and belief, that no funds have been received by the Parent or any of such subsidiary and associate from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiary and associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

22.6. Based on such audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by auditors of the subsidiary and associate incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or other auditors to believe that the representation under para 22.4 and 22.5 contain any material misstatement.

22.7. In our opinion and according to the information and explanations given to us,

- a) The final dividend paid by the associate, during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.
 - b) The interim dividend declared and paid by the Group during the year and until the date of this report is in compliance with Section 123 of the Act.
 - c) As stated in Note 31 to the Consolidated Financial Statements, the Board of Directors of the Parent have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
23. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Group only w.e.f. 01 April 2023, reporting under this clause is not applicable.
24. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ('CARO') issued by Central Government in terms of Section 143(11) of the Act, to be included in Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and based on our consideration of CARO reports issued by respective auditors of the companies included in Consolidated Financial Statements, we report that there are no qualifications or adverse remarks in these CARO reports.

For **Sundaram & Srinivasan**
Chartered Accountants

Firm Registration Number - 004207S

P Menakshi Sundaram

Partner

ICAI Membership Number: 217914

UDIN: 23217914BGWPCF5016

Place: Mumbai

Date: 27 April 2023

For **KKC & Associates LLP**

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

Firm Registration Number: 105146W/W100621

Devang Doshi

Partner

ICAI Membership Number: 140056

UDIN: 23140056BGZQQO3540

Place: Mumbai

Date: 27 April 2023

Annexure 'A' to the Independent Auditors' report on the Consolidated Financial Statements of Shriram Finance Limited (formerly Shriram Transport Finance Company Limited) for the year ended 31 March 2023

(Referred to in paragraph '21.6' under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to the aforesaid Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**Opinion**

1. We have audited the internal financial controls with reference to the Consolidated Financial Statements of Shriram Finance Limited (formerly Shriram Transport Finance Company Limited) ('the Parent Company') and its subsidiary company and its associate company for the year ended 31 March 2023 in conjunction with our audit of the Consolidated Financial statements, which are companies incorporated in India, as of that date.
2. In our opinion, the Parent Company, its subsidiary and associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to the Consolidated Financial Statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal controls over financial reporting criteria established by the respective companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('the Guidance Note').

Management's responsibility for Internal Financial Controls

3. The respective Board of Directors of the Parent Company, its subsidiary and associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to Consolidated Financial Statements based on the internal controls over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and

maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

4. Our responsibility is to express an opinion on the Parent Company, its subsidiary and associate, which are companies incorporated in India, internal financial controls with reference to the Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('SA'), prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Consolidated Financial Statements. Those SAs and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Consolidated Financial Statements were established and maintained and if such controls operated effectively in all material respects.
5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to the Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.
6. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide

a basis for our audit opinion on the internal financial controls with reference to the Consolidated Financial Statements.

Meaning of Internal Financial controls with reference to the Consolidated Financial Statements

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

company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to the Consolidated Financial Statements

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

Other Matters

9. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls system with reference to the Consolidated Financial Statements in so far as it relates to one subsidiary company and one associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary and associate incorporated in India.

For **Sundaram & Srinivasan**

Chartered Accountants

Firm Registration Number - 004207S

P Menakshi Sundaram

Partner

ICAI Membership Number: 217914

UDIN: 23217914BGWPCF5016

Place: Mumbai

Date: 27 April 2023

For **KKC & Associates LLP**

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

Firm Registration Number: 105146W/W100621

Devang Doshi

Partner

ICAI Membership Number: 140056

UDIN: 23140056BGZQQO3540

Place: Mumbai

Date: 27 April 2023

(Rs. in crores)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	9	9,932.84	10,662.44
(b) Bank balance other than (a) above	10	6,374.11	5,692.72
(c) Derivative financial instruments	11	669.37	201.40
(d) Receivables	12		
(I) Trade receivables		17.00	5.35
(II) Other receivables		429.69	190.49
(e) Loans	13	178,685.14	116,665.15
(f) Investments	14	7,430.07	6,971.23
(g) Other financial assets	15	77.47	51.45
Total financial assets		203,615.69	140,440.23
(2) Non-financial assets			
(a) Current tax assets (net)	16	728.26	228.24
(b) Deferred tax assets	44	1,981.51	869.38
(c) Investment property	17	2.62	1.97
(d) Property, plant and equipment	18	223.19	110.56
(e) Right-of-use assets	19	528.30	302.52
(f) Intangible assets under development	20A	66.08	-
(g) Goodwill	20B	1,740.94	-
(h) Other intangible assets	20B	1,218.46	3.04
(i) Other non-financial assets	21	495.10	312.22
Total non-financial assets		6,984.46	1,827.93
Total assets		210,600.15	142,268.16
LIABILITIES AND EQUITY			
Liabilities			
(1) Financial liabilities			
(a) Payables	22		
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	0.02
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		313.19	166.01
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		0.36	1.46
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1.09	1.21
(b) Debt securities	23	44,924.03	41,256.55
(c) Borrowings (other than debt securities)	24	78,544.75	46,676.93
(d) Deposits	25	36,139.83	21,948.98
(e) Subordinated liabilities	26	4,593.63	4,614.25
(f) Lease liabilities	19	602.08	349.43
(g) Other financial liabilities	27	1,073.82	859.64
Total financial liabilities		166,192.78	115,874.48
(2) Non-financial liabilities			
(a) Current tax liabilities (net)	28	160.89	36.82
(b) Deferred tax liabilities	44	27.46	-
(c) Provisions	29	214.50	138.18
(d) Other non-financial liabilities	30	204.98	124.42
Total non-financial liabilities		607.83	299.42
Total liabilities		166,800.61	116,173.90
(3) Equity			
(a) Equity share capital	31	374.43	270.52
(b) Other equity	32	43,138.43	25,823.74
Total equity		43,512.86	26,094.26
Non-controlling interest		286.68	-
Total liabilities and equity		210,600.15	142,268.16

See accompanying notes to the financial statements

As per our report of even date

For KKC & Associates LLP

(formerly Khimji Kunverji & Co LLP)

Chartered Accountants

ICAI Firm Registration No.: 105146W/W100621

For Sundaram & Srinivasan

Chartered Accountants

ICAI Firm Registration No.: 004207S

For and on behalf of the Board of Directors of

Shriram Finance Limited

(formerly Shriram Transport Finance Company Limited)

Devang Doshi
Partner

Membership No.: 140056
Mumbai
April 27, 2023

P Menakshi Sundaram
Partner

Membership No.: 217914
Mumbai
April 27, 2023

Jugal Kishore Mohapatra
Chairman

DIN: 03190289
New Delhi
April 27, 2023

Y. S. Chakravarti
Managing Director &
CEO

DIN: 00052308
Mumbai
April 27, 2023

Parag Sharma
Joint Managing Director & CFO
DIN: 02916744
Mumbai
April 27, 2023

U Balasundararao
Company Secretary

Mumbai
April 27, 2023

CONSOLIDATED STATEMENT OF **PROFIT AND LOSS**
FOR THE YEAR ENDED MARCH 31, 2023

CONSOLIDATED ACCOUNTS

(Rs. in crores)

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from operations			
(i) Interest income	33	29,205.87	18,646.26
(ii) Dividend income		6.52	-
(iii) Rental income		0.24	0.17
(iv) Fees and commission income	34	266.57	100.08
(v) Net gain on fair value changes	35	363.80	221.70
(vi) Net gain on derecognition of financial instruments under amortised cost category		279.51	217.74
(vii) Other operating income	36	354.27	69.22
(I) Total Revenue from operations		30,476.78	19,255.17
(II) Other Income	37	31.61	19.06
(III) Total Income (I + II)		30,508.39	19,274.23
Expenses			
(i) Finance cost	38	12,931.27	9,734.31
(ii) Fees and commission expenses	39	313.25	91.74
(iii) Impairment on financial instruments	40	4,169.06	3,860.86
(iv) Employee benefits expenses	41	2,636.42	997.09
(v) Depreciation, amortisation and impairment (Refer note 17, 18 and 20)	42	600.69	135.37
(vi) Other expenses	43	1,643.98	905.61
(IV) Total Expenses		22,294.67	15,724.98
(V) Profit before exceptional items and tax (III - IV)		8,213.72	3,549.25
(VI) Exceptional items		-	-
(VII) Profit before tax (V+ VI)		8,213.72	3,549.25
(VIII) Tax expense:			
(1) Current tax	44	2,911.40	1,112.57
(2) Deferred tax	44	(720.73)	(188.93)
(3) Tax adjustment for earlier years	44	11.58	(82.32)
(IX) Profit for the year from continuing operations (VII - VIII)		6,011.47	2,707.93
(X) Share of profit of associate		8.56	13.17
(XI) Profit for the year		6,020.03	2,721.10
(XII) Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) on defined benefit plan		(8.51)	(3.24)
Gain / (loss) on Fair valuation of quoted investments in equity shares		(11.80)	-
Share of other comprehensive income from associates		(0.35)	(0.03)
(ii) Income tax relating to items that will not be reclassified to profit or loss		5.11	0.82
Tax on share of other comprehensive income from associates		0.09	0.01
Subtotal (A)		(15.46)	(2.44)
B (i) Items that will be reclassified to profit or loss			
Cash flow hedge reserve			
Gain/(loss) on effective portion of hedging instruments in a cash flow hedge		(14.73)	(160.87)
(ii) Income tax relating to items that will be reclassified to profit or loss		3.71	40.49
Subtotal (B)		(11.02)	(120.38)
Other comprehensive income (A + B)		(26.48)	(122.82)
(XIII) Total Comprehensive income for the year (XI + XII)		5,993.55	2,598.28
(XIV) Profit / (Loss) for the year attributable to			
- Owners of the Company		6,011.04	-
- Non - Controlling Interests		8.99	-
(XV) Other comprehensive income / (loss) for the year attributable to			
- Owners of the Company		(26.42)	-
- Non - Controlling Interests		(0.06)	-
(XVI) Total comprehensive income / (loss) for the year attributable to			
- Owners of the Company		5,984.62	-
- Non - Controlling Interests		8.93	-
(XVII) Earnings per equity share (face value Rs. 10/- per equity share)	45		
Basic (Rs.)		160.54	102.23
Diluted (Rs.)		159.83	102.23

See accompanying notes to the financial statements

As per our report of even date

For KKC & Associates LLP
(formerly Khimji Kunverji & Co LLP)
Chartered Accountants
ICAI Firm Registration No.: 105146W/W100621

For Sundaram & Srinivasan

Chartered Accountants
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For and on behalf of the Board of Directors of

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Partner

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Joint Managing Director & CFO
DIN: 02916744
Mumbai
April 27, 2023

U Balasundararao
Company Secretary
Mumbai
April 27, 2023

A. Equity Share Capital

(1) Current Reporting Period

	(Rs. in crores)		
	Balance at the beginning of the current reporting period	Changes in equity share capital during the current reporting period (Refer note 52)	Balance at the end of the current reporting period
As at March 31, 2022	270.52	103.91	374.43
As at March 31, 2023	270.52	103.91	374.43

(2) Previous Reporting Period

	(Rs. in crores)		
	Balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
As at March 31, 2021	253.06	17.46	270.52
As at March 31, 2022	253.06	17.46	270.52

B. Other Equity

(1) Current Reporting Period

Particulars	Reserves And Surplus										Total	Non Controlling Interest						
	Share Application Money Pending Allotment	Capital Reserve	Securities Premium	Statutory reserve (Pursuant to Section 45-IC of The RBI Act, 1934)	Statutory reserve (Pursuant to Section 29C of the NHB Act, 1987)	Debt redemption reserve #	Capital redemption reserve	General reserve	Other Reserves	Remeasurement gain/(loss) on defined benefit Plan			Retained earnings	Share Options Outstanding	Amalgamation Adjustment Reserves	Other Comprehensive Income	Gain/(loss) on fair valuation of investments in equity shares	Effective portion of cash flow hedges
Balance at the beginning of the Current Reporting Period (As at April 1, 2022)	-	27.64	5,662.38	4,707.98	-	307.28	53.88	2,934.07	(11.56)	12,355.47	-	-	(1,706.81)	-	(213.40)	-	-	25,823.74
Changes in Accounting Policy/ Prior Period Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effects of business combination (Refer note 52)	-	76.93	-	1,706.81	56.11	-	-	-	-	-	-	(1,706.81)	-	-	-	-	-	133.04
Restated balance at the beginning of the Current Reporting Period	-	104.57	5,662.38	6,414.79	56.11	307.28	53.88	2,934.07	(11.56)	12,355.47	-	(1,706.81)	-	(213.40)	-	-	-	25,956.78
Profit for the year	-	-	-	-	-	-	-	-	-	6,011.04	-	-	-	-	-	-	-	6,011.04
Other Comprehensive income for the year	-	-	-	-	-	-	-	-	(5.83)	-	-	-	-	(8.83)	(11.02)	-	-	(25.68)
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	(5.83)	6,011.04	-	-	-	(8.83)	(11.02)	-	-	5,985.36
Dividends (interim)	-	-	-	-	-	-	-	-	-	(561.64)	-	-	-	-	-	-	-	(561.64)
Transferred to/ (from) (Refer Note 32 - Other Equity)	-	-	-	1,195.87	23.42	111.85	-	597.94	-	(2,104.92)	86.47	-	-	-	-	-	-	(89.37)

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

CONSOLIDATED ACCOUNTS

Particulars	Reserves And Surplus										Other Comprehensive Income	Money Received Against Share Warrants	Total	Non Controlling Interest			
	Share Application Money Pending Allotment	Capital Reserve	Securities Premium					Other Reserves							Gain/(loss) on fair valuation of investments in equity shares	Effective portion of cash flow hedges	
			Statutory reserve (Pursuant to Section 45-1C of the RBI NHB Act, 1987)	Statutory reserve (Pursuant to Section 29C of the RBI NHB Act, 1987)	Debt redemption reserve #	Capital redemption reserve	General reserve	Remeasurement gain/(loss) on defined benefit Plan	Retained earnings	Share Options outstanding							Amalgamation Adjustment Reserves
Any Other Change:																	
Securities Premium proceeds received on issue of Equity Shares (Refer Note 31 - Equity and Note 32 - Other Equity)	-	-	11,733.89	-	-	-	-	-	-	-	-	-	-	-	-	11,733.89	-
Expenses on Employee Stock Option Plan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	167.63	-
Exercise of Employee Stock Option Plan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(54.22)	-	0.77
Movement of dilution on account of SHPL ESOP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.68
Transferred to/ (from) (Refer note 32) on account of share forfeiture	-	-	-	-	-	-	0.04	-	-	-	-	-	-	-	(0.04)	-	-
Balance at the end of the Current Reporting Period (As at March 31, 2023)	-	104.57	17,396.27	7,610.66	79.53	419.13	53.88	3,532.05	(17.39)	15,699.95	199.84	(1,706.81)	(8.83)	(224.42)	-	43,138.43	286.68

(2) **Previous reporting period**

Particulars	Reserves and Surplus										Other Comprehensive Income	Money Received Against Share Warrants	Total	Non Controlling Interest			
	Share application money pending allotment	Capital reserve	Securities Premium					Other Reserves							Gain/(loss) on fair valuation of investments in equity shares	Effective portion of cash flow hedges	
			Statutory reserve (Pursuant to Section 45-1C of the RBI NHB Act, 1987)	Statutory reserve (Pursuant to Section 29C of the RBI NHB Act, 1987)	Debt redemption reserve #	Capital redemption reserve	General reserve	Remeasurement gain/(loss) on defined benefit Plan	Retained earnings	Share Options outstanding							Amalgamation Adjustment Reserves
Balance at the beginning of the previous reporting period (as at April 1, 2021)	-	27.64	3,201.27	4,166.39	-	921.41	53.88	2,663.27	(9.12)	10,532.51	-	-	(93.02)	-	21,464.23	-	
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the Previous Reporting Period	-	27.64	3,201.27	4,166.39	-	921.41	53.88	2,663.27	(9.12)	10,532.51	-	-	(93.02)	-	21,464.23	-	
Profit for the year	-	-	-	-	-	-	-	-	(2.44)	2,721.10	-	-	-	-	2,721.10	-	
Other comprehensive income for the year	-	-	-	-	-	-	-	-	(2.44)	-	-	-	(120.38)	-	(122.82)	-	
Total comprehensive income for the year	-	-	-	-	-	-	-	-	(2.44)	2,721.10	-	-	(120.38)	-	2,598.28	-	

Particulars	Reserves and Surplus										Money Received Against Share Warrants	Total	Non Controlling Interest	
	Share application money pending allotment	Capital reserve	Securities Premium	Other Reserves						Other Comprehensive Income				
				Statutory reserve (Pursuant to Section 45-IC of the RBI Act, 1934)	Statutory reserve (Pursuant to Section 29C of the NHB Act, 1987)	Debt redemption reserve #	Capital redemption reserve	General reserve	Remeasurement gain/(loss) on defined benefit Plan	Retained earnings				Share Options outstanding
Dividends (interim)	-	-	-	-	-	-	-	-	-	-	(539.65)	-	(539.65)	-
Dividends (final for the year ended March 31, 2021)	-	-	-	-	-	-	-	-	-	-	(160.23)	-	(160.23)	-
Transferred to/ (from) (Refer Note 32 - Other equity)	-	-	-	-	270.80	(614.13)	-	-	-	-	(198.26)	-	-	-
Any other change:														
Securities premium	-	-	2,482.54	-	-	-	-	-	-	-	-	-	2,482.54	-
Proceeds received on issue of Equity Shares (Refer Note 31 - Equity and Note 32 - Other equity)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share issue expenses (Refer Note 31 - Equity and Note 32 - Other equity)	-	-	(21.43)	-	-	-	-	-	-	-	-	-	(21.43)	-
Money received against share warrants	-	-	-	-	-	-	-	-	-	-	-	250.00	250.00	-
Shares allotted during the year	-	-	-	-	-	-	-	-	-	-	-	(250.00)	(250.00)	-
Balance at the end of the previous reporting period (as at March 31, 2022)	-	27.64	5,662.38	4,707.98	-	307.28	53.88	2,934.07	(11.56)	12,355.47	-	(213.40)	-	25,823.74

Refer note 32 - Other equity
See accompanying notes to the financial statements

As per our report of even date
For KKC & Associates LLP
(formerly Khimji Kunverji & Co LLP)

Chartered Accountants
ICAI Firm Registration No.: 105146W/W100621

Devang Doshi
Partner
Membership No.: 140056
Mumbai
April 27, 2023

For Sundaram & Srinivasan

Chartered Accountants
ICAI Firm Registration No.: 0042075

P Menakshi Sundaram
Partner
Membership No.: 217914
Mumbai
April 27, 2023

For and on behalf of the Board of Directors of

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Jugal Kishore Mohapatra
Chairman
DIN: 03190289
New Delhi
April 27, 2023

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Managing Director & CEO
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Parag Sharma
Joint Managing Director & CFO
DIN: 02916744
Mumbai
April 27, 2023

U Balasundararao
Company Secretary
Mumbai
April 27, 2023

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2023

CONSOLIDATED ACCOUNTS

Particulars	(Rs. in crores)	
	Year ended March 31, 2023	Year ended March 31, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	8,213.72	3,549.25
Depreciation, amortisation and impairment	600.69	135.37
Interest on income tax refund	(14.66)	-
Share based payments to employees	168.03	-
Interest income on loans	(28,079.03)	(18,054.67)
Finance costs	12,938.04	9,734.31
Loss/(profit) on sale of property plant and equipments (net)	1.00	0.79
Fair value adjustments to investments	1.85	-
Impairment on loans	4,132.75	3,865.02
Impairment on investments	4.70	(2.00)
Impairment on undrawn loan commitment	(0.40)	(4.00)
Impairment on other assets	32.01	1.84
Net (gain)/loss on fair value changes on investment	(397.35)	(236.83)
Net (gain)/loss on fair value changes on direct assignment	33.55	15.13
Net gain on derecognition of financial instruments under amortised cost category	(279.51)	217.74
Cash inflow from interest on loans	26,902.11	18,006.70
Cash outflow towards finance costs	(11,555.67)	(8,588.09)
Operating profit before working capital changes	12,701.83	8,640.56
Movements in Working capital:		
Decrease/(increase) in loans	(29,538.15)	(12,179.16)
Decrease/(increase) in investments	1,355.72	(3,372.48)
Decrease/(increase) in receivables	173.39	(369.88)
Decrease/(increase) in bank deposits	776.09	(301.83)
Decrease/(increase) in other financial assets	(45.65)	(4.26)
Decrease/(increase) in other non-financial assets	110.00	(16.85)
Increase/(decrease) in payables	66.16	13.51
Increase/(decrease) in other financial liabilities	(16.15)	(138.25)
Increase/(decrease) in non-financial liabilities	2.58	25.16
Increase/(decrease) other provision	55.50	(3.60)
Cash used in operations	(14,358.68)	(7,707.08)
Direct taxes paid (net of refunds)	(3,266.57)	(1,151.94)
Net cash flows from/(used in) operating activities (A)	(17,625.25)	(8,859.02)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(196.59)	(35.75)
Proceeds from sale of property, plant and equipment and intangible assets	3.55	1.42
Net cash generated from/(used in) investing activities (B)	(193.04)	(34.33)

Particulars	(Rs. in crores)	
	Year ended March 31, 2023	Year ended March 31, 2022
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital (including share premium and net of share issue expenses)	12.93	2,478.57
Proceeds/(repayment) on settlement of derivative contracts	(467.41)	(32.15)
Proceeds from sale of security receipts	1.76	-
Increase / (decrease) in Fixed deposits (net)	6,778.56	5,443.14
Amounts received from debt securities	10,054.43	16,637.86
Repayments of debt securities	(14,134.87)	(16,203.36)
Proceeds/(repayment) of subordinated debts	(66.34)	(50.32)
Amounts received from borrowings other than debt securities	64,820.16	41,477.93
Repayments of borrowings other than debt securities	(54,415.28)	(40,280.10)
Payment of Lease Liabilities	(201.63)	(114.90)
Dividend paid	(562.80)	(851.81)
Net cash flows from financing activities (C)	11,819.51	8,504.86
Net increase in cash and cash equivalents (A+B+C)	(5,998.78)	(388.49)
Cash and cash equivalents at the beginning of the year	10,662.44	11,050.93
Cash and bank balances taken over on account of amalgamation	5,269.18	-
Cash and cash equivalents at the end of the year	9,932.84	10,662.44

Components of cash and cash equivalents	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents at the end of the year		
i) Cash on hand	153.43	95.05
ii) Cheques on hand	4.87	5.56
iii) Balances with banks (of the nature of cash and cash equivalents)	4,144.56	2,654.78
iv) Call Money (CBLO)	499.72	3,198.60
v) Bank deposit with original maturity upto three months or less	5,130.26	4,708.45
Total	9,932.84	10,662.44

The above Cash flow statement has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'. See accompanying notes to the financial statements

As per our report of even date

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April 27, 2023

1 REPORTING ENTITY

Shriram Finance Limited (formerly known as Shriram Transport Finance Company Limited) ('the Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its equity shares and non-convertible debentures are listed on BSE Limited and National Stock Exchange of India Limited.

The Company is registered with the Reserve Bank of India (RBI), Ministry of Corporate Affairs (MCA) and Insurance Regulatory and Development Authority of India (IRDA). The registration details are as follows:

RBI	07-00459
Corporate Identity Number (CIN)	L65191TN1979PLC007874
IRDA	CA0197

Shriram Capital Private Limited (formerly Shriram Financial Ventures (Chennai) Private Limited) and Shriram Ownership Trust are the Promoters of the Company. The Company is a Deposit Accepting Non-Banking Finance Company ('NBFC'), NBFC-Investment and Credit Company (NBFC-ICC) holding a Certificate of Registration from the RBI dated April 17, 2007 which was endorsed in the new name on January 31, 2023. The RBI, under Scale Based Regulations (SBR) had categorised the Company in Upper Layer (NBFC-UL) vide its circular dated September 30, 2022.

The registered office of the Company is Sri Towers, 14A, South Phase, Industrial Estate, Guindy, Chennai, Tamil Nadu- 600 032. The principal place of business is Wockhardt Towers, West Wing, Level-3, C-2, G-Block, Bandra - Kurla Complex, Bandra (East), Mumbai, Maharashtra - 400 051.

The Company is primarily engaged in the business of financing commercial vehicles, passenger vehicles, construction equipment, farm equipment, micro, small and medium enterprises, two-wheelers, gold and personal loans. The subsidiary of the Company is primarily engaged in the business of providing loans for construction or purchase of residential property and loans against property. The associate of the Company is a market leader in physical bidding for acquisition and disposal of pre-owned vehicles and equipment.

Pursuant to the Hon'ble National Company Law Tribunal, Chennai Bench ("NCLT") approval of the Composite Scheme of Arrangement and Amalgamation, Shriram Capital Limited (SCL) with its remaining undertaking and Shriram City Union Finance Limited (SCUF) with its entire undertaking amalgamated with the Company.

The Consolidated financial statements of the Company for the year ended March 31, 2023 were approved for issue in accordance with the resolution of the Board of Directors on April 27, 2023.

2 BASIS OF PREPARATION

The Consolidated financial statements relate to M/s. Shriram Finance Limited (the "Company"), its subsidiary and its associate (together hereinafter referred to as "the Group"). The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under the Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Companies Act, 2013. The Consolidated financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards, except for the assets and liabilities acquired under business combination are measured at fair value. The consolidated financial statements have been prepared as per the guidelines issued by the RBI as applicable to a NBFCs and other accounting principles generally accepted in India. Any applicable guidance / clarifications / directions issued by RBI or other regulators are implemented as and when they are issued / applicable.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use (refer note 7.1 (xi)).

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Group are discussed in Note 8-Significant accounting judgements, estimates and assumptions.

The Consolidated financial statements are presented in Indian Rupees in crores (INR crores or Rs. in crores) which is also the functional currency of the Group and all values are rounded to the nearest crores, except when otherwise indicated.

3 BASIS OF CONSOLIDATION

- The financial statements of the subsidiary and associate company used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended March 31, 2023 and are prepared based on the accounting policies consistent with those used by the Group.

- (ii) The financial statements of the Group have been prepared in accordance with the Ind AS 110 - 'Consolidated Financial Statements' as per the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under Section 133 of the Companies Act, 2013 ("the Act") and the other relevant provisions of the Act.
- (iii) The consolidated financial statements have been prepared on the following basis:
- The financial statements of the Company and its subsidiary has been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions have been fully eliminated except where losses are realised.
 - The financial statements of subsidiaries acquired or disposed off during the year are included in the consolidated Statement of Profit and Loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.
 - Non-controlling interest, if any, in the net assets of consolidated subsidiary consists of the amount of equity attributable to the non-controlling shareholders at the dates on which investments are made by the Group in the subsidiary and further movements in their share in the equity, subsequent to the dates of investments as stated above.
 - Investment made by the Company in an associate company is accounted under the equity method, in accordance with the Indian Accounting Standard 28 on 'Investments in Associates and Joint Ventures'.
 - The policies of the subsidiary and associate company are consistent with those of the Company.
- (iv) The subsidiary and associate company considered in the consolidated financial statements are as below :

Name	Relationship	Country of incorporation	Share of ownership interest as at March 31, 2023	Share of ownership interest as at March 31, 2022
Shriram Housing Finance Limited (SHFL) (Refer Note 52)	Subsidiary	India	84.82%	-
Shriram Automall India Limited (SAMIL)	Associate	India	44.56%	44.56%

4 PRESENTATION OF FINANCIAL STATEMENT

The Consolidated financial statements of the Group are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to Non-banking Finance Companies (NBFCs), as notified by the MCA. The Statement of Cash Flows is presented as per the requirements of Ind-AS 7 Statement of Cash Flows. The Group classifies its assets and liabilities as financial and non-financial and presents them in the order of liquidity. An analysis regarding expected recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in notes to the financial statements. Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Group and its associate and/or its counterparties

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

5 STATEMENT OF COMPLIANCE

These Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under Section 133 of the Companies Act, 2013 and the other relevant provisions of the Act.

The Group have consistently applied accounting policies to all the periods except for note 7.1 (xi).

6 NEW ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE /RECENT ACCOUNTING DEVELOPMENTS

MCA notifies new standards or amendments to the existing standards. During the year ended March 31, 2023, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022 which was effective from April 01, 2022.

7 SIGNIFICANT ACCOUNTING POLICIES

7.1 Financial instruments

(i) Classification of financial instruments

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

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

The classification depends on the contractual terms of the cashflows of the financial assets and the Group's business model for managing financial assets which are explained below:

Business model assessment

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

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

- ▶ How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.
- ▶ The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed.
- ▶ How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- ▶ The expected frequency, value and timing of sales are also important aspects of the Group's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.
- ▶ At initial recognition of a financial asset, the Group determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Group reassesses its business models each reporting period to determine whether the business model/ (s) have changed since the preceding period. For the current and prior reporting period the Group has not identified a change in its business model.

The Solely Payments of Principal and Interest (SPPI) test

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

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

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

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

(ii) Financial assets measured at amortised costDebt instruments

These financial assets comprise bank balances, loans, trade receivables, investments and other financial assets.

Debt instruments are measured at amortised cost where they have:

- a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
- b) are held within a business model whose objective is achieved by holding to collect contractual cash flows.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost. However, trade receivables that do not contain a significant financing component are initially measured at transaction price.

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

Investments in debt instruments are measured at fair value through other comprehensive income where they have:

- a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
- b) are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

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

Equity instruments

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Group in a business combination to which Ind AS 103 'Business Combination' applies, are measured at fair value through other comprehensive income, where an irrevocable election has been made by management and when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation. Such classification is determined on an instrument-by-instrument basis. Amounts presented in other comprehensive income are not subsequently transferred to the Statement of Profit and Loss. Dividends on such investments are recognised in the Statement of Profit and Loss.

(iv) Financial instruments measured at fair value through profit or loss

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;
- Items specifically designated as fair value through profit or loss on initial recognition; and
- Debt instruments with contractual terms that do not represent solely payments of principal and interest.

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

Financial instruments held for trading

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

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

Financial instruments specifically designated as measured at fair value through profit or loss

Upon initial recognition, financial instruments may be designated as measured at fair value through profit or loss. A financial asset may only be designated at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistencies (i.e. eliminates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on a different basis.

As at the reporting date the Company does not have any financial instruments specifically designated as measured at fair value through profit or loss.

Debt instruments with contractual terms that do not represent solely payments of principal and interest

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

As at the reporting date the Company does not have any debt instruments measured at fair value through profit or loss.

Equity Investments

Investment in Associate is carried at cost in the Separate Financial Statements as permitted under Ind AS 27. The Company has accounted for its investment in subsidiary at fair value at the time of acquisition due to business combination. The investment is subsequently measured at cost.

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

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

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

(v) **Derivatives**

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

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

The Group enters into derivative transactions with various counterparties to hedge its foreign currency risks and interest rate risks. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Group undertakes derivative transactions for hedging on-balance sheet liabilities.

Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The notional amount and fair value of such derivatives are disclosed separately. Changes in the fair value of derivatives are included in net gain on fair value changes.

Hedge accounting

The Group has adopted hedge accounting. The Group makes use of derivative instruments to manage exposures to interest rate risk and foreign currency risk. In order to manage particular risks, the Group applies hedge accounting for transactions that meet specified criteria. The Group has formally designated and documented the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Group would assess

the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the criteria for hedge accounting and qualify as cash flow hedges are accounted as follows:

Cash flow hedge:

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability and could affect the Statement of profit and loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in other comprehensive income as cash flow hedge reserve. The ineffective portion of the gain or loss on the hedging instrument is recognised immediately as finance cost in the Statement of profit and loss. When the hedged cash flow affects the Statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the Statement of profit and loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the Statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the Statement of profit and loss.

(vi) Embedded Derivatives

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract.

(vii) Debt securities and other borrowed funds

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

(viii) Financial guarantees

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

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

(ix) Reclassification of financial assets and liabilities

The Group does not reclassify its financial assets subsequent to their initial recognition. Financial liabilities are never reclassified. The Group did not reclassify any of its financial assets or liabilities for the year ended March 31, 2023.

(x) Recognition and Derecognition of financial assets and liabilities

Recognition:

- a) Loans and Advances are initially recognised when the funds are transferred to the customers' account or delivery of assets by the dealer, whichever is earlier.
- b) Investments are initially recognised on the settlement date.
- c) Debt securities, deposits and borrowings are initially recognised when funds reach the Group.
- d) Other Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace.

Derecognition of financial assets due to substantial modification of terms and conditions:

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be Purchased or Originated as Credit Impaired (POCI).

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Derecognition of financial assets other than due to substantial modification

a) Financial assets:

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

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

- i. The Group has transferred its contractual rights to receive cash flows from the financial asset, or
- ii. It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

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

- i. The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- ii. The Group cannot sell or pledge the original asset other than as security to the eventual recipients.
- iii. The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- i. The Group has transferred substantially all the risks and rewards of the asset, or
- ii. The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the Statement of profit and loss. Accordingly, gain or loss on sale or derecognition of assigned portfolio are recorded upfront in the Statement of profit and loss as per Ind AS 109. Also, the Group recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset. As per the guidelines of RBI, the Group is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ("MRR"). Therefore, it continues to recognise the portion retained by it as MRR.

b) Financial liabilities

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

(xi) Impairment of financial assets**Overview of the ECL principles**

The Group records allowance for expected credit losses for all loans, other financial assets not held at fair value through profit or loss (FVTPL), together with financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

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

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

Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. . The Company has grouped its loan portfolio into Secured Loans for New Vehicles, Secured Loans for Used Vehicles, Gold loans, MSME Loans , Two Wheelers Loans and Personal Loans.

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

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

Stage 1

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

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. 30 Days Past Due is considered as significant increase in credit risk.

Stage 3

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

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

In line with Reserve Bank of India Master Circular on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances and Clarifications dated November 12, 2021 borrower accounts shall be flagged as overdue as part of the day-end processes for the due date, irrespective of the time of running such processes. Similarly, classification of borrower accounts as Non-Performing Asset / Stage 3 shall be done as part of day-end process for the relevant date i.e. more than 90 days overdue and NPA/Stage 3 classification date shall be the calendar date for which the day end process is run. In other words, the date of Non-Performing Asset / Stage 3 shall reflect the asset classification status of an account at the day-end of that calendar date.

The Group has carried out the requirement in line with Reserve Bank of India Clarification and accordingly the change in accounting policy is effective financial year 2021-22 and impact on financials is disclosed in note 76.

Upgradation of accounts classified as Stage 3/Non-performing assets (NPA) - The Group upgrades loan accounts classified as Stage 3/NPA to 'standard' asset category only if the entire arrears of interest, principal and other amount are paid by the borrower and there is no change in the accounting policy followed by the Group in this regard. With regard to upgradation of accounts classified as NPA due to restructuring, the instructions as specified for such cases as per the said RBI guidelines shall continue to be applicable.

Credit-impaired financial assets:

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

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

- a. Significant financial difficulty of the borrower or issuer;
- b. A breach of contract such as a default or past due event;
- c. The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- d. It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- e. The disappearance of an active market for a security because of financial difficulties.

ECL on Investment in Government securities:

The Group has invested in Government of India loans. Investment in Government securities are classified under stage 1. No ECL has been applied on these investments as there is no history of delay in servicing of interest/repayments. The Group does not expect any delay in interest/redemption servicing in future.

ECL on Loans secured by the Company's fixed deposit

No ECL has been applied on loans given against the Company's fixed deposit as they are fully secured by the Company's fixed deposits.

Simplified approach for trade/other receivables and contract assets

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade/other receivables that do not contain a significant financing component. The application of simplified approach does not require the Group to track changes in credit risk. It recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. At every reporting date, the historical observed default rates are updated for changes in the forward-looking estimates. For trade receivables that contain a significant financing component a general approach is followed.

Financial guarantee contracts

The Group's liability under financial guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the Statement of profit and loss, and the ECL provision. For this purpose, the Group estimates ECLs by applying a credit conversion factor. The ECLs related to financial guarantee contracts, if any, are recognised within Provisions.

ECL on Debt instruments measured at fair value through OCI

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

Undrawn loan commitments

When estimating ECL for undrawn loan commitments, a credit conversion factor of 100% is applied for expected drawdown. The Group discloses ECL allowance on undrawn loan commitments under the head "Provisions" under non-financial liabilities.

The mechanics of ECL:

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

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

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The concept of PD is further explained in Note 54.

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date. The concept of EAD is further explained in Note 54.

Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The concept of LGD is further explained in Note 54.

Forward looking information

While estimating the expected credit losses, the Group reviews macro-economic developments occurring in the economy and the market it operates in. Macro-economic regression models are built to identify the key macro-economic factors (independent variables) that drive the default rates. The best possible single variable linear regression model is identified based on the R-square and the economic intuition of the relationship between the independent variable and the default rates.

The Group considers various external factors such as GDP growth, Inflation, weighted average lending rate of Scheduled Commercial Banks etc., as macro-economic factors affecting the Company's ECL estimates and the most relevant macro-economic factor affecting the particular loan product is factored in while arriving at the PD of that product. The Company formulated three different macro-economic stress scenarios under the premise of mild stress, medium stress and severe stress condition. The medium stress scenario largely reflected the current economic conditions, and accordingly was used for ECL modelling.

On a periodic basis, the Company monitors the situation and economic factors affecting the operations of the Company and assesses the requirement of any modification to ECL model.

Collateral Valuation

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

Collateral repossessed

In its normal course of business whenever default occurs, the Group may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. The Group generally does not use the assets repossessed for the internal operations. The underlying loans in respect of which collaterals have been repossessed and not sold for more than 6 months are considered as Stage 3 assets and fully provided for net of estimated realisable value or written off. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet as it does not meet the recognition criteria in other standards and consequently the Group also does not derecognise the underlying financial asset immediately on repossession. The Company had revised its policy to fully provide for the underlying loans net of its estimated realisable value in respect of which collaterals had been repossessed and not sold for more than 6 months. The change in accounting policy is effective from financial year 2021-22 and impact on financials is disclosed in note 75. Repossessed house property of SHFL comprises of house & land properties, which were held as collaterals against the loans given to customer, whose physical and legal possession has been taken over by the company due to customers' default on repayment of the loan. Management intends to sell these properties for which regular auctions are conducted. Asset will have to be sold within three years from possession date and if the investment in such properties (land and buildings) exceeds 20% of capital fund as per NBFC – Housing Finance Company (Reserve Bank) directions, 2021 (of which such investment over and above 10% of owned fund shall be in residential units), the excess shall be written off.

Restructured loans

The Group is permitted to restructure customer accounts. Restructuring would normally involve modification of terms of the advances / securities, which would generally include, among others, alteration of payment period / payable amount / the amount of instalments / rate of interest, sanction of additional credit facility/ release of additional funds for a customer account. The Group considers the modification of the loan only before the loans gets credit impaired. In case of restructuring, the accounts classified as 'standard' shall be immediately downgraded as non-performing assets / Stage 3 unless and otherwise explicitly stated in the Circulars and Directions issued by Reserve Bank of India from time to time. Once an asset has been classified as restructured, it will remain restructured for a period of one year from the date on which it has been restructured until the customer account demonstrates satisfactory performance during the specified period.

For upgradation of accounts classified as Non-Performing Assets due to restructuring, the instructions as specified for such cases as per the said RBI guidelines shall continue to be applicable.

Loan accounts which have been restructured or modified in accordance with RBI Notifications - RBI/2020-21/16 DOR. No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020- Resolution Framework for COVID-19 related Stress and RBI/2021-22/31/DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021- Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses and RBI/2020-21/17 DOR. No.BP.BC/4/21.04.048/2020-21- dated August 06, 2020 - Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances and RBI/2021-22/32 DOR.

STR.REC.12/21.04.048/2021-22 dated May 05, 2021 Resolution Framework 2.0 – Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs) have been classified as Stage 2 due to significant increase in credit risk.

(xii) Write-offs

The Group reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss. Write off in case of standard accounts is done by way of waiver of last one or two instalments in case the borrower pays all the EMIs as per the due dates mentioned in the agreement.

(xiii) Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Group measures certain categories of financial instruments (as explained in note 7.1(iii) to 7.1(vi)) at fair value on each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

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

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

Difference between transaction price and fair value at initial recognition

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

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

7.2 Revenue from operations

(i) Interest Income

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

The EIR in case of a financial asset is computed

- a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.
- b. By considering all the contractual terms of the financial instrument in estimating the cash flows.
- c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

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

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

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

Interest spread under par structure of direct assignment of loan receivables is recognised upfront. On derecognition of the loan receivables in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognised upfront in the Statement of profit and loss.

(ii) Dividend Income

Dividend income is recognised when the right to receive the payment is established.

(iii) Rental Income

Rental income arising from operating leases is recognised on a straight-line basis over the lease term. In cases where the increase is in line with expected general inflation, rental income is recognised as per the contractual terms.

Operating leases are leases where the Group does not transfer substantially all of the risk and benefits of ownership of the asset.

(iv) Fees & Commission Income

Fees and commissions are recognised when the Group satisfies the performance obligation, at the amount of transaction price (net of variable consideration) allocated to that performance obligation based on a five-step model as set out below, unless included in the effective interest calculation:

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

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

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

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

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

(v) Net gain/loss on fair value changes

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

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

(vi) Recoveries of financial assets written off

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

(vii) Net gain/loss on derecognition of financial instruments under amortised cost category

In case where transfer of a part of financial assets qualifies for de-recognition, any difference between the proceeds received on such sale and the carrying value of the transferred asset is recognised as gain or loss on derecognition of such financial asset previously carried under amortisation cost category and is presented separately under the respective head in the Statement of profit and loss. The resulting interest only strip initially is discounted and recognised at FVTPL under interest income .

7.3 Expenses

(i) Finance costs

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

The EIR in case of a financial liability is computed

- a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.
- b. By considering all the contractual terms of the financial instrument in estimating the cash flows.
- c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

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

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

(ii) Retirement and other employee benefits

Short term employee benefit

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

Post-employment employee benefits

a) Defined contribution schemes

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

b) Defined Benefit schemes

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

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

Net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit

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

The Group fully contributes all ascertained liabilities to the Trustees - Shriram Transport Finance Company Limited Employees' Group Gratuity Assurance Scheme and Shriram City Union Finance Limited Employees' Group Gratuity Assurance Scheme. The merger of the two trusts and subsequent change of name of the trusts to Shriram Finance Limited Employees Group Gratuity Assurance Scheme is under process. Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Companies.

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

Other long-term employee benefits

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

The Group presents the provision for compensated absences under provisions in the Balance Sheet.

Employee Stock Options

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

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

That cost is recognised, together with a corresponding increase in Share Option Outstanding Reserves in equity, over the period in which the performance and / or service conditions are fulfilled in employee benefits expense/ vesting period. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

The Statement of Profit or Loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. No expense is recognised for awards that do not ultimately vest.

(iii) Leases:

The Group as a lessee

The Group has adopted Ind AS 116 'Leases' with the date of initial application being April 01, 2019 (transition date). The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. The Group, at the inception of a contract, assesses whether the contract is a lease or not lease. For arrangements entered into prior to April 01, 2019, the Group has determined whether the arrangement contains a lease on the basis of facts and circumstances existing on the date of transition.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate at the transition date in case of leases existing as on the date of transition date and in case of leases entered after transition date, incremental borrowing rate as on the date of lease

commencement date. In case of existing leases, the said date would be the date of transition. It is remeasured when there is a change in future lease payments arising from a change in a rate, if the Group changes its assessment of whether it will exercise an extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the Statement of Profit and Loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense over the lease term. The Group's lease asset class consist of leases for office premises.

In case of a sub-lease, the Group accounts for its head lease and sub-lease separately.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Rental income arising from operating leases is recognised on a straight-line basis over the lease term. In cases where the increase is in line with expected general inflation, rental income is recognised as per the contractual terms.

(iv) Other income and expenses

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

(v) Impairment of non-financial assets, wherever applicable

The Company assesses at each balance sheet date whether there is any indication that an non-financial asset may be impaired due to events or changes in circumstances indicating that their carrying amounts may not be realised. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the revised recoverable amount, subject to maximum of the depreciated historical cost.

(vi) Taxes

Current Tax

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

Current income tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

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

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

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

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

- i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- ii. When receivables and payables are stated with the amount of tax included.

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

the balance sheet.

(vii) Dividends on ordinary shares

The Group recognises a liability to make cash distributions to equity shareholders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the Companies Act, 2013 final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when it is approved by the Board of Directors of the Group. A corresponding amount is recognised directly in equity.

7.4 Foreign currency translation

(i) Functional and presentational currency

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

(ii) Transactions and balances

Initial recognition:

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

Conversion:

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

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

7.5 Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand, cheques on hand, balances with banks (of the nature of cash and cash equivalents), CBLO and short-term deposits, as defined above.

7.6 Property, plant and equipment

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

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, if it is probable that future economic benefit will flow to the Group from that expenditure and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation

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

The estimated useful lives are as follows:

Particulars	Useful life as prescribed by Schedule II of the Companies Act, 2013	Useful life estimated by Group
Building	60 years	60 years
Plant and machinery	15 years	15 years
Electrical equipment	10 years	10 years
Generator	10 years	10 years
Furniture and fixture	10 years	10 years

Particulars	Useful life as prescribed by Schedule II of the Companies Act, 2013	Useful life estimated by Group
Air conditioner	5 years	5 years
Electronic equipment	5 years	5 years
Office equipment	5 years	5 years
Refrigerator	5 years	5 years
Motor car	8 years	8 years
Vehicles	10 years	10 years
Server and networking	6 years	6 years
Computer	3 years	3 years

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

Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the Statement of Profit and Loss in the year the asset is derecognised.

Depreciation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from/ upto the date of acquisition/sale.

The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

7.7 Intangible assets

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

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

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

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

The Group's intangible assets consist of computer software and distribution network with definite life and goodwill with indefinite life.

Goodwill is not subject to amortisation and is tested annually for impairment. Goodwill is carried at cost less accumulated impairment losses. The Company has determined the useful life of the intangible asset in the nature of branch network acquired through the scheme of amalgamation and started amortising the same over its useful life.

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

7.8 Investment Property

Properties, held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs.

Depreciation is recognised using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013 or in case of assets where the useful life was determined

by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the Statement of Profit and Loss in the same period.

7.9 Ind AS 101 - First-time Adoption of Indian Accounting Standards

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment, intangible assets and investment property as at March 31, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment, intangible assets and investment property as on April 01, 2017.

7.10 Provisions

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

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the Statement of Profit and Loss net of any reimbursement. As at reporting date, the Group does not have any such provisions where the effect of time value of money is material.

7.11 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements. Contingent liabilities are reviewed at each Balance Sheet date.

7.12 Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. They are disclosed only when an inflow of economic benefits is probable. Contingent assets are not recognised nor disclosed in the financial statements. Contingent assets are reviewed at each Balance Sheet date.

7.13 Earning Per Share

The Group reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

7.14 Cash flow Statement

Cash flows are reported under the 'Indirect method' as set out in Ind AS 7 on 'Statement of Cash Flows, whereby net profit after tax is adjusted for the effects of transactions of non-cash nature, tax and any deferrals or accruals of past or future cash receipts or payments. The cash flows are prepared for the operating, investing and financing activities of the Group.

7.15 Business Combination

The Company applies the acquisition method of accounting for business combinations where common control does not exist. The consideration transferred by the Company for the acquisition of business comprises of fair value of the assets transferred, liabilities incurred, and the equity interests issued by the Company as at the acquisition date i.e. the date on which it obtains the control of the acquiree. The acquisition related costs are recognised in the statement of profit and loss as incurred, except to the extent related to the issue of debt or equity securities.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values on the acquisition date.

Intangible assets acquired in a business combination and recognised separately from Goodwill are initially recognised at their fair value at the acquisition date. Subsequent to initial recognition, intangible assets as well as Goodwill acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, respectively.

Goodwill is initially measured at cost, being the excess of the consideration transferred over the fair value of the net identifiable assets acquired. After initial recognition, Goodwill is tested annually for impairment and any impairment loss for Goodwill is recognised in the statement of profit and loss.

Distribution network is the value of the transferor company's branch network. Valuation of Distribution Network is as per With & Without Method. If the consideration transferred is less than the fair value of net identifiable assets acquired, the difference is recognised as capital reserve in other equity.

Further details and impact of this merger on financial statements of the Company is disclosed in note 52.

8 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

8.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

8.2 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

8.3 Fair value measurement:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

8.4 Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary. The impairment loss on loans and advances is disclosed in more detail in Note 7.1(xi) Overview of ECL principles.

8.5 Contingent liabilities and provisions other than impairment on loan portfolio

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed at each Balance sheet date and revised to take account of changing facts and circumstances.

8.6 Effective Interest Rate (EIR) method

The Group's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument

8.7 Estimating the incremental borrowing rate

The Group uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to for its incremental borrowings.

8.8 Other estimates

These include contingent liabilities, useful lives of tangible and intangible assets etc. The Group has determined the useful life of the intangible asset in the nature of branch network acquired through the scheme of amalgamation and started amortising the same over its useful life by making a suitable change in the accounting estimate.

		(Rs. in crores)	
Particulars	As at March 31, 2023	As at March 31, 2022	
9 CASH AND CASH EQUIVALENTS			
Cash on hand	153.43	95.05	
Balances with banks (of the nature of cash and cash equivalents)	4,144.56	2,654.78	
Cheques on hand	4.87	5.56	
Others			
- Call money (CBLO)	499.72	3,198.60	
- Bank deposit with original maturity upto three months or less	5,130.26	4,708.45	
Total	9,932.84	10,662.44	

Balances with banks earn interest at fixed rates. Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The Group has not taken bank overdraft, therefore the cash and cash equivalents for cash flow statement is same as cash and for cash equivalents given above.

		(Rs. in crores)	
Particulars	As at March 31, 2023	As at March 31, 2022	
10 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS			
Earmarked balances with banks for			
- Unclaimed dividend accounts	8.63	9.72	
Bank deposit with original maturity for more than three months	481.03	574.16	
Balances with banks to the extent held as credit enhancement or security against the borrowings, guarantees, other commitments*	5,884.45	5,108.84	
Total	6,374.11	5,692.72	

Fixed deposit and other balances with banks earns interest at fixed rate.

*Includes deposits Rs. 4,857.80 crores (March 31, 2022: Rs. 4,829.26 crores) pledged with Banks as margin for credit enhancement, Rs. 4.34 (March 31, 2022: Rs. 33.30 crores) as margin for guarantees, Rs. 962.72 crores (March 31, 2022: Rs. 246.28 crores) pledged as lien against borrowings, deposits under lien in favour of Debenture and securitisation trustees Rs. 58.27 crores (March 31, 2022: Rs. Nil) and deposits under lien with banks for various purposes Rs.1.32 crores (March 31, 2022: Rs. Nil).

11 DERIVATIVE FINANCIAL INSTRUMENTS

The Group enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges. The Group has adopted hedge accounting.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

		(Rs. in crores)						
Particulars	As at March 31, 2023				As at March 31, 2022			
	Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities
Part I								
(i) Currency derivatives:								
- Spots and forwards	16,909.59	(193.01)	-	-	17,040.59	97.84	-	-
- Currency swaps	2,715.93	121.65	-	-	2,320.47	(276.95)	-	-
- Cross currency interest rate swaps	3,229.67	588.33	-	-	3,408.70	364.13	-	-
Sub total (i)	22,855.19	516.97	-	-	22,769.76	185.02	-	-

11 DERIVATIVE FINANCIAL INSTRUMENTS (Contd.)

(Rs. in crores)

Particulars	As at March 31, 2023				As at March 31, 2022			
	Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities
(ii) Interest rate derivatives:								
- Interest rate swaps	-	35.75	-	-	14,049.63	3.18	-	-
- Interest rate caps	17,230.41	116.65	-	-	-	13.20	-	-
- Futures	-	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-	-
Sub total (ii)	17,230.41	152.40	-	-	14,049.63	16.38	-	-
(iii) Credit derivatives:	-	-	-	-	-	-	-	-
(iv) Equity linked derivatives:	-	-	-	-	-	-	-	-
(v) Other derivatives:	-	-	-	-	-	-	-	-
Total Derivative financial instruments (i)+(ii)+(iii)+(iv)+(v)	40,085.60	669.37	-	-	36,819.39	201.40	-	-
Part II								
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:								
(i) Fair value hedging:	-	-	-	-	-	-	-	-
(ii) Cash flow hedging:								
- Currency derivatives	22,855.19	516.97	-	-	22,769.76	185.02	-	-
- Interest rate derivatives	17,230.41	152.40	-	-	14,049.63	16.38	-	-
(iii) Net investment hedging:	-	-	-	-	-	-	-	-
(iv) Undesignated derivatives	-	-	-	-	-	-	-	-
Total Derivative financial instruments (i)+(ii)+(iii)+(iv)	40,085.60	669.37	-	-	36,819.39	201.40	-	-

Hedging activities and derivatives

The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. The Group's risk management strategy and how it is applied to manage risk are explained in Note 54.

Derivatives designated as hedging instruments

The Group designates its derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other. There is an economic relationship between the hedged item and the hedging instrument as the terms of the cross currency swap contract match that of the foreign currency borrowing (notional amount, interest payment dates, principal repayment date etc.). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the hedging instruments is identical to the hedged risk components. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

11 DERIVATIVE FINANCIAL INSTRUMENTS (Contd.)

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised in the statement of profit and loss.

Derivatives not designated as hedging instruments

There are no undesignated derivatives.

Notes:

- 1) The interest rate risk and exchange rate risk on the borrowings of the Group are managed using various derivative instruments which are entered into from time to time. The risk management strategy and the use of derivatives are explained in Note 54.
- 2) The Group has designated the interest rate derivatives which were entered to mitigate interest rate risks on its external commercial bond and external commercial borrowings and borrowings in foreign currencies, as hedging instruments.

The impact of the hedging instrument on the Balance sheet is as follows:

Hedged Instrument	As at March 31, 2023				As at March 31, 2022			
	Notional Amount	Carrying Amount	Line item in the Balance sheet	Change in fair value used for measuring ineffectiveness for the year	Notional Amount	Carrying Amount	Line item in the Balance sheet	Change in fair value used for measuring ineffectiveness for the year
	Currency derivatives/ Interest rate derivatives	40,085.60	669.37	Derivative Financial Instruments	(14.73)	36,819.39	201.40	Derivative Financial Instruments

The impact of hedged items on the Balance sheet is as follows:

Hedged Item	As at March 31, 2023		As at March 31, 2022	
	Change in value used for measuring ineffectiveness	Cash flow hedge reserve as on March 31, 2023	Change in value used for measuring ineffectiveness	Cash flow hedge reserve as on March 31, 2022
	External commercial bond, external commercial borrowings and foreign currency term loans	(14.73)	(224.42)	160.87

11 DERIVATIVE FINANCIAL INSTRUMENTS (Contd.)

The effect of cash flow hedge in the statement of profit and loss and other comprehensive income is as follows:

(Rs. in crores)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Hedged Item	External commercial bond, external commercial borrowings and foreign currency term loans	
Total hedging gain / (loss) recognised in OCI	(14.73)	160.87
Ineffectiveness recognised in the statement of profit and loss	-	-
Line item in the statement of profit and loss that include the hedge ineffectiveness	NA	NA
Amount reclassified from cash flow hedge reserve to the statement of profit and loss	-	-
Line item in the statement of profit and loss that includes the reclassification adjustment	NA	NA

12 RECEIVABLES

(I) Trade receivables

(Rs. in crores)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	17.00	5.35
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Gross	17.00	5.35
Less: Allowances for impairment loss on Trade receivables considered good-unsecured	-	-
Less: Allowances for impairment loss on credit impaired trade receivables	-	-
Net	17.00	5.35

Trade receivable ageing

As at March 31, 2023

(Rs. in crores)

Particulars	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	17.00	-	-	-	-	17.00
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-	-
Gross	-	-	17.00	-	-	-	-	17.00

12 RECEIVABLES (Contd.)

As at March 31, 2022

Particulars	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	5.35	-	-	-	-	5.35
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-	-
Gross			5.35	-	-	-	-	5.35

The Group's impairment assessment and measurement approach for trade receivables is mentioned at Note 7.1.(xi) of significant accounting policies.

Trade receivables are non-interest bearing and are generally on terms of 30 days.

There are no dues from Directors or other officers of the Group or any firm or private company in which any Director is a partner, a Director or a member.

(II) Other receivables

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
Other receivables considered good - secured	-	-
Other receivables considered good - unsecured	374.43	190.49
Other receivables which have significant increase in credit risk	49.56	-
Other receivables - credit impaired	31.25	2.61
Gross	455.24	193.10
Less: Allowances for impairment loss on other receivables considered good - unsecured	6.35	-
Less: Allowances for impairment loss on other receivables which have significant increase in credit risk	4.17	-
Less: Allowances for impairment loss on credit impaired other receivables	15.03	2.61
Net	429.69	190.49

There are no dues from Directors or other officers of the Group or any firm or private company in which any Director is a partner, a Director or a member.

12 RECEIVABLES (Contd.)

Other receivables ageing

(Rs. in crores)

Other receivables days past due		Unbilled	Current	1-30 days past due	31-60 days past due	61-90 days past due	91-360 days past due	More than 360 days past due	Total
Estimated total gross carrying amount at default	As at March 31, 2023	263.62	0.17	15.58	4.50	4.23	37.75	129.39	455.24
Less: ECL-simplified approach		21.09	0.17	0.01	0.03	0.24	3.23	0.78	25.55
Net carrying amount		242.53	-	15.57	4.47	3.99	34.52	128.61	429.69
Estimated total gross carrying amount at default	As at March 31, 2022	-	189.16	2.78	0.01	-	0.85	0.30	193.10
Less: ECL-simplified approach		-	-	1.45	0.01	-	0.85	0.30	2.61
Net carrying amount		-	189.16	1.33	-	-	-	-	190.49

Reconciliation of impairment loss allowance on other receivables:

(Rs. in crores)

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as per March 31, 2021	1.88
Add: Addition during the year	1.00
(Less): Reduction during the year	(0.27)
Impairment allowance as per March 31, 2022	2.61
Add: Addition during the year	22.95
(Less): Reduction during the year	(0.01)
Impairment allowance as per March 31, 2023	25.55

(Rs. in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
13 LOANS		
Loans (at amortised cost)		
(A)		
i) Term loans	178,436.91	123,999.00
ii) Others @	11,636.12	1,700.03
Total (A) - Gross	190,073.03	125,699.03
Less : Impairment loss allowance (refer note 62)	11,387.89	9,033.88
Total (A) - Net	178,685.14	116,665.15
(B)		
i) Secured by tangible assets	178,316.99	123,981.87

		(Rs. in crores)	
Particulars		As at March 31, 2023	As at March 31, 2022
13	LOANS (Contd.)		
	ii) Secured by deposits	119.01	17.13
	iii) Unsecured	11,637.03	1,700.03
	Total (B) - Gross	190,073.03	125,699.03
	Less : Impairment loss allowance (refer note 62)	11,387.89	9,033.88
	Total (B) - Net	178,685.14	116,665.15
	(C)		
	Loans outside India	-	-
	Loans in India		
	i) Public sector	-	-
	ii) Others		
	Retail	188,211.47	125,285.30
	Corporates	1,861.56	413.73
	Total (C) - Gross	190,073.03	125,699.03
	Less : Impairment loss allowance (refer note 62)	11,387.89	9,033.88
	Total (C) - Net	178,685.14	116,665.15

There are no loans measured at FVOCI or FVTPL or designated at FVTPL.

@ includes unsecured working capital loans, loans to employees, trade advances, personal loans, loans to MSME and part disbursement to customers.

Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in note 54.02 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in note 54.02.02.07.

		As at March 31, 2023				As at March 31, 2022			
Particulars		Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Internal rating grade									
Performing									
	High grade	132,910.17	-	-	132,910.17	85,781.86	-	-	85,781.86
	Standard grade	29,287.21	-	-	29,287.21	17,711.12	-	-	17,711.12
	Sub-standard grade	-	12,438.12	-	12,438.12	-	8,511.97	-	8,511.97
	Past due but not impaired	-	3,996.83	-	3,996.83	-	4,806.53	-	4,806.53
Non- performing		-	-	11,440.70	11,440.70	-	-	8,887.55	8,887.55
Total		162,197.38	16,434.95	11,440.70	190,073.03	103,492.98	13,318.50	8,887.55	125,699.03

13 LOANS (Contd.)

An analysis of changes in the gross carrying amount as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2023				Year ended March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	103,492.98	13,318.50	8,887.55	125,699.03	93,915.66	13,983.12	8,292.81	116,191.59
Portfolio additions on account of business combination	30,592.57	3,719.39	897.16	35,209.12	-	-	-	-
Restated Balance as on April 01, 2022	134,085.55	17,037.89	9,784.71	160,908.15	93,915.66	13,983.12	8,292.81	116,191.59
New assets originated or purchased	105,917.59	8,137.07	1,939.83	115,994.49	54,151.77	5,925.28	1,731.40	61,808.45
Assets derecognised or repaid (excluding write offs and includes interest accruals adjusted)	(71,088.57)	(9,018.50)	(4,108.19)	(84,215.26)	(40,462.98)	(6,026.81)	(3,091.93)	(49,581.72)
Transfers to stage 1	11,934.10	(9,899.55)	(2,034.55)	-	10,616.77	(8,891.78)	(1,724.99)	-
Transfers to stage 2	(11,920.23)	12,788.59	(868.36)	-	(10,291.06)	10,849.87	(558.81)	-
Transfers to stage 3	(5,882.80)	(2,482.83)	8,365.63	-	(3,544.42)	(2,299.79)	5,844.21	-
Amounts written off	(848.26)	(127.72)	(1,638.37)	(2,614.35)	(892.76)	(221.39)	(1,605.14)	(2,719.29)
Gross carrying amount closing balance	162,197.38	16,434.95	11,440.70	190,073.03	103,492.98	13,318.50	8,887.55	125,699.03

Reconciliation of ECL balance is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2023				Year ended March 31, 2022			
	General approach				General approach			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	3,381.35	1,211.03	4,441.50	9,033.88	3,046.35	1,356.07	3,486.13	7,888.55
New assets originated or purchased	2,716.88	641.57	717.96	4,076.41	1,735.00	628.10	754.40	3,117.50
Transfers to stage 1	1,747.73	(876.53)	(871.20)	-	1,628.92	(891.41)	(737.51)	-
Transfers to stage 2	(385.82)	755.67	(369.85)	-	(335.64)	574.88	(239.24)	-
Transfers to stage 3	(200.50)	(213.26)	413.76	-	(118.19)	(241.53)	359.72	-
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery	(2,435.63)	(238.76)	2,792.38	117.99	(1,682.33)	6.31	2,423.13	747.11
Provision no longer required	(263.82)	(171.29)	(1,405.28)	(1,840.39)	(892.76)	(221.39)	(1,605.13)	(2,719.28)
ECL allowance - closing balance	4,560.19	1,108.43	5,719.27	11,387.89	3,381.35	1,211.03	4,441.50	9,033.88

The contractual amount outstanding on loans that have been written off during the financial year, but were still subject to enforcement activity was Rs.1,463.57 crores (March 31, 2022 : Rs. 1,689.33 crores).

14 INVESTMENTS

(Rs. in crores)

Particulars	As at March 31, 2023					As at March 31, 2022				
	Amor- tised Cost	At Fair value Through OCI	At Fair value Through profit and loss	Others (at cost)	Total	Amor- tised Cost	At Fair value Through OCI	At Fair value Through profit and loss	Others (at cost)	Total
i) Investments in mutual funds	-	-	587.35	-	587.35	-	-	1,523.02	-	1,523.02
ii) Investments in government securities (refer note 65)	5,318.01	-	-	-	5,318.01	3,154.39	-	-	-	3,154.39
iii) Investments in equity instruments	-	63.35	25.40	-	88.75	-	-	23.89	-	23.89
iv) Investments in associates (at cost) (refer note 46)	-	-	-	183.74	183.74	-	-	-	175.44	175.44
v) Investments in pass through certificates (unquoted)	1,218.64	-	-	-	1,218.64	1,106.88	-	-	-	1,106.88
vi) Investments in certificate of deposits	-	-	-	-	-	-	-	822.29	-	822.29
vii) Investments in commercial papers	19.07	-	-	-	19.07	199.79	-	-	-	199.79
viii) Investment in market linked debentures	47.32	-	-	-	47.32	-	-	-	-	-
ix) <u>Others</u> (venture capital fund)	-	-	1.53	-	1.53	-	-	1.53	-	1.53
x) Investment in security receipts	-	-	6.44	-	6.44	-	-	-	-	-
Total Gross (A)	6,603.04	63.35	620.72	183.74	7,470.85	4,461.06	-	2,370.73	175.44	7,007.23
i) Investments outside India	-	63.35	-	-	63.35	-	-	-	-	-
ii) Investments in India	6,603.04	-	620.72	183.74	7,407.50	4,461.06	-	2,370.73	175.44	7,007.23
Total Gross (B)	6,603.04	63.35	620.72	183.74	7,470.85	4,461.06	-	2,370.73	175.44	7,007.23
Less : Allowance for impairment loss (C)	(40.78)	-	-	-	(40.78)	(36.00)	-	-	-	(36.00)
Total - Net D = (A) - (C)	6,562.26	63.35	620.72	183.74	7,430.07	4,425.06	-	2,370.73	175.44	6,971.23

More information regarding the valuation methodologies can be found in Note 53.09.

There are no investments measured at designated at FVTPL.

The dividends of Rs. 6.52 crores (March 31, 2022: Rs. Nil) received from investments in shares are recorded as dividend income.

14 INVESTMENTS (Contd.)

Investments carried at amortised cost

The table below shows the credit quality and the maximum exposure to credit risk per based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system for investments carried at amortised cost are explained in note 54.02.

(Rs. in crores)

Particulars	As at March 31, 2023				As at March 31, 2022			
	Stage 1 individual	Stage 2 individual	Stage 3	Total	Stage 1 individual	Stage 2 individual	Stage 3	Total
Internal rating grade								
Performing								
High grade	6,592.11	-	-	6,592.11	4,461.06	-	-	4,461.06
Standard grade	10.93	-	-	10.93	-	-	-	-
Non-performing								
Individually Impaired	-	-	-	-	-	-	-	-
Total	6,603.04	-	-	6,603.04	4,461.06	-	-	4,461.06

An analysis of changes in gross carrying amount and the corresponding ECLs on investments carried at amortised cost which are subject to ECL is as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2023				Year ended March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount – opening balance	4,461.06	-	-	4,461.06	3,214.21	-	-	3,214.21
Effects of business combination (Refer note 52)	904.93	-	-	904.93	-	-	-	-
New assets originated or purchased	3,079.02	-	-	3,079.02	2,141.56	-	-	2,141.56
Change in Fair Value	-	-	-	-	-	-	-	-
Assets derecognised or matured (excluding write-offs)	(1,841.97)	-	-	(1,841.97)	(894.71)	-	-	(894.71)
Closing balance	6,603.04	-	-	6,603.04	4,461.06	-	-	4,461.06

Reconciliation of ECL balance is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2023				Year ended March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance in ECL	36.00	-	-	36.00	38.01	-	-	38.01
Effects of business combination (Refer note 52)	0.14	-	-	0.14	-	-	-	-
New assets originated or purchased	0.06	-	-	0.06	-	-	-	-
Changes to models and inputs used for ECL calculations	4.70	-	-	4.70	(2.00)	-	-	(2.00)
Assets derecognised or matured (excluding write-offs)	(0.12)	-	-	(0.12)	-	-	-	-
Closing balance in ECL	40.78	-	-	40.78	36.00	-	-	36.00

14 INVESTMENTS (Contd.)

Reconciliation of gross carrying value of investment in associate is given below:

Particulars	(Rs. in crores)	
	Year ended March 31, 2023	Year ended March 31, 2022
Opening balance	175.44	162.29
Share of profit of associate	8.56	13.17
Share of other comprehensive income from associates (net of tax)	(0.26)	(0.02)
Closing balance	183.74	175.44

15 OTHER FINANCIAL ASSETS

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
Security deposits *	76.49	51.45
Lease receivables **	0.05	-
Other financial assets ***	0.93	-
Total	77.47	51.45

* Net of allowance for impairment loss recognised on security deposit Rs. 4.08 crores (March 31, 2022: Rs. 0.39 crores).

** Net of allowance for impairment loss recognised on lease receivables Rs. 0.00 crores (March 31, 2022: Rs. Nil).

*** Other financial assets include advances to employees and fee receivables.

Reconciliation of ECL balance in relation to other financial assets is given below:

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
ECL allowance - opening balance	0.39	0.51
Add: Addition during the year	3.69	-
(Less): Reduction during the year	-	(0.12)
ECL allowance - closing balance	4.08	0.39

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
16 CURRENT TAX ASSETS (NET)		
Advance income tax [net of provision for income tax Rs. 7,693.77 crores (March 31, 2022: Rs. 5,577.72 crores)]	728.26	228.24
Total	728.26	228.24

		(Rs. in crores)		
Particulars		Freehold land	Building	Total
17	INVESTMENT PROPERTY			
Gross Block*				
	As at March 31, 2021	0.70	1.45	2.15
	Additions	-	-	-
	Disposals	-	-	-
	As at March 31, 2022	0.70	1.45	2.15
	Effects of business combination (Refer note 52)	0.00	-	0.00
	Restated as at April 01, 2022	0.70	1.45	2.15
	Additions	-	-	-
	Transfer from property, plant and equipment	-	0.77	0.77
	Disposals	-	-	-
	As at March 31, 2023	0.70	2.22	2.92
Accumulated depreciation and impairment losses				
	As at March 31, 2021	-	0.15	0.15
	Charge for the year	-	0.03	0.03
	Disposals	-	-	-
	As at March 31, 2022	-	0.18	0.18
	Restated as at April 01, 2022	-	0.18	0.18
	Charge for the year	-	0.05	0.05
	Transfer from property, plant and equipment	-	0.07	0.07
	Disposals	-	-	-
	As at March 31, 2023	-	0.30	0.30
	Net carrying amount as at March 31, 2022	0.70	1.27	1.97
	Net carrying amount as at March 31, 2023	0.70	1.92	2.62

*Refer note 7.9 of Significant accounting policies for exemption applied during first-time adoption of Indian Accounting Standards.

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

(i) **Amounts recognised in Statement of Profit and Loss for Investment property**

		(Rs. in crores)	
Particulars	Year ended March 31, 2023	Year ended March 31, 2022	
Rental income from investment property	0.24	0.17	
Direct operating expenses arising from investment property that generated rental income during the year	0.02	0.02	
Direct operating expenses arising from investment property that did not generate rental income during the year	0.00	0.00	
Profit from investment property before depreciation	0.22	0.15	
Depreciation charge for the year	0.05	0.03	
Profit from investment property after depreciation	0.17	0.12	

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

17 INVESTMENT PROPERTY (Contd.)

(ii) Contractual obligations

The Group has no contractual obligations to purchase, construct or develop investment property. However, the responsibility for its repairs, maintenance or enhancements is with the Group.

(iii) Fair value

The fair value of the investment property as at March 31, 2023 is Rs. 6.47 crores (March 31, 2022 is Rs. 6.12 crores).

(iv) Pledged details

Carrying value of investment property pledged as collateral for liabilities as at March 31, 2023 is Rs. 0.91 crores (March 31, 2022 is Rs. 0.92 crores).

(v) Estimation of fair value

The fair values of investment property is determined by guidance value given by the local government of the area where the investment properties are located.

(vi) Leasing arrangements

Investment properties are leased out to tenants. Agreements provide for cancellation by either party or contain clause for escalation and renewal of agreements. The non-cancellable operating lease agreement is for a period of 108 months.

18 PROPERTY, PLANT AND EQUIPMENT										
Particulars	Freehold land	Building	Plant and equipment	Computers	Office equipment	Furniture and fixtures	Vehicles	Leasehold improvement	Total	
Gross block*										
As at April 01, 2021	0.59	2.39	11.36	56.84	32.24	31.33	0.25	109.18	244.18	
Additions	-	-	0.93	15.56	3.00	2.56	-	11.18	33.23	
Disposals	-	-	0.83	14.55	2.64	1.60	0.19	6.73	26.54	
As at March 31, 2022	0.59	2.39	11.46	57.85	32.60	32.29	0.06	113.63	250.87	
Effects of business combination (Refer note 52)	0.02	0.13	34.25	86.13	39.18	31.54	0.67	151.52	343.44	
Restated as at April 01, 2022	0.61	2.52	45.71	143.98	71.78	63.83	0.73	265.15	594.31	
Additions	-	-	5.26	47.30	10.24	17.23	0.53	37.20	117.76	
Transferred to investment property	-	(0.77)	-	-	-	-	-	-	(0.77)	
Disposals	-	-	2.62	17.23	3.64	2.37	0.38	9.32	35.56	
As at March 31, 2023	0.61	1.75	48.35	174.05	78.38	78.69	0.88	293.03	675.73	
Accumulated depreciation and impairment losses										
As at April 01, 2021	-	0.02	3.99	27.93	15.55	9.18	(0.01)	63.08	119.74	
Charge for the year	-	0.05	1.47	13.18	5.57	3.52	0.08	21.04	44.91	
Disposals	-	-	0.63	13.23	2.43	1.39	0.18	6.48	24.34	
As at March 31, 2022	-	0.07	4.83	27.88	18.69	11.31	(0.11)	77.64	140.31	
Effects of business combination (Refer note 52)	-	0.04	18.69	68.88	32.68	19.99	0.27	133.33	273.87	
Restated as at April 01, 2022	-	0.11	23.52	96.76	51.37	31.30	0.16	210.97	414.18	
Charge for the year	-	0.02	4.91	23.35	9.02	5.96	0.16	27.95	71.36	
Transferred to investment property	-	(0.07)	-	-	-	-	-	-	(0.07)	
Disposals	-	-	2.33	15.94	3.36	1.69	0.31	9.28	32.91	
As at March 31, 2023	-	0.06	26.10	104.16	57.03	35.57	0.01	229.63	452.56	
Net carrying amount as at March 31, 2022	0.59	2.32	6.63	29.97	13.91	20.98	0.17	35.99	110.56	
Net carrying amount as at March 31, 2023	0.61	1.69	22.26	69.88	21.35	43.11	0.87	63.39	223.19	

Carrying value of property, plant and equipment pledged as collateral for liabilities as at March 31, 2023 is Rs. 0.35 crores (March 31, 2022 is Rs. 0.32 crores).

*Refer note 7.9 of Significant accounting policies for exemption applied during first-time adoption of Indian Accounting Standards.

The Group has not revalued any of its property, plant and equipment during the years ended March 31, 2023 and March 31, 2022. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is nil.

19 LEASES

A] This note provides information for leases where the Group is a lessee.

(i) Amounts recognised in the balance sheet

The Balance sheet shows the following amounts relating to leases

Right-of-use assets (Rs. in crores)

Particulars	Amounts		
	Office premises	Furniture & fixtures	Total
Gross Block			
As at April 01, 2021	487.87	-	487.87
Additions	100.33	-	100.33
Disposals	(17.46)	-	(17.46)
As at March 31, 2022	570.74	-	570.74
Effects of business combination (Refer note 52)	313.60	3.82	317.42
Restated as at April 01, 2022	884.34	3.82	888.16
Additions	210.24	2.87	213.11
Disposals	(16.15)	(2.55)	(18.70)
As at March 31, 2023	1,078.43	4.14	1,082.57
Accumulated depreciation and impairment			
As at March 31, 2021	179.36	-	179.36
Charge for the year	90.17	-	90.17
Disposals	(1.31)	-	(1.31)
As at March 31, 2022	268.22	-	268.22
Effects of business combination (Refer note 52)	124.96	3.38	128.34
Restated as at April 01, 2022	393.18	3.38	396.56
Charge for the year	157.26	0.48	157.74
Disposals	(0.03)	-	(0.03)
As at March 31, 2023	550.41	3.86	554.27
Net carrying amount as at March 31, 2022	302.52	-	302.52
Net carrying amount as at March 31, 2023	528.02	0.28	528.30

The Group has not revalued any of its Right-of-use assets during the year ended March 31, 2023 and March 31, 2022. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is nil.

Lease liabilities

Maturity analysis of lease liabilities

(Rs. in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Less than 1 year	135.02	74.92
1 to 2 years	116.00	66.53
2 to 3 years	86.85	54.11
3 to 4 years	30.28	38.36
4 to 5 years	69.01	31.94
More than 5 years	164.92	83.57
Total	602.08	349.43

The Group has taken various office premises and furniture and fixtures under lease. Certain agreements provide for cancellation by either party or certain agreements contain clause for escalation and renewal of agreements. The non-cancellable operating lease agreements are ranging for a period 11 to 180 months. There are no restrictions imposed by lease arrangements.

19 LEASES (Contd.)

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
(ii) Amounts recognised in the Statement of Profit and Loss		
Depreciation charge of right-of-use assets (included in depreciation, amortisation and impairment)	157.74	88.86
Interest expense (included in finance costs)	49.95	31.97
Expense relating to short-term leases (included in other expenses)	7.64	3.24
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other expenses)	3.71	1.80
Expense relating to variable lease payments not included in lease liabilities (included in other expenses)	-	-
The Group had remeasured lease liability in respect of certain leases during the year and income on such remeasurement of leases as per Ind AS 116 is included in other income	0.66	3.16
Income from subleasing right-of-use assets (included in other income)	5.18	7.27
(iii) Gains or losses arising from sale and leaseback transactions	-	-
(iv) The total cash outflow for leases during the year	182.65	109.13

The Group does not face a significant liquidity risk with regard to its lease liabilities as the assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

B] This note provides information for leases where the Group is a lessor.

The Group had given office premises under lease. The income from lease recognised in the Statement of Profit and Loss is Rs. 0.24 crores (March 31, 2022: Rs. 0.17 crores). Agreements provide for cancellation by either party or contain clause for escalation and renewal of agreements. There were no non-cancellable operating lease agreements as on March 31, 2023.

Future minimum lease receivables under non-cancellable leases as at March 31, 2022 are as follows:

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
Within one year	-	0.17
After one year but not more than five years	-	0.08
More than five years	-	-
Total	-	0.25

20 OTHER INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT #

(A) Intangible assets under development

Particulars	(Rs. in crores)	
	Amounts	
Gross block		
As at April 01, 2021		-
Additions		-
Disposals		-
As at March 31, 2022		-
Additions		66.08
Disposals		-
As at March 31, 2023		66.08
Accumulated amortisation and impairment losses		
As at April 01, 2021		-
Charge for the year		-
Disposals		-

20 OTHER INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT # (Contd.)

Particulars	(Rs. in crores)
	Amounts
As at March 31, 2022	-
Charge for the year	-
Disposals	-
As at March 31, 2023	-
Net carrying amount as at March 31, 2022	-
Net carrying amount as at March 31, 2023	66.08

Intangible assets under development aging

Particulars	(Rs. in crores)				Total
	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	66.08	-	-	-	66.08
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2022

Intangible assets under development were nil for the financial year ended March 31, 2022.

(B) Other intangible assets

Particulars	(Rs. in crores)			
	Goodwill	Computer software	Distribution network	Other intangible assets
	(A)	(B)	(C)	(D) = (B)+(C)
Gross block *				
As at April 01, 2021	-	5.08	-	5.08
Additions	-	2.22	-	2.22
Disposals	-	0.03	-	0.03
As at March 31, 2022	-	7.27	-	7.27
Effects of business combination (Refer note 52)	1,742.14	51.82	1,574.60	1,626.42
Restated as at April 01, 2022	1,742.14	59.09	1,574.60	1,633.69
Additions	-	6.18	-	6.18
Effects of business combination (Refer note 52)	(1.20)	-	1.20	1.20
Disposals	-	-	-	-
As at March 31, 2023	1,740.94	65.27	1,575.80	1,641.07
Accumulated amortisation and impairment losses				
As at April 01, 2021	-	2.69	-	2.69
Charge for the year	-	1.57	-	1.57
Disposals	-	0.03	-	0.03
As at March 31, 2022	-	4.23	-	4.23
Effects of business combination (Refer note 52)	-	46.84	-	46.84
Restated as at April 01, 2022	-	51.07	-	51.07
Charge for the year	-	6.06	365.48	371.54
Disposals	-	-	-	-
As at March 31, 2023	-	57.13	365.48	422.61
Net carrying amount as at March 31, 2022	-	3.04	-	3.04
Net carrying amount as at March 31, 2023	1,740.94	8.14	1,210.32	1,218.46

20 OTHER INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT # (Contd.)

Other than internally generated

*Refer note 7.9 of Significant accounting policies for exemption applied during first-time adoption of Indian Accounting Standards.

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

The Group has not revalued any of its intangible assets during the financial year ended March 31, 2023 and March 31, 2022. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is nil.

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
21 OTHER NON-FINANCIAL ASSETS		
Goods and services tax credit (input) receivable	327.53	198.82
Prepaid expenses	27.66	9.32
Capital advances	8.64	3.05
Duties paid under protest	43.13	96.40
Reposessed house property *	54.69	-
Other non-financial assets **	33.45	4.63
Total	495.10	312.22

* Net of allowance for impairment loss recognised on Reposessed house property Rs. 5.00 crores (March 31, 2022: Rs. Nil).

Measurement:

The non-recurring fair value measurement for the reposessed house property has been categorised as a Level 2 fair value based on the inputs to the valuation techniques used. For the assets classified as "Reposessed house property" during the year valuation has been determined by independent valuer by using the sales comparison approach for which the price (such as recent sales, municipal valuation, etc.) of the assets in the similar location are considered. This is a level 2 measurement as per the fair value hierarchy. The diminution in the value as identified by the independent valuers is written off in the books of accounts.

** Other non-financial assets include advances to employees, vendors and towards rent.

22 PAYABLES

(I) Trade payables

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
(i) total outstanding dues of micro enterprises and small enterprises (refer note 55)	-	0.02
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises *	313.19	166.01
Total	313.19	166.03

*Includes payable to associate Rs. 1.06 crores (March 31, 2022: Rs. 0.91 crores).

Trade Payables ageing

Particulars	(Rs. in crores)						
	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	78.60	-	231.09	0.96	1.24	1.30	313.19
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	78.60	-	231.09	0.96	1.24	1.30	313.19

22 PAYABLES (Contd.)

As at March 31, 2022 (Rs. in crores)

Particulars	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	0.02	-	-	-	0.02
(ii) Others	108.81	-	50.63	4.25	1.10	1.22	166.01
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	108.81	-	50.65	4.25	1.10	1.22	166.03

(II) Other payables

(Rs. in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) total outstanding dues of micro enterprises and small enterprises (refer note 55)	0.36	1.46
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1.09	1.21
Total	1.45	2.67

(Rs. in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
23 DEBT SECURITIES		
At amortised cost		
Secured		
Redeemable non-convertible debentures		
- Public issue ₹	2,508.89	2,500.63
- Privately placed ₹ ₹	28,840.67	18,768.05
External commercial bond	12,513.28	19,011.29
Senior secured notes	894.73	891.40
Unsecured		
Redeemable non-convertible debentures		
- Privately placed	147.34	85.18
Commercial papers	19.12	-
Total	44,924.03	41,256.55
Debt securities in India	31,516.02	21,353.86
Debt securities outside India	13,408.01	19,902.69
Total	44,924.03	41,256.55

There are no debt securities measured at FVTPL or designated at FVTPL.

₹ includes Rs. 87.68 crores (March 31, 2022 Rs. 47.36 crores) issued to related parties including Directors.

₹₹ includes Rs. 370.13 crores (March 31, 2022 Rs. 10.01 crores) issued to related parties.

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
24 BORROWINGS (OTHER THAN DEBT SECURITIES)		
At amortised cost		
Secured		
Term loan from banks - INR	36,352.93	16,755.62
Term loan from financial institutions/corporates - INR	9,427.80	5,685.24
External commercial borrowing - FCNR	9,828.01	4,243.13
Loans repayable on demand from banks (Cash credit from banks)	459.10	454.86
Other loans - INR -Securitisation liabilities	22,476.91	19,538.08
Total	78,544.75	46,676.93
Borrowings in India	68,716.74	42,433.80
Borrowings outside India	9,828.01	4,243.13
Total	78,544.75	46,676.93

There are no borrowings measured at FVTPL or designated at FVTPL.

The borrowings have not been guaranteed by directors or others. The Group has not defaulted in repayment of principal and interest to its lenders.

The Group has utilised the funds raised from banks and financial institutions for the specific purpose for which they were borrowed.

The Group has borrowed funds from banks and financial institutions on the basis of security of current assets. It has filed quarterly returns or statements of current assets with banks and financial institutions and the said returns/statements are in agreement with books of accounts.

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
25 DEPOSITS		
At amortised cost		
Unsecured		
i. Public deposits (refer note 65) *	34,671.99	20,190.08
ii. From Banks	-	-
iii. From Others		
- Deposits from corporates **	1,467.84	1,729.76
- Inter-corporate deposits ***	-	29.14
Total	36,139.83	21,948.98

There are no deposits measured at FVTPL or designated at FVTPL.

* includes Rs. 3.47 crores (March 31, 2022 Rs. 3.02 crores) accepted from related parties including Director.

** includes Rs. 171.87 crores (March 31, 2022 Rs. 118.94 crores) accepted from related parties.

*** includes Rs. Nil (March 31, 2022 Rs. 27.45 crores) accepted from associate.

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
26 SUBORDINATED LIABILITIES		
At amortised cost		
Others		
Unsecured		
Subordinated debts - Debentures #	4,593.63	4,614.25
Total	4,593.63	4,614.25

26 SUBORDINATED LIABILITIES (Contd.)

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
Subordinated debts in India	4,593.63	4,614.25
Subordinated debts outside India	-	-
Total	4,593.63	4,614.25

There are no subordinated liabilities measured at FVTPL or designated at FVTPL.

includes Rs. 523.20 crores (March 31, 2022 Rs. 516.07 crores) issued to related parties.

I DEBT SECURITIES

A) Redeemable Non-Convertible Debenture (NCD) - Secured

i) Public issue of Non-Convertible Debentures (NCD) of Rs. 1,000/- each (IPO 2018 - 1)

Terms of repayment

As at March 31, 2023

Redeemable at par/ premium (from the date of the Balance Sheet)	(Rs. in crores)	
	Rate of interest	Total
	< 10%	
over 60 months	498.94	498.94
upto 12 months	865.47	865.47
Total	1,364.41	1,364.41

As at March 31, 2022

Redeemable at par/ premium (from the date of the Balance Sheet)	(Rs. in crores)	
	Rate of interest	Total
	< 10%	
over 60 months	497.98	497.98
12-24 months	850.87	850.87
Total	1,348.85	1,348.85

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Group had utilised the entire sum of Rs. 3,648.52 crores raised from public issue (net off expenses) towards repayment of borrowings as per the objects stated in the prospectus for the issue.

As per the terms of the issue Rs. 2,285.45 crores were redeemed on July 12, 2021.

As per the terms of the issue Rs. 107.40 crores were redeemed on December 26, 2019.

ii) Public issue of Non-Convertible Debentures (NCD) of Rs. 1,000/- each (IPO 2018 - 2)

Terms of repayment

As at March 31, 2023

Redeemable at par/ premium (from the date of the Balance Sheet)	(Rs. in crores)	
	Rate of interest	Total
	< 10%	
over 60 months	71.99	71.99
upto 12 months	275.95	275.95
Total	347.94	347.94

I DEBT SECURITIES (Contd.)

As at March 31, 2022 (Rs. in crores)

Redeemable at par/ premium (from the date of the Balance Sheet)	Rate of interest	Total
	< 10%	
over 60 months	71.82	71.82
12-24 months	269.30	269.30
Total	341.12	341.12

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Group had utilised the entire sum of Rs. 606.79 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

As per the terms of the issue Rs. 107.40 crores were redeemed on November 02, 2021.

iii) Public issue of Non-Convertible Debentures (NCD) of Rs. 1,000/- each (IPO 2018 - 3)

Terms of repayment

As at March 31, 2023 (Rs. in crores)

Redeemable at par/ premium (from the date of the Balance Sheet)	Rate of interest	Total
	< 10%	
over 60 months	60.26	60.26
upto 12 months	249.73	249.73
Total	309.99	309.99

As at March 31, 2022 (Rs. in crores)

Redeemable at par/ premium (from the date of the Balance Sheet)	Rate of interest	Total
	< 10%	
over 60 months	60.13	60.13
12-24 months	243.38	243.38
Total	303.51	303.51

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Group had utilised the entire sum of Rs. 537.32 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

As per the terms of the issue Rs. 247.04 crores were redeemed on February 06, 2022.

iv) Public issue of Non-Convertible Debentures (NCD) of Rs. 1,000/- each (IPO 2019 - 1)

Terms of repayment

As at March 31, 2023 (Rs. in crores)

Redeemable at par/ premium (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
36-48 months	20.74	47.09	67.83
12-24 months	34.06	74.00	108.06
Total	54.80	121.09	175.89

I DEBT SECURITIES (Contd.)

As at March 31, 2022			(Rs. in crores)
Redeemable at par/ premium (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	20.65	45.16	65.81
24-36 months	33.87	71.47	105.34
upto 12 months	41.91	94.28	136.19
Total	96.43	210.91	307.34

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Group has utilised the entire sum of Rs. 339.94 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

As per the terms of the issue Rs. 126.25 crores were redeemed on February 22, 2023.

As per the terms of the issue Rs. 53.11 crores were redeemed on February 22, 2022.

v) Public issue of Non-Convertible Debentures (NCD) of Rs. 1,000/- each (IPO 2019 - 2)

Terms of repayment

As at March 31, 2023			(Rs. in crores)
Redeemable at par/ premium (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%		
36-48 months	26.57		26.57
12-24 months	70.71		70.71
Total	97.28		97.28

As at March 31, 2022			(Rs. in crores)
Redeemable at par/ premium (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	26.44	-	26.44
24-36 months	68.61	-	68.61
upto 12 months	79.87	24.89	104.76
Total	174.92	24.89	199.81

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Group has utilised the entire sum of Rs. 193.67 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

As per the terms of the issue Rs. 100.65 crores were redeemed on January 28, 2023.

vi) Public issue of Non-Convertible Debentures (NCD) of Rs. 1,000/- each (IPO 2019 - April) (Effects of business combination - Refer note 52)

Terms of repayment

As at March 31, 2023			(Rs. in crores)
Redeemable at par/ premium (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%		
12-24 months	138.55		138.55
Total	138.55		138.55

As at March 31, 2022 - Nil

I DEBT SECURITIES (Contd.)

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Group has utilised the entire sum of Rs. 252.51 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

As per the terms of the issue Rs. 130.36 crores were redeemed on April 30, 2022.

vii) Public issue of Non-Convertible Debentures (NCD) of Rs. 1,000/- each (IPO 2019 - September) - (Effects of business combination - Refer note 52)

Terms of repayment

As at March 31, 2023

(Rs. in crores)

Redeemable at par/ premium (from the date of the Balance Sheet)	Rate of interest	Total
	< 10%	
12-24 months	74.82	74.82
Total	74.82	74.82

As at March 31, 2022 - Nil

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Group has utilised the entire sum of Rs. 106.27 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

As per the terms of the issue Rs. 37.29 crores were redeemed on September 25, 2022.

viii) Privately placed Redeemable Non-Convertible Debenture of Rs. 1,000,000/- each

Terms of repayment

As at March 31, 2023

(Rs. in crores)

Redeemable at par/ premium (from the date of the Balance Sheet)	Rate of interest		Total
	< 10% ^ \$	>= 10% < 12% ^ #	
over 60 months	11,947.62	-	11,947.62
36-48 months \$	445.54	-	445.54
24-36 months ^ \$	1,043.31	-	1,043.31
12-24 months ^	4,068.44	1,759.01	5,827.45
upto 12 months ^ # \$	8,041.92	308.37	8,350.29
Total	25,546.83	2,067.38	27,614.21

^ NCD amounting to Rs. 4,067.70 crores issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

includes NCD of Rs. 250.00 crores partly paid to the extent of Rs. 216.67 crores.

\$ Out of above NCD having put/ call option are as under

(Rs. in crores)

Sr No.	Rate of interest	Amount	Put/ Call Option Date
1	7.95%	260.00	August 12, 2023
2	9.14%	50.00	October 31, 2025
3	8.48%	100.00	April 02, 2027
Total		410.00	

I DEBT SECURITIES (Contd.)

As at March 31, 2022					(Rs. in crores)
Redeemable at par/ premium (from the date of the Balance Sheet)	Rate of interest				Total
	< 10%^	>= 10% < 12% ^	>= 12% < 14%	>=14% <16%	
over 60 months	6,374.70	-	-	-	6,374.70
48-60 months	338.75	-	-	-	338.75
36-48 months	352.54	-	-	-	352.54
24-36 months ^	461.91	1,301.21	-	-	1,763.12
12-24 months^ # \$	4,610.29	304.39	-	-	4,914.68
upto 12 months ^ \$	3,637.44	1,179.96	154.56	52.30	5,024.26
Total	15,775.63	2,785.56	154.56	52.30	18,768.05

^ NCD amounting to Rs. 2,396.30 crores issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

includes NCD of Rs. 250.00 crores partly paid to the extent of Rs. 116.67 crores.

\$ Out of above NCD having put/ call option are as under

(Rs. in crores)			
Sr No.	Rate of interest	Amount	Put/ Call Option Date
1	7.46%	1,000.00	April 29, 2022
2	7.15%	1,585.00	June 17, 2022
Total		2,585.00	

Nature of security

Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Group.

ix) **Privately placed Redeemable Non-Convertible Debenture of Rs. 100,000/- each (Effects of business combination - Refer note 52)**

Terms of repayment

As at March 31, 2023				(Rs. in crores)
Redeemable at par/ premium (from the date of the Balance Sheet)	Rate of interest		Total	
	< 10%	> = 10% < 12%		
over 60 months	239.13	-	239.13	
36-48 months	124.16	-	124.16	
24-36 months	476.02	-	476.02	
12-24 months	-	336.06	336.06	
Total	839.31	336.06	1,175.37	

As at March 31, 2022 - Nil

Nature of security

Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Group.

I DEBT SECURITIES (Contd.)

- x) Privately placed Redeemable Non-Convertible Debenture of Rs. 875,000/- each (Effects of business combination - Refer note 52)

Terms of repayment

As at March 31, 2023

(Rs. in crores)

Redeemable at par/ premium (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	> = 10% < 12%	
36-48 months	5.73	-	5.73
24-36 months	14.48	-	14.48
12-24 months	14.87	-	14.87
upto 12 months	16.01	-	16.01
Total	51.09	-	51.09

As at March 31, 2022 - Nil

Nature of security

Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Group.

(Rs. in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Public issue (i + ii + iii + iv + v + vi + vii)	2,508.89	2,500.63
Privately placed (viii + ix+x)	28,840.67	18,768.05
Total Non-Convertible Debentures - Secured	31,349.56	21,268.68

B) External Commercial Bond (ED) - Secured

Privately placed Redeemable External Commercial Bond of Rs. 100,000/- each

Terms of repayment

As at March 31, 2023

(Rs. in crores)

Particulars	Rate of interest		Total
	< 10%	> = 10% < 12%	
36-48 months	1,219.57	-	1,219.57
24-36 months	3,305.98	-	3,305.98
upto 12 months	6,030.31	1,957.42	7,987.73
Total	10,555.86	1,957.42	12,513.28

As at March 31, 2022

(Rs. in crores)

Particulars	Rate of interest		Total
	< 10%	> = 10% < 12%	
24-36 months	3,622.91	-	3,622.91
12-24 months	9,564.27	-	9,564.27
upto 12 months	5,824.11	-	5,824.11
Total	19,011.29	-	19,011.29

On March 29, 2023, the Group issued and allotted USD 150,000,000 6.37% senior secured floating rate notes due 2026 ("notes") for a sum of Rs.1,232.60 crores under the USD 3,500,000,000 Global Medium Term Note (GMTN) Programme. The said notes are listed on Indian International Exchange ("INX"). The proceeds of the issue of the notes have been utilised in accordance with the Group's Social Finance Framework and as may be permitted by the RBI ECB guidelines for onward lending and other activities.

On January 18, 2022, the Group issued and allotted USD 475,000,000 4.15% senior secured notes due 2025 in offshore market (Social Bonds) for sum of Rs. 3,512.86 crores under USD 3.5 Billion GMTN Programme. The said Social Bonds were

I DEBT SECURITIES (Contd.)

listed on Singapore Stock Exchange (SGX-ST) on January 19, 2022. The proceeds of the issue of the Social Bonds have been utilised as per the Group's Social Finance Framework, for onward lending and other activities as permitted by the RBI Master Direction — External Commercial Borrowings, Trade Credits and Structured Obligations.

On March 31, 2021, the Group issued and allotted USD 225,000,000 4.40% senior secured notes due 2024 in offshore market (Social Bonds) for sum of Rs.1,630.35 crores to be consolidated and form a single series with the USD 500,000,000 4.40% senior secured notes due 2024 issued on January 13, 2021 under USD 3 Billion GMTN Programme. The said Social Bonds were listed on Singapore Stock Exchange (SGX-ST) on April 01, 2021. The proceeds of the issue of the Social Bonds have been utilised as per the Group's Social Finance Framework, for onward lending and other activities as permitted by the RBI Master Direction — External Commercial Borrowings, Trade Credits and Structured Obligations.

On January 13, 2021, the Group issued and allotted USD 500,000,000 4.40% senior secured notes due 2024 in offshore market (Social Bonds) for sum of USD 499,950,000 equivalent to Rs. 3,672.50 crores under USD 3 Billion GMTN Programme. The said Social Bonds were listed on Singapore Stock Exchange (SGX-ST) on January 14, 2021. The proceeds of the issue of the Social Bonds have been utilised as per the Group's Social Finance Framework, for onward lending and other activities as permitted by the RBI Master Direction – External Commercial Borrowings, Trade Credits and Structured Obligations.

During the year ended March 31, 2020, the Group issued and allotted USD 250,000,000 5.3750% senior secured notes due 2022 in offshore market (notes) equivalent to Rs. 1,714.38 crores under USD 2,000,000,000 GMTN Programme. The said notes are listed on Singapore Stock Exchange (SGX-ST). The proceeds of the issue of the notes have been utilised for the purpose of onward lending and other activities as may be permitted by the ECB Directions.

During the year ended March 31, 2020, the Group issued and allotted USD 500,000,000 5.100% senior secured notes due 2023 in offshore market (Social Bonds) equivalent to Rs. 3,541.75 crores under USD 3,000,000,000 GMTN Programme. The said Social Bonds are listed on Singapore Stock Exchange (SGX-ST). The proceeds of the issue of the Social Bonds have been utilised for the purpose of onward lending and other activities as per the Group's Social Finance Framework and as may be permitted by the ECB Directions.

During the year ended March 31, 2019, the Group issued and allotted senior secured notes in offshore market (notes) aggregating to Rs. 2,849.90 crores consisting of 5.70% notes due 2022 under Rs. 5,000 crores Medium Term Note Programme. The notes issued by the Group are listed on Singapore Stock Exchange (SGX-ST). The proceeds of the issue have been utilised for the purpose of onward disbursements.

As per the terms of the issue, Rs. 1,753.76 crores were bought back on November 03, 2022 and Rs. 30.47 crores were bought back on November 17, 2022 (Dollar Bond - 3).

As per the terms of the issue, Rs. 3,991.97 crores were redeemed on October 24, 2022.

As per the terms of the issue, Rs. 1,210.16 crores were bought back on August 17, 2022.

As per the terms of the issue, Rs. 591.64 crores were bought back on August 17, 2022 (Dollar Bond 7).

As per the terms of the issue, Rs. 2,849.90 crores were redeemed on February 28, 2022.

Nature of security

Secured by way of an exclusive fixed charge over hypothecation loan receivables of the Group.

C) Senior Secured Notes

Senior Secured Notes of Rs. 10,000,000/- each

Terms of repayment

(Rs. in crores)

Particulars	Rate of interest	As at	As at
		March 31, 2023	March 31, 2022
12-24 months	<10%	-	891.40
upto 12 months	<10%	894.73	-
Total		894.73	891.40

During the year ended March 31, 2018, the Group had issued senior secured notes in offshore market (notes) aggregating to Rs. 1,160.00 crores consisting of Rs. 840.00 crores 8.10% notes due 2023 and Rs. 320.00 crores 7.90% notes due 2021 payable in USD under Rs. 5,000.00 crores Medium Term Note Programme. The notes issued by the Group are listed on Singapore Stock Exchange (SGX-ST).

The Group had utilised the entire sum of Rs. 1,160.00 crores raised from senior secured notes towards asset financing activities as per the objects stated in the prospectus for the issue.

During the year ended March 31, 2017, the Group had issued Rs. 1,350.00 crores 8.25 % senior secured notes at the price of 100.18% that are due for repayment on February 18, 2020. The said notes (with ISIN - XS 1549374475) are listed and traded on the Singapore Stock Exchange (SGX-ST) with a minimum board lot size of USD 200,000.

The Group had utilised the entire sum of Rs. 1,350.00 crores raised from senior secured notes towards asset financing activities as per the objects stated in the prospectus for the issue.

I DEBT SECURITIES (Contd.)

As per the terms of the issue, Rs. 1,350.00 crores were redeemed on February 18, 2020.

As per the terms of the issue, Rs. 320.00 crores were redeemed on March 12, 2021.

Nature of security

Secured by way of an exclusive fixed charge over hypothecation loan receivables of the Group.

D) Redeemable Non-Convertible Debenture (NCD) - Unsecured

i) Privately placed Redeemable Non-Convertible Debenture of Rs. 1,000,000/- each

Terms of repayment

As at March 31, 2023

(Rs. in crores)

Redeemable at par/ premium (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 12% < 14%	
over 60 months	33.08	-	33.08
12-24 months	-	87.61	87.61
Total	33.08	87.61	120.69

As at March 31, 2022

(Rs. in crores)

Redeemable at par/ premium (from the date of the Balance Sheet)	Rate of interest		Total
	>= 12% < 14%		
24-36 months	85.18		85.18
Total	85.18		85.18

ii) Privately placed Redeemable Non-Convertible Debenture of Rs. 100,000/- each

Terms of repayment

As at March 31, 2023

(Rs. in crores)

Redeemable at par/ premium (from the date of the Balance Sheet)	Rate of interest		Total
	>= 10% < 12%		
upto 12 months	26.65		26.65
Total	26.65		26.65

Terms of repayment as on March 31, 2022

Outstanding as at March 31, 2022 is Rs. Nil.

(Rs. in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Privately placed (i+ii)	147.34	85.18
Total Non-Convertible Debentures - Unsecured	147.34	85.18

E) Commercial paper (CP) - unsecured

Privately placed redeemable commercial paper of Rs. 500,000/- each

Terms of repayment as on March 31, 2023

(Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%		
upto 12 months	19.12		19.12
Total	19.12		19.12

Terms of repayment as on March 31, 2022

Outstanding as at March 31, 2022 is Rs. Nil.

II BORROWINGS (OTHER THAN DEBT SECURITIES)

A) Term loans from banks - Secured (INR)

As at March 31, 2023

Terms of repayment #

(Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
Over 60 months	2.94% to 9.75%	20 to 39 quarterly installments	862.62
48-60 months	2.94% to 9.75%	9 to 60 instalments of monthly, quarterly and half-yearly frequency	6,371.94
36-48 months	2.94% to 11.15%	1 to 60 instalments of bullet, monthly, half-yearly and quarterly frequency	7,934.52
24-36 months	2.94% to 10.72%	6 to 60 instalments of monthly, quarterly, half-yearly and specific frequency	7,704.60
12-24 months	2.94% to 11.29%	1 to 60 instalments of bullet, monthly, quarterly and half-yearly frequency	5,670.15
upto 12 months	2.94% to 13.12%	1 to 60 instalments of bullet, monthly, quarterly, half-yearly and specific frequency	7,809.10
Total			36,352.93

Loans are classified in respective time buckets based on option date.

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

As at March 31, 2022

Terms of repayment #

(Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	7.45% to 8.90%	20 to 60 instalments of monthly and quarterly frequency	3,318.09
36-48 months	5.50% to 8.56%	14 to 60 instalments of monthly and quarterly frequency	2,874.22
24-36 months	5.70% to 9.56%	1 to 48 instalments of bullet, monthly, quarterly and half-yearly frequency	3,539.61
12-24 months	6.61% to 10.14%	1 to 36 instalments of bullet, monthly and quarterly frequency	1,603.16
upto 12 months	5.60% to 10.34%	1 to 36 instalments of bullet, monthly, quarterly and specific frequency	5,420.54
Total			16,755.62

Loans are classified in respective time buckets based on option date.

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

II BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

B) Term loans from financial institutions/corporates - Secured (INR)

As at March 31, 2023

Terms of repayment #			(Rs. in crores)
Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
Over 60 months	8.30% to 11.25%	21 to 120 instalments of monthly and quarterly frequency	1,021.03
48-60 months	8.50% to 11.25%	21 to 120 instalments of monthly and quarterly frequency	1,076.36
36-48 months	7.34% to 11.25%	19 to 120 instalments of monthly and quarterly frequency	2,299.16
24-36 months	7.20% to 11.25%	11 to 120 instalments of monthly and quarterly frequency	3,136.74
12-24 months	7.52% to 11.25%	10 to 120 instalments of monthly, quarterly, half-yearly and specific frequency	1,775.91
upto 12 months	8.70% to 11.25%	11 to 120 instalments of monthly, quarterly and specific frequency	118.60
Total			9,427.80

Loans are classified in respective time buckets based on option date.

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

As at March 31, 2022

Terms of repayment #			(Rs. in crores)
Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	7.34% to 8.95%	19 to 20 instalments of quarterly frequency	1,227.32
36-48 months	8.23% to 9.00%	1 to 20 instalments of bullet and quarterly frequency	1,898.70
24-36 months	7.25% to 10.20%	11 instalments of quarterly, half-yearly and specific frequency	2,229.80
12-24 months	9.70% to 10.50%	11 to 12 instalments of quarterly, half-yearly and specific frequency	197.15
upto 12 months	7.44% to 9.07%	11 to 20 instalments of quarterly, half-yearly and specific frequency	132.27
Total			5,685.24

Loans are classified in respective time buckets based on option date.

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

C) External commercial borrowing

As at March 31, 2023

Terms of repayment			(Rs. in crores)
Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
Over 60 months	9.20%	16 instalments of specific frequency	2,053.32
48-60 months	9.10% to 9.40%	9 to 11 instalments of half-yearly and specific frequency	1,294.92
36-48 months	8.63% to 10.86%	11 to 13 instalments of half-yearly and specific frequency	729.55

II BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

(Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
24-36 months	8.84% to 10.29%	bullet frequency	2,655.29
12-24 months	8.12%	bullet frequency	208.71
upto 12 months	9.83% to 10.02%	bullet frequency	2,886.22
Total			9,828.01

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

As at March 31, 2022

Terms of repayment

(Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
Over 60 months	4.59%	11 instalments of half-yearly frequency	531.25
48-60 months	8.63% to 10.86%	11 to 13 instalments of half-yearly and specific frequency	873.29
24-36 months	8.12%	bullet frequency	191.59
12-24 months	9.83% to 10.02%	bullet frequency	2,647.00
Total			4,243.13

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

D) Loans repayable on demand from banks (Cash credit from banks)

As at March 31, 2023

Terms of repayment

(Rs. in crores)

Particulars	Rate of interest	Amount
Secured by hypothecation of specific assets covered under hypothecation loan agreements	6.10% to 10.80%	459.10
Total		459.10

Loans repayable on demand from banks (Cash credit from banks)

As at March 31, 2022

Terms of repayment

(Rs. in crores)

Particulars	Rate of interest	Amount
Secured by hypothecation of specific assets covered under hypothecation loan agreements	7.30% to 10.45%	454.86
Total		454.86

E) Other loans - INR - Securitisation liabilities

As at March 31, 2023

Terms of repayment

(Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
60-72 months	7.70% to 9.65%	1 to 361 instalments of monthly frequency	2,930.16
48-60 months	6.10% to 9.65%	1 to 361 instalments of monthly frequency	7,679.45

II BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

(Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
36-48 months	5.90% to 9.90%	1 to 361 instalments of monthly frequency	6,550.84
24-36 months	6.05% to 9.65%	1 to 361 instalments of monthly frequency	4,332.80
12-24 months	5.95% to 9.65%	1 to 361 instalments of monthly frequency	472.09
upto 12 months	6.50% to 9.65%	1 to 361 instalments of monthly frequency	511.57
Total			22,476.91

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

As at March 31, 2022

Terms of repayment

(Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	5.90% to 9.00%	1 to 86 instalments of monthly frequency	11,209.94
36-48 months	5.50% to 9.00%	1 to 67 instalments of monthly frequency	3,565.64
24-36 months	6.31% to 9.40%	1 to 65 instalments of monthly frequency	1,166.14
12-24 months	8.00% to 9.70%	1 to 61 instalments of monthly frequency	3,092.50
upto 12 months	6.97% to 10.20%	1 to 61 instalments of monthly frequency	503.86
Total			19,538.08

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

III DEPOSITS

A) Deposits from public - Unsecured - [Refer note 65]

Terms of repayment

As at March 31, 2023

(Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest	Total
	< 10%	
48-60 months	4,613.62	4,613.62
36-48 months	3,540.37	3,540.37
24-36 months	9,646.19	9,646.19
12-24 months	8,259.06	8,259.06
upto 12 months	8,612.75	8,612.75
Total	34,671.99	34,671.99

As at March 31, 2022

(Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest	Total
	< 10%	
48-60 months	2,446.18	2,446.18
36-48 months	2,030.40	2,030.40
24-36 months	5,523.97	5,523.97
12-24 months	4,631.55	4,631.55
upto 12 months	5,557.98	5,557.98
Total	20,190.08	20,190.08

III DEPOSITS (Contd.)

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
Total deposits from public	34,671.99	20,190.08

B) Deposits from corporates - Unsecured

Terms of repayment

As at March 31, 2023

(Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%		
48-60 months	39.71		39.71
36-48 months	48.74		48.74
24-36 months	223.18		223.18
12-24 months	454.39		454.39
upto 12 months	701.82		701.82
Total	1,467.84		1,467.84

Terms of repayment

As at March 31, 2022

(Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%		
48-60 months	30.21		30.21
36-48 months	13.24		13.24
24-36 months	367.23		367.23
12-24 months	150.65		150.65
upto 12 months	1,168.43		1,168.43
Total	1,729.76		1,729.76

C) Inter-corporate deposits

Terms of repayment

As at March 31, 2023: Nil

As at March 31, 2022

(Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Total
upto 12 months	4.50% to 7.00%	Bullet repayment	29.14
Total			29.14

IV SUBORDINATED LIABILITIES

A) Subordinated liabilities - Unsecured - Debentures

Privately placed subordinated liabilities of Rs. 1,000,000/- each

Terms of repayment

As at March 31, 2023

(Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
over 60 months	-	79.00	-	79.00
48-60 months	1,395.94	-	-	1,395.94
36-48 months	137.76	-	-	137.76
24-36 months	39.92	57.11	-	97.03
12-24 months	41.08	548.28	1,723.84	2,313.20

IV SUBORDINATED LIABILITIES (Contd.)

(Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
upto 12 months	-	333.26	-	333.26
Total	1,614.70	1,017.65	1,723.84	4,356.19

(Rs. in crores)

As at March 31, 2022

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
over 60 months	1,395.11	78.94	-	1,474.05
48-60 months	137.64	-	-	137.64
36-48 months	39.87	56.94	-	96.81
24-36 months	41.04	541.92	1,680.52	2,263.48
12-24 months	-	332.92	-	332.92
upto 12 months	-	309.35	-	309.35
Total	1,613.66	1,320.07	1,680.52	4,614.25

B) Subordinated liabilities - Unsecured - Debentures

Privately placed subordinated liabilities of Rs. 10,000,000/- each

Terms of repayment

As at March 31, 2023 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest	Total
	<10%	
over 60 months	237.44	237.44
Total	237.44	237.44

As at March 31, 2022 - Nil

(Rs. in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
27 OTHER FINANCIAL LIABILITIES		
Investor education and protection fund shall be credited by the following amounts (as and when due)		
- Unclaimed dividend	9.45	9.72
- Unclaimed matured deposits and interest accrued thereon	134.20	111.07
- Unclaimed matured debentures and interest accrued thereon	12.92	13.09
- Unclaimed matured subordinated debts and interest accrued thereon	11.20	9.08
Temporary credit balance in bank accounts	56.99	30.12
Payable on account of assignment	210.08	132.00
Payable to dealers	36.02	0.86
Payable to employees	233.08	132.59
Retention money and other sundry liabilities	210.14	303.48
Other liabilities *	159.74	117.63
Total	1,073.82	859.64

* Other liabilities include amount payable to Banks for credit card payments, settlement dues payable to resigned employees, etc.

		(Rs. in crores)	
Particulars		As at March 31, 2023	As at March 31, 2022
28	CURRENT TAX LIABILITIES (NET)		
	For taxation [net of advance tax Rs. 5,512.85 crores (March 31, 2022: Rs. 692.91 crores)]	160.89	36.82
	Total	160.89	36.82

		(Rs. in crores)	
Particulars		As at March 31, 2023	As at March 31, 2022
29	PROVISIONS		
	For employee benefits		
	- Gratuity (refer note 51)	2.88	2.24
	- Compensated absences (leave encashment and availment)	101.48	38.31
	For others		
	- Expected credit loss towards undrawn loan commitment	11.55	6.70
	- Taxes - contested	98.59	90.93
	Total	214.50	138.18

Loan commitments

Credit quality of exposure

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in Note 54.02 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 54.02.02.07.

		As at March 31, 2023				As at March 31, 2022
Particulars		Stage 1	Stage 2	Stage 3	Total	Stage 1
	Internal rating grade					
	Performing					
	High grade	835.62	-	-	835.62	92.43
	Standard grade	2.46	-	-	2.46	-
	Sub-standard grade	-	1.23	-	1.23	-
	Past due but not impaired	-	0.32	-	0.32	-
	Non- performing	-	-	-	-	-
	Total	838.08	1.55	-	839.63	92.43

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to other undrawn loan commitments is, as follows:

Gross exposure reconciliation

		Year ended March 31, 2023				Year ended March 31, 2022
Particulars		General approach				General approach
		Stage 1	Stage 2	Stage 3	Total	Stage 1
	Opening balance of outstanding exposure	92.43	-	-	92.43	148.66
	Effects of business combination (Refer note 52)	526.75	1.29	-	528.04	-
	Restated as at April 01, 2022	619.18	1.29	-	620.47	-
	New exposures	776.01	1.25	-	777.26	69.95

29 PROVISIONS (Contd.)

Particulars	Year ended March 31, 2023				(Rs. in crores)	
	General approach				Year ended March 31, 2022	
	Stage 1	Stage 2	Stage 3	Total	General approach	
					Stage 1	
Exposures cancelled or disbursed (excluding write-offs)	(556.40)	(1.70)	-	(558.10)	(126.18)	
Transfers to Stage 1	(0.71)	0.71	-	-	-	
Closing balance of outstanding exposure	838.08	1.55	-	839.63	92.43	

Reconciliation of ECL balance in relation to other undrawn loan commitments is given below:

Particulars	Year ended March 31, 2023				(Rs. in crores)	
	General approach				Year ended March 31, 2022	
	Stage 1	Stage 2	Stage 3	Total	General approach	
					Stage 1	
ECL allowance - opening balance	6.70	-	-	6.70	10.70	
Effects of business combination (Refer note 52)	4.91	0.05	-	4.97	-	
Restated as at April 01, 2022	11.61	0.05	-	11.67	-	
New exposures	11.21	0.02	-	11.23	4.21	
Exposures cancelled or disbursed (excluding write-offs)	(11.29)	(0.05)	-	(11.34)	(8.21)	
Transfers to Stage 1	(0.01)	0.01	-	-	-	
ECL allowance - closing balance	11.53	0.02	-	11.55	6.70	

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
30 OTHER NON-FINANCIAL LIABILITIES		
Statutory dues payable	167.62	101.16
Advance from customers	37.36	23.26
Total	204.98	124.42

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
31 EQUITY SHARE CAPITAL		
Authorised:		
2,975,500,000 (March 31, 2022: 647,000,000) equity shares of Rs.10/- each	2,975.50	647.00
129,000,000 (March 31, 2022: 95,000,000) preference shares of Rs.100/- each	1,290.00	950.00
	4,265.50	1,597.00
Issued share capital		
374,427,276 (March 31, 2022: 270,519,713) equity shares of Rs. 10/- each	374.43	270.52
Subscribed share capital		
374,427,276 (March 31, 2022: 270,519,713) equity shares of Rs. 10/- each	374.43	270.52
Paid up (fully paid up)		
Equity shares		

31 EQUITY SHARE CAPITAL (Contd.)

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
374,427,276 (March 31, 2022: 270,519,713) equity shares of Rs. 10/- each fully paid up	374.43	270.52
Total Equity	374.43	270.52

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	Number of shares	(Rs. in crores)
As at March 31, 2021	253,061,513	253.06
Issued during the year #	17,458,200	17.46
As at March 31, 2022	270,519,713	270.52
Cancellation of SCL shares @	(70,437,147)	(70.44)
Fresh issue to shareholders of SCL @	105,113,114	105.11
Fresh issue to shareholders of SCUF @	69,231,596	69.23
As at March 31, 2023	374,427,276	374.43

@ Refer note 52 - Business Combination

On June 12, 2021, the Company allotted 13,986,000 Equity Shares of face value Rs. 10/- each to eligible qualified institutional buyers at the issue price of Rs. 1,430/- per Equity Share (including a premium of Rs. 1,420/- per Equity Share) at a discount of Rs. 3.32 per Equity Share i.e. 0.23% of the floor price of Rs. 1,433.32 per Equity Share, aggregating to Rs. 19,999,980,000/- by way of qualified institutions placement (QIP Issue). The QIP Issue opened on June 07, 2021 and closed on June 11, 2021. The entire proceeds have been utilised for the objects of the QIP Issue. Pursuant to the allotment of Equity Shares in the QIP Issue, the paid - up equity share capital of the Company stood increased from Rs. 2,530,615,130/- to Rs. 2,670,475,130/- on June 12, 2021 comprising of 267,047,513 fully paid-up equity shares of face value of Rs.10/- each and securities premium reserve by Rs. 1,964.78 crores (net of share issue expenses of Rs. 21.23 crores).

On July 08, 2021 the Company allotted (i) 1,736,100 Equity Shares of the Company, fully paid-up, at a price of Rs. 1,440/- per Equity Share including a premium of Rs. 1,430/- per Equity Share, aggregating up to Rs. 2,499,984,000/- and (ii) 1,736,100 Warrants convertible into 1,736,100 Equity Shares at a price (including the warrant subscription price and the warrant exercise price) of Rs. 1,440/- each, aggregating up to Rs. 2,499,984,000/- on a preferential basis to Shriram Capital Limited, Promoter of the Company (Preferential Issue). The Company received the subscription money of Rs. 624,996,000/- for allotment of 1,736,100 Warrants convertible into Equity Shares, being 25% of the Issue price of Rs. 1,440/- of the Warrants at Rs. 360/- per Warrant, towards the warrant subscription price. The entire proceeds have been utilised for the objects of the Preferential Issue. Pursuant to allotment of the Equity Shares in the Preferential Issue, the paid-up share capital of the Company stood increased on July 08, 2021 from Rs. 2,670,475,130/- to Rs. 2,687,836,130/- comprising of 268,783,613 equity shares of face value of Rs. 10/- each and securities premium reserve by Rs. 248.06 crores.

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The final dividend is subject to the approval of the shareholders in the ensuing annual general meeting.

The Board of Directors in their meeting held on April 27, 2023 has recommended a final dividend of Rs. 20/- per equity share of nominal face value of Rs.10/- each fully paid up i.e. 200 %, for the Financial Year 2022-23 subject to approval by shareholders in the ensuing 44th Annual General Meeting (44th AGM) of the Company. This is in addition to the interim dividend of Rs. 15/- per equity share of Rs. 10/- each fully paid-up (150%) for the Financial Year 2022-23 declared by the Company on December 24, 2022, amounting to Rs. 5,616,409,140/- (gross) subject to deduction of tax at source as per the

31 EQUITY SHARE CAPITAL (Contd.)

applicable rate(s) to the eligible shareholders. The record date for payment of interim dividend was January 04, 2023. The interim dividend was paid to eligible shareholders on January 13, 2023. With this the total dividend for the financial year 2022-23 will be Rs. 35/- per equity share (i.e. 350 %). Pursuant to Regulation 42 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to the confirmation by the Stock Exchanges, the Book Closure period for the purpose of payment of the final dividend and 44th AGM will be from June 17, 2023 to June 23, 2023 (both days inclusive). The final dividend will be paid to eligible shareholders on or before July 22, 2023 subject to deduction of tax at source as per the applicable rate(s).

The Board of Directors in their meeting held on March 05, 2022 declared second interim equity dividend of 120% (Rs. 12/- per equity share of nominal face value of Rs. 10/- each fully paid up) for the financial year 2021-22, amounting to Rs. 3,246,236,556/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders. The record date for payment of second interim equity dividend was March 14, 2022. The second interim dividend was paid to eligible shareholders on March 24, 2022. The Board of Directors in their meeting held on October 29, 2021 declared interim equity dividend of 80% (Rs. 8/- per equity share of nominal face value of Rs. 10/- each fully paid up) for the financial year 2021-22, amounting to Rs. 2,150,268,904/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders. The record date for payment of interim equity dividend was November 10, 2021. The interim dividend was paid to eligible shareholders on November 24, 2021. The Board of Directors in its meeting held on April 28, 2022 did not recommended final dividend. As such the interim dividend aggregating to Rs. 20/-per share (i.e. 200 %) was the final dividend for the financial year 2021-22 .

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

The aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date were Nil (March 31, 2022: Nil). Refer note 52 - Business combination.

d. Details of shareholders holding more than 5% equity shares in the Company

Details of shareholding	As at March 31, 2023		As at March 31, 2022	
	Number of shares	% holding	Number of shares	% holding
Equity shares of Rs. 10/- each				
Shriram Capital Private Limited (formerly known as Shriram Financial Ventures (Chennai) Private Limited)	67,145,784	17.93%	-	-
Shriram Capital Limited (Refer note 52 - Business combination)	-	-	70,437,147	26.04%
Piramal Enterprises Limited	31,221,449	8.34%	-	-
Life Insurance Corporation of India	¥	¥	18,004,597	6.66%

¥ holding less than 5% equity shares

e. Refer note 68- Capital management for the Group's objectives, policies and processes for managing capital.

31 EQUITY SHARE CAPITAL (Contd.)

f. Proposed dividends on equity shares

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
Proposed dividend on equity shares for the year ended on March 31, 2023: Rs. 20/- per share (March 31, 2022: Rs. Nil per share)	748.85	-
Total	748.85	-

g. Shareholding of Promoters

Promoter & Promoter Group	Relationship	Shares held at the end of the year		% Change during the year*
		No. of Shares	% of Total Shares	
As at March 31, 2023				
Shriram Capital Private Limited (formerly known as Shriram Financial Ventures (Chennai) Private Limited)	Promoter	67,145,784	17.93%	0.00%
Shriram Ownership Trust	Promoter	7,840,080	2.09%	13677.25%
Shriram Value Services Limited	Promoter group	12,993,461	3.47%	1130.00%
Sanlam Life Insurance Limited	Promoter group	7,536,951	2.01%	0.00%
As at March 31, 2022				
Shriram Capital Limited **	Promoter	70,437,147	26.04%	5.19%
Shriram Ownership Trust	Promoter group	56,906	0.02%	0.00%
Shriram Value Services Limited	Promoter group	1,056,379	0.39%	0.00%

* percentage change is computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue.

**As per the composite scheme of amalgamation of SCL and SCUF with STFC with appointed date as of April 01, 2022, the relevant share capital of SCL has been nullified in current financial year.

h. Amount of per share dividend recognised as distribution to equity shareholders

Particulars	Year ended March 31,	
	2023	2022
Proposed dividend for the year ended March 31, 2023 (Rs. per share)	20.00	-
Interim dividend for the year ended March 31, 2023 (Rs. per share)	15.00	-
Interim dividend for the year ended March 31, 2022 (Rs. per share)	-	20.00
Final dividend for the year ended March 31, 2021 (Rs. per share)	-	6.00

		(Rs. in crores)	
Particulars	As at March 31, 2023	As at March 31, 2022	
32 OTHER EQUITY			
Share application money pending allotment	-	-	
Statutory reserve (Pursuant to Section 45-IC of The RBI Act, 1934)			
Opening balance	4,707.98	4,166.39	
Add: Amalgamation adjustment account	1,706.81	-	
Add: Transfer from retained earnings	1,195.87	541.59	
Closing balance	7,610.66	4,707.98	
Statutory reserve (Pursuant to Section 29C of the NHB Act, 1987)			
Opening balance	-	-	
Add: Effects of business combination	56.11	-	
Add: Transfer from retained earnings	23.42	-	
Closing balance	79.53	-	
Securities premium			
Opening balance	5,662.38	3,201.27	
Add: Premium on shares issued during the year	11,733.89	2,482.54	
Less: Share issue expenses incurred during the year	-	(21.43)	
Closing balance	17,396.27	5,662.38	
Capital reserve			
Opening balance	27.64	27.64	
Add: Effects of business combination	76.93	-	
Closing balance	104.57	27.64	
Capital redemption reserve	53.88	53.88	
Debenture redemption reserve			
Opening Balance	307.28	921.41	
Add: Creation due to business combinations	55.07	-	
Add: Transfer from retained earnings	93.23	170.31	
Less: Transfer to retained earnings on account of redemption	(36.45)	(784.44)	
Closing balance	419.13	307.28	
General reserve			
Opening balance	2,934.07	2,663.27	
Add: Transfer from retained earnings	597.94	270.80	
Add: Amount transferred from share option outstanding on account of forfeiture of share options	0.04	-	
Closing balance	3,532.05	2,934.07	
Convertible Warrants			
Money received during the year	-	250.00	
Shares allotted during the year	-	(250.00)	
Closing balance	-	-	
Share Option Outstanding			
Opening balance	-	-	
Add: Expenses on Employee Stock Option Plan (Refer note 67)	167.63	-	
Less: Adjustment on exercise of Employee Stock Option Plan	(54.22)	-	
Add: Transfer to general reserve on account of forfeiture of share options	(0.04)	-	
Add: Effects of business combination (Refer note 52)	86.47	-	
Closing balance	199.84	-	
Amalgamation adjustment account			
Opening balance	-	-	
Statutory reserve of transferor company reinstated	(1,706.81)	-	
Closing balance	(1,706.81)	-	

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
32 OTHER EQUITY (Contd.)		
Other comprehensive income		
Remeasurement gain/(loss) on defined benefit plan (net of tax)		
Opening balance	(11.56)	(9.12)
Add: Addition during the year	(5.57)	(2.42)
Add: Share of other comprehensive income from associates (net of tax)	(0.26)	(0.02)
Closing balance	(17.39)	(11.56)
Gain / (loss) on fair valuation of quoted investments in equity shares		
Opening balance	-	-
Add: Addition during the year	(8.83)	-
Closing balance	(8.83)	-
Effective portion of cash flow hedges		
Opening balance	(213.40)	(93.02)
Add: Addition during the year	(11.02)	(120.38)
Closing balance	(224.42)	(213.40)
Retained earnings		
Opening balance	12,355.47	10,532.51
Add: Profit for the current year	6,011.04	2,721.10
Add /(Less): Appropriations		
Transfer to statutory reserve as per Section 45-IC of The RBI Act, 1934	(1,195.87)	(541.59)
Transfer to statutory reserve as per Section 29C of the NHB Act, 1987	(23.42)	-
Transfer to general reserve	(597.94)	(270.80)
Effects of Business combination	(176.74)	-
Amount transferred from share option outstanding on account of forfeiture of share options	0.90	-
Transferred (to)/from debenture redemption reserve	(111.85)	614.13
Interim dividend [March 31, 2023: Rs. 15.00 per share (March 31, 2022: Rs. 20.00 per share)]	(561.64)	(539.65)
Final dividend (for March 31, 2021: Rs. 6.00 per share)	-	(160.23)
Total appropriations	(2,666.56)	(898.14)
Closing balance	15,699.95	12,355.47
Total	43,138.43	25,823.74

Nature and purpose of reserves

- a) **Share application money pending allotment:** The amount received on the application for equity shares of the Company on which allotment is not yet made, to the extent not refundable.
- b) **Securities premium:** The amount received in excess of face value of the equity shares is recognised in Securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.
- c) **Capital reserve:** Capital reserve is the excess of net assets taken over cost of consideration paid during amalgamation. (Refer note 52: Business combination)
- d) **Capital redemption reserve:** The Company has recognised Capital redemption reserve on redemption of non-convertible redeemable preference shares from its retained earnings. The amount in capital redemption reserve is equal to nominal amount of the non-convertible redeemable preference shares redeemed. The Company may issue fully paid up bonus shares to its members out of the capital redemption reserve.
- e) **Debenture redemption reserve:**

(1) Pursuant to Section 71 of the Companies Act, 2013 and circular 04/2013, read with notification issued date June 19, 2016 issued by Ministry of Corporate Affairs, the Company is required to transfer 25% of the value of the outstanding

32 OTHER EQUITY (Contd.)

debentures issued through public issue as per the present SEBI (Issue and Listing of Debt Securities) Regulation, 2008 to Debenture redemption reserve (DRR) and no DRR is required in case of privately placed debenture. Also the Company is required before 30th day of April of each year to deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debenture issued through public issue maturing within one year from the balance sheet date.

(2) As per the notification G.S.R. 574(E) dated August 16, 2019, the Ministry of Corporate Affairs has amended the Companies (Share Capital & Debentures) Rules, DRR need not be created for debentures issued by a Non-Banking Finance Company subsequent to the notification date. The Company has not created DRR on public issue of non-convertible debentures issued after the date of said notification.

(3) In respect of the debentures issued through public issue, the Company has created DRR of Rs. 93.23 crores (March 31, 2022: Rs. 170.31 crores). The Company subsequent to the year end has deposited a sum of Rs. 204.00 crores (March 31, 2022: Rs. 37.00 crores) in the form of fixed deposits with scheduled banks, representing 15% of the debenture issued through public issue, which are due for redemption within one year from the balance sheet date.

(4) On redemption of the debentures for which the DRR is created, the amounts no longer necessary to be retained in this account need to be transferred to the retained earnings.

f) General reserve: Under the erstwhile Companies Act, 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

g) Statutory reserve:

Statutory reserve (SFL): Every year the Company transfers a sum of not less than twenty per cent of net profit of that year as disclosed in the statement of profit and loss to its Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934.

The conditions and restrictions for distribution attached to statutory reserves as specified in Section 45-IC(1) in The Reserve Bank of India Act, 1934:

- (1) Every non-banking financial company (NBFC) shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.
- (2) No appropriation of any sum from the reserve fund shall be made by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty-one days from the date of such withdrawal:

Provided that the RBI may, in any particular case and for sufficient cause being shown, extend the period of twenty-one days by such further period as it thinks fit or condone any delay in making such report.

- (3) Notwithstanding anything contained in sub-section (1), the Central Government may, on the recommendation of the RBI and having regard to the adequacy of the paid-up capital and reserves of a NBFC in relation to its deposit liabilities, declare by order in writing that the provisions of sub-section (1) shall not be applicable to the NBFC for such period as may be specified in the order:

Provided that no such order shall be made unless the amount in the reserve fund under sub-section (1) together with the amount in the share premium account is not less than the paid-up capital of the NBFC.

Statutory Reserve (SHFL): The subsidiary Company creates Special Reserve every year out of its profits in terms of Section 36(1) (viii) of the Income Tax Act, 1961 read with Section 29C of the National Housing Bank Act, 1987. The Subsidiary Company transfers at least 20% of the Profit after tax to the Statutory reserve.

32 OTHER EQUITY (Contd.)

- h) Amalgamation adjustment account:** Upon amalgamation of the erstwhile Shriram City Union Finance (“SCUF”) the transferor company, with Shriram Transport Finance Limited (“STFC”) the transferee company, renamed as Shriram Finance Limited (“SFL”), the statutory reserves (i.e. Reserve under Section 45 IC of the Reserve Bank of India Act, 1934) of Rs. 1,706.81 crores of the Transferor Companies as on April 01, 2022 (“the Appointed Date”) were recorded in the books of Shriram Finance Limited with a corresponding debit to Amalgamation Adjustment Account. When the identity of the statutory reserves is no longer required to be maintained, both the statutory reserves and the aforesaid account will be reversed. (Refer note 52: Business combination)
- i) Share option outstanding:** The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.
- j) Remeasurement gain/(loss) on defined benefit plan:** Remeasurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.
- k) Other comprehensive income:** Other comprehensive income includes effective portion of cash flow hedges and Gain/(loss) on fair valuation of investments in quoted equity shares.

Effective portion of cash flow hedges represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges, which shall be reclassified to the statement of profit and loss only when the hedged transaction affects the statement of profit and loss, or included as a basis adjustment to the non-financial hedged item, consistent with the Company accounting policies.

Gain/(loss) on fair valuation of investments in quoted equity shares represents gains and losses from the change in the fair value of investments in quoted equity instruments in accordance with paragraph 5.7.5 of Ind AS 109, Financial Instruments.

- l) Retained earnings:** Retained earnings are the profits that the Group has earned till date, less any transfers to statutory reserve, general reserve and dividend distributed to shareholders.

33 INTEREST INCOME

Particulars	Year ended March 31, 2023			Year ended March 31, 2022		
	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	Total	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	Total
Interest on loans	28,079.03	-	28,079.03	18,054.67	-	18,054.67
Interest income from investments	425.36	81.91	507.27	275.11	40.85	315.96
Interest on deposits with banks						
- Margin money deposit	216.39	-	216.39	155.53	-	155.53
- Deposits with banks	323.27	-	323.27	88.14	-	88.14
Other interest income						
- Delayed payments by customers	74.84	-	74.84	28.79	-	28.79
- Unwinding of security deposit	5.07	-	5.07	3.17	-	3.17
Total	29,123.96	81.91	29,205.87	18,605.41	40.85	18,646.26

(Rs. in crores)

		(Rs. in crores)	
Particulars	Year ended March 31, 2023	Year ended March 31, 2022	
34 FEES AND COMMISSION INCOME			
Income from commission services - life insurance	41.49	16.52	
Income from commission services - general insurance	70.59	36.15	
Income from loan related and other commission services	154.49	47.41	
Total	266.57	100.08	

Revenue from contracts with customers

Set out below is the revenue from contracts with customers and reconciliation to the statement of profit and loss.

		(Rs. in crores)	
Particulars	Year ended March 31, 2023	Year ended March 31, 2022	
Type of services or service			
Fees and commission income	266.57	100.08	
Total revenue from contract with customers	266.57	100.08	
Geographical markets			
- India	266.57	100.08	
- Outside India	-	-	
Total revenue from contract with customers	266.57	100.08	
Timing of revenue recognition			
Services transferred at a point in time	266.57	100.08	
Services transferred over time	-	-	
Total revenue from contracts with customers	266.57	100.08	

Contract balance

		(Rs. in crores)	
Particulars	As at March 31, 2023	As at March 31, 2022	
Trade receivables	17.00	5.35	
Contract assets	-	-	

The Group does not have any contract assets or liability, hence disclosures related to it have not been presented.

		(Rs. in crores)	
Particulars	Year ended March 31, 2023	Year ended March 31, 2022	
35	NET GAIN/(LOSS) ON FAIR VALUE CHANGES		
(A)	Net gain/(loss) on financial instruments at fair value through profit or loss:		
	(i) On trading portfolio	-	-
	- Investments	-	-
	- Derivatives	-	-
	- Others	-	-
	(ii) On financial instruments designated at fair value through profit or loss	-	-
(B)	Others:		
	- Investment in shares, venture capital fund, mutual funds and certificate of deposits	397.35	236.83
	- Direct assignment	(33.55)	(15.13)
	Total Net gain/(loss) on fair value changes (C)	363.80	221.70
	Fair value changes:		
	- Realised	361.93	183.34
	- Unrealised	1.87	38.36
	Total Net gain/(loss) on fair value changes (D)	363.80	221.70

		(Rs. in crores)	
Particulars	Year ended March 31, 2023	Year ended March 31, 2022	
36	OTHER OPERATING INCOME		
	Bad debt recovery	354.27	69.22
	Total	354.27	69.22

		(Rs. in crores)	
Particulars	Year ended March 31, 2023	Year ended March 31, 2022	
37	OTHER INCOME		
	Interest on income tax refund	14.73	-
	Interest others	0.16	0.15
	Miscellaneous income	16.72	18.91
	Total	31.61	19.06

		(Rs. in crores)	
Particulars	Year ended March 31, 2023	Year ended March 31, 2022	
38 FINANCE COSTS			
On Financial liabilities measured at amortised cost			
Interest on deposits	2,347.08	1,710.15	
Interest on borrowings (other than debt securities)			
- Loans from banks	2,904.63	1,042.07	
- Loans from institutions and others	776.61	377.99	
- External commercial borrowings	524.99	368.27	
- Interest paid on securitisation	1,629.69	1,766.19	
Interest on debt securities			
- Debentures	2,712.15	1,780.59	
- Senior secured notes	75.32	90.86	
- External commercial bond	1,406.70	2,016.66	
- Commercial paper	0.67	40.90	
Interest on subordinated liabilities	503.41	508.66	
Other interest expense			
- Interest on tax liability	0.07	-	
- Interest on lease liability	49.95	31.97	
Total	12,931.27	9,734.31	

		(Rs. in crores)	
Particulars	Year ended March 31, 2023	Year ended March 31, 2022	
39 FEES AND COMMISSION EXPENSES			
Brokerage	30.01	44.79	
Commission paid for loan sourcing	229.42	-	
Professional charges-resource mobilisation	34.91	24.14	
Processing charges on loans	8.68	4.52	
Professional charges on securitisation	10.23	18.29	
Total	313.25	91.74	

		(Rs. in crores)	
Particulars	Year ended March 31, 2023	Year ended March 31, 2022	
40 IMPAIRMENT ON FINANCIAL INSTRUMENTS			
On financial instruments measured at amortised cost			
Loans (Refer note 62)*	4,128.49	3,865.02	
Investments	4.64	(2.00)	
Others			
- Undrawn commitments	(1.09)	(4.00)	
- Other assets	37.02	1.84	
Total	4,169.06	3,860.86	

* Includes loss on disposal of repossessed assets Rs. 293.79 crores for the year ended March 31, 2023 (March 31, 2022: Rs. 492.30 crores).

40 IMPAIRMENT ON FINANCIAL INSTRUMENTS (Contd.)

The table below shows the ECL charges on financial instruments for the year recorded in the statement of profit and loss based on evaluation stage:

Year ended March 31, 2023

(Rs. in crores)

Particulars	General approach			Simplified Approach	Total
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective		
Loans and advances to customers measured at amortised cost	537.24	334.69	3,256.56	-	4,128.49
Debt instruments measured at amortised cost	4.64	-	-	-	4.64
<u>Others</u>					
- Undrawn commitments	(1.06)	(0.03)	-	-	(1.09)
- Other assets	-	-	5.00	32.02	37.02
Total impairment loss	540.82	334.66	3,261.56	32.02	4,169.06

Year ended March 31, 2022

(Rs. in crores)

Particulars	General approach			Simplified Approach	Total
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective		
Loans and advances to customers measured at amortised cost	1,228.00	76.37	2,560.65	-	3,865.02
Debt instruments measured at amortised cost	(2.00)	-	-	-	(2.00)
<u>Others</u>					
- Undrawn commitments	(4.00)	-	-	-	(4.00)
- Other assets	-	-	-	1.84	1.84
Total impairment loss	1,222.00	76.37	2,560.65	1.84	3,860.86

(Rs. in crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
41 EMPLOYEE BENEFITS EXPENSES		
Salaries, other allowance and bonus	2,268.33	907.11
Contribution to provident and other funds	136.96	59.60
Staff welfare expenses	48.44	23.69
Gratuity expenses (Refer note 51)	14.35	6.69
Share based payments to employees	168.03	-
Interest expenses on staff loan	0.31	-
Total	2,636.42	997.09

(Rs. in crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
42 DEPRECIATION, AMORTISATION AND IMPAIRMENT		
Depreciation of property, plant and equipment	71.36	44.91
Depreciation of investment property	0.05	0.03
Amortisation of intangible assets	371.54	1.57
Depreciation on Right-of-use assets (Refer note 19)	157.74	88.86
Total	600.69	135.37

		(Rs. in crores)	
Particulars	Year ended March 31, 2023	Year ended March 31, 2022	
43 OTHER EXPENSES			
Rent (Refer note 19)	7.64	3.24	
Rates and taxes	30.88	5.22	
Energy costs	31.94	16.45	
Repairs and maintenance	111.35	60.61	
Communication costs	81.30	34.28	
Printing and stationery	42.11	10.30	
Advertisement and publicity	33.68	7.31	
Director's fees, allowances and expenses	2.40	1.25	
Auditor fees and expenses (Refer note 56 and 57)			
- As Auditor	1.86	0.99	
- For taxation matters	0.15	0.09	
- For other services (certification)	0.41	0.09	
- For reimbursement of expenses	0.26	0.02	
Legal and professional charges	216.26	111.54	
Other expenditure:			
Travelling and conveyance	131.25	69.38	
Business promotion	188.13	93.16	
Outsourcing expenses	131.73	63.82	
Royalty	333.50	204.19	
Insurance	7.88	2.03	
Bank charges	55.89	38.51	
Loss on sale of property, plant and equipment (net)	1.00	0.79	
Service charges	43.15	50.35	
CSR expenses (Refer note 61)	95.48	69.72	
Miscellaneous expenses	95.73	62.27	
Total	1,643.98	905.61	

44 INCOME TAX

The components of income tax expense for the financial years ended March 31, 2023 and March 31, 2022 are:

		(Rs. in crores)	
Particulars	Year ended March 31, 2023	Year ended March 31, 2022	
Current tax	2,911.40	1,112.57	
Adjustment in respect of current income tax of prior years	11.58	(82.32)	
Deferred tax relating to origination and reversal of temporary differences	(720.73)	(188.93)	
Total tax charge	2,202.25	841.32	
Current tax	2,922.98	1,030.25	
Deferred tax	(720.73)	(188.93)	

44 INCOME TAX (Contd.)

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at Indian corporate tax rate.

A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the financials year ended March 31, 2023 and March 31, 2022 is, as follows:

Particulars	(Rs. in crores)	
	Year ended March 31, 2023	Year ended March 31, 2022
Accounting profit before tax	8,213.72	3,549.25
At India's statutory income tax rate of 25.168% (2022: 25.168%)	2,067.23	893.28
Adjustment in respect of current income tax of prior years	11.58	(82.32)
Income subject to tax at special rate	-	-
Non-deductible expenses		
Corporate social responsibility expenditure not allowable for tax purpose	24.03	17.55
Adjustment in respect of prior years	(11.58)	82.32
Others	110.99	(69.51)
Income tax expense reported in the statement of profit and loss	2,202.25	841.32

Deferred tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense:

Particulars	(Rs. in crores)			
	Deferred tax assets	Deferred tax liabilities	Statement of profit and loss	OCI
	As at March 31, 2023	As at March 31, 2023	Year ended March 31, 2023	Year ended March 31, 2023
Property, plant and equipment, intangible assets and investment property - carrying amount other than on account of fair valuation	44.93	-	(1.15)	-
Provision for post retirement benefits	27.18	0.01	(9.41)	(2.23)
Expenses allowable for tax purposes when paid	49.33	-	(13.18)	-
EIR impact on debt instrument in the nature of borrowings measured at amortised cost	-	0.05	(4.46)	-
Cash flow hedge reserve	75.48	-	-	(3.71)
Impairment allowance on loans and advances	1,672.59	-	(811.63)	-
Impairment allowance for undrawn commitments	25.34	-	(9.08)	-
Fair valuation on derecognition of financial instrument	-	68.03	17.43	-
Right-of-use assets	22.37	-	(2.50)	-
ESOP compensation expenses	50.72	-	(28.90)	-
Fair valuation impact of merger	308.57	225.85	152.14	-
Other temporary differences	16.25	44.77	(9.99)	(2.97)
Total	2,292.76	338.71	(720.73)	(8.91)

44 INCOME TAX (Contd.)

Particulars	(Rs. in crores)			
	Deferred tax assets	Deferred tax liabilities	Statement of profit and loss	OCI
	As at March 31, 2022	As at March 31, 2022	Year ended March 31, 2022	Year ended March 31, 2022
Property, plant and equipment, intangible assets and investment property - carrying amount other than on account of fair valuation	25.23	-	(2.56)	-
Provision for post retirement benefits	10.20	-	0.46	(0.81)
Expenses allowable for tax purposes when paid	36.15	-	1.47	-
EIR impact on debt instrument in the nature of borrowings measured at amortised cost	-	4.34	(3.27)	-
Cash flow hedge reserve	71.77	-	-	(40.49)
Impairment allowance on loans and advances	762.27	-	(229.96)	-
Impairment allowance for undrawn commitments	10.75	-	1.51	-
Fair valuation on derecognition of financial instrument	-	47.61	35.82	-
Right-of-use assets	14.04	-	(1.35)	-
Other temporary differences	-	9.08	8.94	-
Total	930.41	61.03	(188.94)	(41.30)

Reconciliation of deferred tax assets/(liabilities)

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
Opening balance	869.38	639.14
Recognised pursuant to merger of erstwhile Shriram City Union Finance Limited	184.89	-
Recognised pursuant to merger of Shriram Housing Finance Limited	(31.86)	-
Effects of business combination	202.08	-
Recognised in statement of profit and loss	720.73	188.94
Recognised in statement of profit and loss under OCI	8.83	41.30
Closing balance	1,954.05	869.38

Amounts recognised in respect of current tax / deferred tax directly in equity:

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
Amounts recognised in respect of current tax/deferred tax directly in equity	-	-

Tax losses

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
Unused tax losses for which no deferred tax asset has been recognised	-	-

45 EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Group by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit for the year attributable to equity holders of Group (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
Net profit after tax attributable to equity holders as per Statement of profit and loss (Rs. in crores) (A)	6,011.04	2,721.10
Weighted average number of equity shares for calculating basic EPS (in crores) (B)	37.44	26.62
Weighted average number of equity shares for calculating diluted EPS (in crores) (C)	37.61	26.62
Basic earnings per equity share (in Rupees) (face value of Rs. 10/- per share) (A) / (B)	160.54	102.23
Diluted earnings per equity share (in Rupees) (face value of Rs. 10/- per share) (A) / (C)	159.83	102.23

46 INVESTMENT IN SUBSIDIARIES AND ASSOCIATES

The Company has invested in the following entities:

Name of the entity	Relationship	Country of incorporation	Principal place of business	Principal activities	% Equity interest	
					As at March 31, 2023	As at March 31, 2022
Shriram Housing Finance Limited (SHFL)	Subsidiary	India	Mumbai	Housing Finance	84.82%	NA
Shriram Automall India Limited (SAMIL)	Associate	India	New Delhi	Market leader in physical bidding for acquisition and disposal of pre-owned vehicles and equipment.	44.56%	44.56%

The Company has recognised its investment in associate under equity method and not adjusted to fair value at the end of each reporting period.

The Company's share in the associate is as follows:

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
(a) share in profit or loss from continuing operations	8.56	13.17
(b) share in post-tax profit or loss from discontinued operations	-	-
(c) share in other comprehensive income	(0.26)	(0.02)
(d) share in total comprehensive income	8.30	13.15

47 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(Rs. in crores)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial Assets						
Cash and cash equivalents	9,932.84	-	9,932.84	10,662.44	-	10,662.44
Bank balance other than above	6,163.41	210.70	6,374.11	5,133.24	559.48	5,692.72
Derivative financial instruments	499.20	170.17	669.37	-	201.40	201.40
Receivables						
(I) Trade receivables	17.00	-	17.00	5.35	-	5.35
(II) Other receivables	195.47	234.22	429.69	101.06	89.43	190.49
Loans	73,669.67	105,015.47	178,685.14	41,448.37	75,216.78	116,665.15
Investments	1,573.05	5,857.02	7,430.07	2,943.69	4,027.54	6,971.23
Other financial assets	2.96	74.51	77.47	-	51.45	51.45
Non-Financial Assets						
Current tax asset	11.29	716.97	728.26	-	228.24	228.24
Deferred tax assets (net)	-	1,981.51	1,981.51	-	869.38	869.38
Investment property	-	2.62	2.62	-	1.97	1.97
Property, plant and equipment	-	223.19	223.19	-	110.56	110.56
Right-of-use assets	-	528.30	528.30	-	302.52	302.52
Intangible assets under development	-	66.08	66.08	-	-	-
Goodwill	-	1,740.94	1,740.94	-	-	-
Other intangible assets	-	1,218.46	1,218.46	-	3.04	3.04
Other non-financial assets	102.26	392.84	495.10	43.68	268.54	312.22
Total Assets	92,167.15	118,433.00	210,600.15	60,337.83	81,930.33	142,268.16
Liabilities						
Financial Liabilities						
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	0.02	-	0.02
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	313.04	0.15	313.19	165.70	0.31	166.01
(II) Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	0.36	-	0.36	1.46	-	1.46
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1.09	-	1.09	1.21	-	1.21
Debt securities	19,271.74	25,652.29	44,924.03	11,901.72	29,354.83	41,256.55
Borrowings (other than debt securities)	32,875.16	45,669.59	78,544.75	19,869.86	26,807.07	46,676.93
Deposits	9,354.28	26,785.55	36,139.83	6,755.55	15,193.43	21,948.98
Subordinated liabilities	309.44	4,284.19	4,593.63	308.71	4,305.54	4,614.25
Lease liabilities	87.40	514.68	602.08	74.93	274.50	349.43
Other financial liabilities	996.44	77.38	1,073.82	755.06	104.58	859.64
Non-Financial Liabilities						
Current tax liabilities (net)	160.89	-	160.89	36.82	-	36.82
Deferred tax liabilities	(0.14)	27.60	27.46	-	-	-
Provisions	213.52	0.98	214.50	99.87	38.31	138.18
Other non-financial liabilities	204.98	-	204.98	124.42	-	124.42
Total Liabilities	63,788.20	103,012.41	166,800.61	40,095.33	76,078.57	116,173.90
Net	28,378.95	15,420.59	43,799.54	20,242.50	5,851.76	26,094.26

48 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

(Rs. in crores)

Particulars	As at March 31, 2022	Cash flows	Changes in fair value	Exchange difference	Other	As at March 31, 2023
Debt securities	41,256.55	3,495.32	-	-	172.16	44,924.03
Borrowings (other than debt securities)	46,676.93	31,646.54	-	0.59	220.69	78,544.75
Deposits	21,948.98	14,153.14	-	-	37.71	36,139.83
Subordinated liabilities	4,614.25	(68.30)	-	-	47.68	4,593.63
Lease liabilities	349.43	(175.56)	-	-	428.21	602.08
Total liabilities from financing activities	114,846.14	49,051.14	-	0.59	906.45	164,804.32

(Rs. in crores)

Particulars	As at March 31, 2021	Cash flows	Changes in fair value	Exchange difference	Other	As at March 31, 2022
Debt securities	40,061.87	655.45	-	-	539.23	41,256.55
Borrowings (other than debt securities)	45,281.37	1,282.92	-	-	112.64	46,676.93
Deposits	16,232.41	5,753.63	-	-	(37.06)	21,948.98
Subordinated liabilities	4,620.76	(51.96)	-	-	45.45	4,614.25
Lease liabilities	349.49	(109.13)	-	-	109.07	349.43
Total liabilities from financing activities	106,545.90	7,530.91	-	-	769.33	114,846.14

49 CONTINGENT LIABILITIES AND COMMITMENTS

(A) Contingent liabilities

(Rs. in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
a. In respect of Income tax demands where the Group has filed appeal before various authorities	91.68	175.46
b. VAT demand where the Group has filed appeal before various appellates	4.92	117.54
c. Service tax demands where the Group has filed appeal before various authorities	2,056.83	1,976.63
d. Bank Guarantees	59.92	-
e. Penalty levied for Contravention of provisions of Section 6(3)(b) of FEMA, 1999 read with Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000	5.00	5.00
Total	2,218.35	2,274.63

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

49 CONTINGENT LIABILITIES AND COMMITMENTS (Contd.)

(B) Commitments not provided for

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
a. Estimated amount of contracts remaining to be executed on capital account, net of advances	102.11	11.72
b. Commitments related to loans sanctioned but undrawn	839.63	92.43

50 RELATED PARTY TRANSACTIONS

Relationship	Name of the party
I Promoter	: Shriram Capital Private Limited (formerly known as Shriram Financial Venture (Chennai) Private Limited) (w.e.f. November 24, 2022) Shriram Capital Limited (upto November 24, 2022)
II Promoter Group	: Shriram Value Services Limited Novac Technology Solutions Private Limited Shriram Fortune Solutions Limited Shriram General Insurance Company Limited Shriram Insight Share Brokers Limited Shriram Life Insurance Company Limited Shriram Asset Management Company Limited Shriram Financial Products Solutions (Chennai) Private Limited Insight Commodities and Futures Private Limited (upto May 18, 2022) Shriram Credit Company Limited Shriram Overseas Investments Private Limited Shriram Wealth Limited Bharath Investments Pte. Limited, Singapore SGI Philippines General Insurance Co. Inc. Novac Digital Service Private Limited Shriram LI Holdings Private Limited SEA funds Management India Private Limited Way2wealth Insurance Brokers Private Limited Way2wealth Securities Private Limited Way2wealth Brokers Private Limited Way2wealth Commodities Private Limited Shriram GI Holdings Private Limited Shriram Investment Holdings Limited Shriram Asset Reconstruction Private Limited (w.e.f. December 01, 2022) Novac Technology FZCO (w.e.f. February 08, 2023)
III Associates	: Shriram Automall India Limited Cartradeexchange Solutions Private Limited Adroit Inspection Service Private Limited Augeo Asset Management Private Limited
IV Key Management Personnel (KMP)	: Mr. Umesh Revankar, Vice Chairman & Managing Director (upto December 04, 2022) Mr. Umesh Revankar, Executive Vice Chairman (w.e.f. December 05, 2022) Mr. Y. S. Chakravarti, Director (upto December 04, 2022) Mr. Y. S. Chakravarti, Managing Director & CEO (w.e.f. December 05, 2022)

50 RELATED PARTY TRANSACTIONS (Contd.)

	<p>Mr. Jugal Kishore Mohapatra, Chairman (w.e.f. December 04, 2022) Mr. Parag Sharma, Whole Time Director, Joint Managing Director & CFO Mr. S. Lakshminarayanan (upto December 04, 2022) Mrs. Kishori Udeshi (upto December 04, 2022) Mr. S. Sridhar, Independent Director Mr. Pradeep Kumar Panja, Independent Director Mrs. Maya Sinha, Independent Director (w.e.f. December 04, 2022) Mr. D. V. Ravi, Director Mr. Ignatius Michael Viljoen, Director Mr. Srinivas K., Joint Managing Director (w.e.f. December 04, 2022) Mr. G. M. Jilani, Joint Managing Director (w.e.f. December 04, 2022) Mr. P. Sridharan, Joint Managing Director Mr. Sudarshan Holla, Joint Managing Director Mr. Nilesh Odedara, Joint Managing Director Mr. S.Sunder, Joint Managing Director Mr. R. Chandrasekar, Joint Managing Director & Chief Compliance Officer (w.e.f. December 04, 2022) Mr. Aseem Gandhi, Executive Director (w.e.f. December 04, 2022) Mr. U Balasundararao Mr. Hardeep Singh Tur, Chief Risk Officer</p>
V Relatives of Key Management Personnel (with whom the company has transactions)	<p>: Mrs. Suchita U. Revankar (Spouse of Mr. Umesh Revankar) Mrs. Geeta G. Revankar (Mother of Mr. Umesh Revankar) Mr. Anil G. Revankar (Brother of Mr. Umesh Revankar) Mr. Shreyas U. Revankar (Son of Mr. Umesh Revankar) Mr. Shirish U. Revankar (Son of Mr. Umesh Revankar) Mr. Jayendra Purshottamdas Udeshi (Spouse of Director Mrs. Kishori Udeshi) (upto December 04, 2022) Mrs. P. Suchitra (Sister of Mr. Pradeep Kumar Panja) Mrs. P. Surekha (Sister of Mr. Pradeep Kumar Panja) Mrs. Rama Sharma (Mother of Mr. Parag Sharma) Ms. Atibhi Sharma (Daughter of Mr. Parag Sharma) Mr. Amit Sharma (Brother of Mr. Parag Sharma) Mrs. Sujatha Sunder (Spouse of Mr. S. Sunder) Mrs. S. Arulmozhi (Spouse of Mr. P. Sridharan) Mr. Sree Bhargav Y. (Son of Mr. Y. S. Chakravarti) Mrs. Barathy Chandrasekar (Spouse of Mr. R. Chandrasekar) (w.e.f. December 05, 2022) Mrs. Deepika Karthik (Daughter of Mr. R. Chandrasekar) (w.e.f. December 05, 2022) Mr. Karthik (Husband of Daughter of Mr. R. Chandrasekar) (w.e.f. December 05, 2022) Ms. S. Karunyalakshmi (Daughter of Mr. P. Sridharan)</p>
VI Employee's Benefit Plan	<p>: Shriram Transport Finance Company Limited Employees Group Gratuity Assurance Scheme Shriram City Union Finance Limited Employees Group Gratuity Assurance Scheme (w.e.f. April 01, 2022) Shriram Housing Finance Company Limited Employees Group Gratuity Fund Trust (w.e.f. April 01, 2022)</p>

Note: Reduction in Promoter (Shriram Capital Private Limited) % holding has been due to the merger scheme.

50 RELATED PARTY TRANSACTIONS (Contd.)

Summary of related party transactions

Particulars	Promoter		Promoter group		Associates		Employee's benefit plan		Key management personnel		Relative of key management personnel		Total		
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	
	(Rs. in crores)														
Payments/ Expenses															
Payment to key management personnel	-	-	-	-	-	-	-	-	-	11.32	4.80	-	-	11.32	4.80
Royalty	-	-	-	187.67	-	-	-	-	-	-	-	-	-	305.95	187.67
Service charges	39.58	46.19	305.95	-	-	-	-	-	-	-	-	-	-	39.58	46.19
I.T. and BPO charges	-	-	126.96	55.86	-	-	-	-	-	-	-	-	-	126.96	55.86
Intangible assets under development	-	-	56.00	-	-	-	-	-	-	-	-	-	-	56.00	-
Rent	-	-	0.03	0.02	14.21	11.36	-	-	-	-	-	-	-	14.24	11.38
Business mobilisation expenses	-	-	-	0.04	0.04	0.07	-	-	-	-	-	-	-	0.04	0.07
Other administrative expenses	-	-	10.36	-	13.84	11.09	-	-	-	-	-	-	-	24.20	11.09
Insurance premium	-	-	24.04	9.62	-	-	-	-	-	-	-	-	-	24.04	9.62
Security deposit paid	-	-	0.45	-	-	-	-	-	-	-	-	-	-	0.45	-
Commission	-	-	100.51	100.94	0.32	1.10	-	-	-	-	-	-	-	100.83	102.04
Sales promotion	-	-	56.01	31.84	-	-	-	-	-	-	-	-	-	56.01	31.84
Unsecured loan and advances repaid	-	-	-	-	-	21.01	-	-	-	-	-	-	-	-	21.01
Revenue sharing paid	-	-	-	-	-	0.29	-	-	-	-	-	-	-	0.29	-
Valuation charges	-	-	-	-	-	0.00	0.72	-	-	-	-	-	-	0.00	0.72
Investment in mutual fund	-	-	31.50	-	-	-	-	-	-	-	-	-	-	31.50	-
Purchase of property, plant and equipment	-	-	0.37	-	-	-	-	-	-	-	-	-	-	0.37	-
Interest paid	-	0.91	75.81	60.60	2.44	3.52	-	-	0.04	0.83	0.08	0.09	0.09	78.38	65.95
Equity dividend	100.72	219.84	18.89	0.11	-	-	-	-	0.10	0.10	0.00	0.00	0.00	119.72	220.05
Subordinated debits matured	-	-	33.90	-	-	-	-	-	-	-	-	-	-	33.90	-
Non-convertible debenture (secured) matured	-	10.00	32.11	38.36	1.10	5.00	-	-	0.10	2.21	0.07	0.10	0.10	33.39	55.67
Fixed deposit matured	-	-	4.07	1.50	8.00	-	-	-	0.04	0.50	0.45	0.26	0.26	12.55	2.26
Employer contribution to employees group gratuity assurance scheme	-	-	-	-	-	-	17.98	9.77	-	-	-	-	-	17.98	9.77
Inter-corporate deposit repaid	-	-	-	-	48.28	84.60	-	-	-	-	-	-	-	48.28	84.60
Receipts/ Income															
Recovery of common sharing expenses	0.02	0.02	0.62	0.95	0.24	0.59	-	-	-	-	-	-	-	0.88	1.56
Reimbursement of expenses	-	0.01	0.04	-	-	-	-	-	-	-	-	-	-	0.04	0.01
Dividend received	-	-	-	-	5.35	-	-	-	-	-	-	-	-	5.35	-
Gratuity, leave encashment, bonus and leave travel allowances received	0.03	-	5.63	-	0.15	-	-	-	-	-	-	-	-	5.81	-
Sale of property, plant and equipment	-	-	0.02	0.00	-	-	-	-	-	-	-	-	-	0.02	0.00
Rent and electricity	0.10	0.17	0.10	-	4.21	4.18	-	-	-	-	-	-	-	4.41	4.35
Business auxiliary services	0.07	-	-	-	-	-	-	-	-	-	-	-	-	0.07	-
Other income	-	-	0.00	-	-	-	-	-	-	-	-	-	-	0.00	-
Insurance claims	-	-	0.54	-	-	-	-	-	-	-	-	-	-	0.54	-
Insurance premium received	0.00	-	25.10	-	-	-	-	-	-	-	-	-	-	0.00	-
Investment in mutual fund redeemed	-	-	-	-	0.42	-	-	-	-	-	-	-	-	25.10	-
Revenue sharing received	-	-	92.39	49.60	-	-	-	-	-	-	-	-	-	92.39	49.60
Commission received	-	-	22.07	15.63	19.66	65.50	-	-	1.12	0.26	1.53	0.97	0.97	44.39	82.36
Fixed deposit received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Received towards preferential issue	-	250.00	-	-	-	-	-	-	-	-	-	-	-	-	250.00
Received towards convertible warrants	-	250.00	-	-	-	-	-	-	-	-	-	-	-	-	250.00
Inter-corporate deposit received	-	-	-	-	20.83	62.75	-	-	-	-	-	-	-	20.83	62.75
Balance outstanding at the year end															
Equity share capital	67.15	70.44	12.99	1.06	-	-	-	-	0.07	0.05	0.00	0.00	0.00	80.21	71.55
Investment in equity shares	-	-	-	-	183.17	175.44	-	-	-	-	-	-	-	183.17	175.44
Commission and other receivables	-	-	29.97	4.67	-	-	-	-	-	-	-	-	-	29.97	4.67
Outstanding expenses	0.02	11.41	90.22	88.84	1.06	0.91	-	-	-	-	-	-	-	91.30	101.16
Investment in mutual fund	-	-	12.00	-	-	-	-	-	-	-	-	-	-	12.00	-

50 RELATED PARTY TRANSACTIONS (Contd.)

Particulars	Promoter		Promoter group		Associates		Employee's benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	(Rs. in crores)													
Fixed deposit	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Public deposit	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Deposit from corporates	-	-	64.11	29.57	107.76	89.37	-	-	-	-	-	-	-	-
Subordinated debt	-	-	523.20	516.07	-	-	-	-	-	-	-	-	-	-
Non-convertible debenture (secured)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Public issue	-	-	70.80	29.28	16.88	17.86	-	-	-	-	-	-	-	-
- Privately placed	-	-	370.13	10.01	-	-	-	-	-	-	-	-	-	-
Inter-corporate deposit	-	-	-	-	-	27.45	-	-	-	-	-	-	-	-

Income /expenses are presented excluding GST.

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

There were no guarantees given on behalf of related parties during the year.

The Group has not granted loans or advances to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that is repayable on demand or without specifying any terms or period of repayment for the financial year ended March 31, 2023 and March 31, 2022.

Breakup of related party transactions

Particulars	Promoter		Promoter group		Associates		Employee's benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	(Rs. in crores)													
Payments/ Expenses														
Employee benefits for key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Short term benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Post employment benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commission and sitting fee paid to directors														
- Mr. S. Lakshminarayanan	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mrs. Maya Sinha	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mr. Jugal Kishore Mohapatra	-	-	-	-	-	-	-	-	-	-	-	-	-	-
License fees														
- Shriram Value Services Limited	-	-	305.95	187.67	-	-	-	-	-	-	-	-	-	-
Service charges														
- Shriram Capital Limited	32.25	46.19	-	-	-	-	-	-	-	-	-	-	-	-
- Shriram Capital Private Limited	7.33	-	-	-	-	-	-	-	-	-	-	-	-	-
Voice call services														
- Novac Technology Solutions Private Limited	-	-	11.05	8.91	-	-	-	-	-	-	-	-	-	-
I.T. and BPO charges														
- Novac Technology Solutions Private Limited	-	-	115.91	46.96	-	-	-	-	-	-	-	-	-	-
Intangible assets under development														
- Novac Technology Solutions Private Limited	-	-	56.00	-	-	-	-	-	-	-	-	-	-	-
Rent														
- Shriram Automall India Limited	-	-	-	-	14.21	11.36	-	-	-	-	-	-	-	-
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	0.01	-	-	-	-	-	-	-	-	-	-	-
- Shriram Fortune Solutions Limited	-	-	0.01	-	-	-	-	-	-	-	-	-	-	-
- Shriram Asset Management Company Limited	-	-	0.02	0.02	-	-	-	-	-	-	-	-	-	-
Business mobilisation expenses														
- Shriram Automall India Limited	-	-	-	-	0.04	0.07	-	-	-	-	-	-	-	-
Other administrative expenses														
- Shriram Insight Share Brokers Limited	-	-	0.04	-	-	-	-	-	-	-	-	-	-	-

50 RELATED PARTY TRANSACTIONS (Contd.)

Particulars	Promoter		Promoter group		Associates		Employee's benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	(Rs. in crores)													
- Shriram Financial Products Solutions (Chennai) Private Limited	-	10.02	-	-	-	-	-	-	-	-	-	-	10.02	-
- Shriram Credit Company Limited	-	0.30	-	-	-	-	-	-	-	-	-	-	0.30	-
- Shriram Automall India Limited	-	-	13.84	11.09	-	-	-	-	-	-	-	-	13.84	11.09
Insurance premium														
- Shriram Life Insurance Company Limited	-	14.44	-	5.99	-	-	-	-	-	-	-	-	14.44	5.99
- Shriram General Insurance Company Limited	-	9.60	-	3.63	-	-	-	-	-	-	-	-	9.60	3.63
Security deposit paid														
- Shriram Life Insurance Company Limited	-	0.25	-	-	-	-	-	-	-	-	-	-	0.25	-
- Shriram General Insurance Company Limited	-	0.20	-	-	-	-	-	-	-	-	-	-	0.20	-
Commission														
- Shriram Fortune Solutions Limited	-	68.22	-	82.04	-	-	-	-	-	-	-	-	68.22	82.04
- Adroit Inspection Service Private Limited	-	-	0.32	1.10	-	-	-	-	-	-	-	-	0.32	1.10
- Shriram Financial Products Solutions (Chennai) Private Limited	-	21.38	-	7.92	-	-	-	-	-	-	-	-	21.38	7.92
- Shriram Insight Share Brokers Limited	-	8.92	-	8.23	-	-	-	-	-	-	-	-	8.92	8.23
- Shriram Wealth Limited	-	1.61	-	2.56	-	-	-	-	-	-	-	-	1.61	2.56
- Way2wealth Securities Private Limited	-	0.38	-	0.19	-	-	-	-	-	-	-	-	0.38	0.19
Sales promotion														
- Shriram Fortune Solutions Limited	-	40.80	-	23.99	-	-	-	-	-	-	-	-	40.80	23.99
- Shriram Financial Products Solutions (Chennai) Private Limited	-	12.75	-	5.16	-	-	-	-	-	-	-	-	12.75	5.16
- Shriram Insight Share Brokers Limited	-	2.03	-	2.04	-	-	-	-	-	-	-	-	2.03	2.04
- Shriram Wealth Limited	-	0.37	-	0.59	-	-	-	-	-	-	-	-	0.37	0.59
- Way2wealth Securities Private Limited	-	0.08	-	0.05	-	-	-	-	-	-	-	-	0.08	0.05
Unsecured loan and advances repaid														
- Shriram Automall India Limited	-	-	-	21.01	-	-	-	-	-	-	-	-	-	21.01
Revenue sharing paid														
- Shriram Automall India Limited	-	-	0.29	-	-	-	-	-	-	-	-	-	0.29	-
Interest on Inter corporate Deposit														
- Shriram Automall India Limited	-	-	0.55	1.28	-	-	-	-	-	-	-	-	0.55	1.28
Valuation charges paid														
- Adroit Inspection Service Private Limited	-	-	-	0.72	-	-	-	-	-	-	-	-	-	0.72
- Shriram Automall India Limited	-	-	0.00	-	-	-	-	-	-	-	-	-	0.00	-
Investment in mutual fund														
- Shriram Asset Management Company Limited	-	31.50	-	-	-	-	-	-	-	-	-	-	31.50	-
Purchase of property, plant and equipment														
- Shriram Life Insurance Company Limited	-	0.07	-	-	-	-	-	-	-	-	-	-	0.07	-
- Shriram Fortune Solutions Limited	-	0.30	-	-	-	-	-	-	-	-	-	-	0.30	-
Interest on fixed deposit														
- Key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	-	-	-	-	-	0.15
- Mr. Parag Sharma	-	-	-	-	-	-	-	-	-	-	-	-	0.00	0.00
- Mr. Hardeep Singh Tur	-	-	-	-	-	-	-	-	-	-	-	-	0.00	0.00
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	0.05	0.06
- Shriram Automall India Limited	-	-	0.34	-	-	-	-	-	-	-	-	-	0.34	-
- Shriram Fortune Solutions Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	0.02
- Shriram Asset Management Company Limited	-	0.02	-	0.26	-	-	-	-	-	-	-	-	0.02	0.26
- Cartradeexchange Solutions Private Limited	-	-	0.06	-	-	-	-	-	-	-	-	-	0.06	-

50 RELATED PARTY TRANSACTIONS (Contd.)

Particulars	Promoter		Promoter group		Associates		Employee's benefit plan		Key management personnel		Relative of key management personnel		(Rs. in crores) Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Interest on subordinated debt													
- Shriram Life Insurance Company Limited	-	13.73	12.38	-	-	-	-	-	-	-	-	-	13.73	12.38
- Shriram General Insurance Company Limited	-	34.33	34.41	-	-	-	-	-	-	-	-	-	34.33	34.41
Interest on non-convertible debenture (secured)														
- Shriram Life Insurance Company Limited	-	11.25	3.22	-	-	-	-	-	-	-	-	-	11.25	3.22
- Shriram General Insurance Company Limited	-	16.20	-	-	-	-	-	-	-	-	-	-	16.20	-
- Shriram Asset Management Company Limited	-	0.27	1.42	-	-	-	-	-	-	-	-	-	0.27	1.42
- Shriram Insight Share Brokers Limited	-	0.01	0.05	-	-	-	-	-	-	-	-	-	0.01	0.05
- Shriram Automall India Limited	-	-	-	2.24	-	-	-	-	-	-	-	-	1.49	2.24
- Shriram Capital Limited	-	0.91	-	-	-	-	-	-	-	-	-	-	-	0.91
- Shriram Value Services Limited	-	-	8.86	-	-	-	-	-	-	-	-	-	-	8.86
- Key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mr. Umesh Revankar	-	-	-	-	-	-	-	-	0.62	-	-	-	-	0.62
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.04	0.03	-	-	0.04	0.03
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.03	-	-	-	-	0.03
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	0.03	0.03	-	0.03	0.03
Equity dividend														
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.00	0.00	0.00	0.00
- Key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mr. Parag Sharma	-	-	-	-	-	-	-	-	0.07	0.09	-	-	0.07	0.09
- Mr. S. Sunder	-	-	-	-	-	-	-	-	0.00	0.00	-	-	0.00	0.00
- Mr. P. Sridharan	-	-	-	-	-	-	-	-	0.00	0.00	-	-	0.00	0.00
- Mr. Sudarshan Holla	-	-	-	-	-	-	-	-	0.00	0.00	-	-	0.00	0.00
- Mr. U Balasundararao	-	-	-	-	-	-	-	-	0.00	0.00	-	-	0.00	0.00
- Mr. R. Chandrasekar	-	-	-	-	-	-	-	-	0.01	-	-	-	0.01	-
- Mr. D. V. Ravi	-	-	-	-	-	-	-	-	0.00	0.00	-	-	0.00	0.00
- Mr. G. M. Jilani	-	-	-	-	-	-	-	-	0.02	-	-	-	0.02	-
- Shriram Capital Limited	-	219.84	-	-	-	-	-	-	-	-	-	-	-	219.84
- Shriram Capital Private Limited	100.72	-	0.11	-	-	-	-	-	-	-	-	-	100.72	0.11
- Shriram Value Services Limited	-	18.89	-	-	-	-	-	-	-	-	-	-	18.89	-
Subordinated debts matured														
- Shriram General Insurance Company Limited	-	27.90	-	-	-	-	-	-	-	-	-	-	27.90	-
- Shriram Life Insurance Company Limited	-	6.00	-	-	-	-	-	-	-	-	-	-	6.00	-
Non convertible debenture (secured) matured														
- Shriram Life Insurance Company Limited	-	31.90	-	-	-	-	-	-	-	-	-	-	31.90	-
- Shriram Insight Share Brokers Limited	-	-	0.52	-	-	-	-	-	-	-	-	-	-	0.52
- Shriram Capital Limited	-	10.00	-	-	-	-	-	-	-	-	-	-	-	10.00
- Shriram Asset Management Company Limited	-	0.21	12.84	-	-	-	-	-	-	-	-	-	0.21	12.84
- Shriram Automall India Limited	-	-	-	5.00	-	-	-	-	-	-	-	-	1.10	5.00
- Shriram Value Services Limited	-	-	25.00	-	-	-	-	-	-	-	-	-	-	25.00
- Key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mr. Umesh Revankar	-	-	-	-	-	-	-	-	2.00	-	-	-	-	2.00
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.10	0.10	-	-	0.10	0.10
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.11	-	-	-	0.11	-
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	0.07	0.10	-	0.07	0.10
Fixed deposit matured														
- Key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	0.50	-	-	-	-	0.50
- Mr. Parag Sharma	-	-	-	-	-	-	-	-	-	-	-	-	0.00	-
- Mr. Hardeep Singh Tur	-	-	-	-	-	-	-	-	0.03	-	-	-	0.03	-
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	0.45	0.26	-	0.45	0.26

50 RELATED PARTY TRANSACTIONS (Contd.)

Particulars	Promoter		Promoter group		Associates		Employee's benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	(Rs. in crores)													
- Shriram Automall India Limited	-	-	-	-	5.00	-	-	-	-	-	-	-	5.00	-
- Shriram Fortune Solutions Limited	-	-	4.07	-	-	-	-	-	-	-	-	-	4.07	-
- Shriram Asset Management Company Limited	-	-	-	1.50	-	-	-	-	-	-	-	-	-	1.50
- Cartradeexchange Solutions Private Limited	-	-	-	-	3.00	-	-	-	-	-	-	-	3.00	-
Employer contribution to employees group gratuity assurance scheme	-	-	-	-	-	-	17.98	9.77	-	-	-	-	17.98	9.77
Inter-corporate deposit repaid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Shriram Automall India Limited	140.30	276.94	876.97	486.52	88.52	84.60	17.98	9.77	11.60	8.44	0.60	0.45	48.28	84.60
TOTAL														
Receipts/ Income														
Recovery of common sharing expenses														
- Shriram Automall India Limited	-	-	-	-	0.24	0.59	-	-	-	-	-	-	0.24	0.59
- Shriram Capital Limited	0.02	0.02	-	-	-	-	-	-	-	-	-	-	0.02	0.02
- Shriram Insight Share Brokers Limited	-	-	0.03	0.03	-	-	-	-	-	-	-	-	0.03	0.03
- Shriram Fortune Solutions Limited	-	-	-	0.92	-	-	-	-	-	-	-	-	0.50	0.92
- Shriram Credit Company Limited	-	-	0.09	-	-	-	-	-	-	-	-	-	0.09	-
Reimbursement of expenses														
- Shriram Fortune Solutions Limited	-	-	0.04	-	-	-	-	-	-	-	-	-	0.04	-
- Shriram Insight Share Brokers Limited	-	-	0.01	-	-	-	-	-	-	-	-	-	0.01	-
- Shriram Capital Limited	-	0.01	-	-	-	-	-	-	-	-	-	-	-	0.01
Dividend received														
- Shriram Automall India Limited	-	-	-	-	5.35	-	-	-	-	-	-	-	5.35	-
Gratuity, leave encashment, bonus and leave travel allowances received														
- Shriram Automall India Limited	-	-	-	-	0.15	-	-	-	-	-	-	-	0.15	-
- Shriram Capital Limited	0.03	-	-	-	-	-	-	-	-	-	-	-	0.03	-
- Shriram General Insurance Company Limited	-	-	0.55	-	-	-	-	-	-	-	-	-	0.55	-
- Shriram Life Insurance Company Limited	-	-	0.80	-	-	-	-	-	-	-	-	-	0.80	-
- Shriram Fortune Solutions Limited	-	-	4.25	-	-	-	-	-	-	-	-	-	4.25	-
- Novac Technology Solutions Private Limited	-	-	0.01	-	-	-	-	-	-	-	-	-	0.01	-
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	0.00	-	-	-	-	-	-	-	-	-	0.00	-
- Shriram Value Services Limited	-	-	0.01	-	-	-	-	-	-	-	-	-	0.01	-
Sale of property, plant and equipment														
- Novac Technology Solutions Private Limited	-	-	-	0.00	-	-	-	-	-	-	-	-	-	0.00
- Shriram Life Insurance Company Limited	-	-	0.02	-	-	-	-	-	-	-	-	-	0.02	-
Rent and electricity														
- Shriram Fortune Solutions Limited	-	-	0.10	-	-	-	-	-	-	-	-	-	0.10	-
- Shriram Insight Share Brokers Limited	-	-	0.01	-	-	-	-	-	-	-	-	-	0.01	-
- Shriram Capital Limited	0.10	0.17	-	-	4.21	4.18	-	-	-	-	-	-	0.10	0.17
- Shriram Automall India Limited	-	-	-	-	-	-	-	-	-	-	-	-	4.21	4.18
Business auxiliary services														
- Shriram Capital Private Limited	0.07	-	-	-	-	-	-	-	-	-	-	-	0.07	-
Other income														
- Shriram Asset Management Company Limited	-	-	0.00	-	-	-	-	-	-	-	-	-	0.00	-
Insurance claim														
- Shriram General Insurance Company Limited	-	-	0.54	-	-	-	-	-	-	-	-	-	0.54	-
Insurance premium received														
- Shriram Capital Limited	0.00	-	-	-	-	-	-	-	-	-	-	-	0.00	-
Investment in mutual fund redeemed														
- Shriram Asset Management Company Limited	-	-	25.10	-	-	-	-	-	-	-	-	-	25.10	-
Revenue sharing received														
- Shriram Automall India Limited	-	-	-	-	0.42	-	-	-	-	-	-	-	0.42	-

50 RELATED PARTY TRANSACTIONS (Contd.)

Particulars	Promoter		Promoter group		Associates		Employee's benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	(Rs. in crores)													
Commission received														
- Shriram General Insurance Company Limited	-	-	50.90	33.08	-	-	-	-	-	-	-	-	50.90	33.08
- Shriram Life Insurance Company Limited	-	-	41.49	16.52	-	-	-	-	-	-	-	-	41.49	16.52
Fixed deposit														
- Key management personnel														
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	0.25	-	-	-	-	0.25
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.10	-	-	-	0.10	-
- Mr. Parag Sharma	-	-	-	-	-	-	-	-	0.00	-	-	-	0.00	-
- Mr. Hardeep Singh Tur	-	-	-	-	-	-	-	-	0.00	0.01	-	-	0.00	0.01
- Mr. R. Chandrasekar	-	-	-	-	-	-	-	-	1.02	-	-	-	1.02	-
- Relative of key management personnel														
- Shriram Asset Management Company Limited	-	-	20.00	15.63	-	-	-	-	-	1.53	0.97	-	1.53	0.97
- Shriram Fortune Solutions Limited	-	-	2.07	-	-	-	-	-	-	-	-	-	2.07	-
- Shriram Automall India Limited	-	-	-	-	11.16	54.00	-	-	-	-	-	-	11.16	54.00
- Cartradeexchange Solutions Private Limited	-	-	-	-	8.50	11.50	-	-	-	-	-	-	8.50	11.50
Received towards preferential issue														
- Shriram Capital Limited	-	250.00	-	-	-	-	-	-	-	-	-	-	-	250.00
Received towards convertible warrants														
- Shriram Capital Limited	-	250.00	-	-	-	-	-	-	-	-	-	-	-	250.00
Inter-corporate deposit														
- Shriram Automall India Limited	-	-	-	-	20.83	62.75	-	-	-	-	-	-	20.83	62.75
TOTAL	0.23	500.20	146.52	66.18	50.86	133.02	-	-	1.12	0.26	1.53	0.97	200.27	700.63

Income/expenses are presented excluding GST.

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

The Group has not granted loans or advances to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that is repayable on demand or without specifying any terms or period of repayment for the financial year ended March 31, 2023 and March 31, 2022.

Breakup of related party transactions

Particulars	Promoter		Promoter group		Associates		Employee's benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	(Rs. in crores)													
Balance outstanding at the year end														
Equity Share capital														
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mr. Parag Sharma	-	-	-	-	-	-	-	-	0.05	0.05	-	-	0.05	0.05
- Mr. S. Sunder	-	-	-	-	-	-	-	-	0.00	0.00	-	-	0.00	0.00
- Mr. P. Sridharan	-	-	-	-	-	-	-	-	0.00	0.00	-	-	0.00	0.00
- Mr. Sudarshan Holla	-	-	-	-	-	-	-	-	0.00	0.00	-	-	0.00	0.00
- Mr. U Balasundararao	-	-	-	-	-	-	-	-	0.00	0.00	-	-	0.00	0.00
- Mr. D. V. Ravi	-	-	-	-	-	-	-	-	0.00	0.00	-	-	0.00	0.00
- Mr. G. M. Jilani	-	-	-	-	-	-	-	-	0.02	0.02	-	-	0.02	0.02
- Mr. R. Chandrasekar	-	-	-	-	-	-	-	-	0.01	0.01	-	-	0.01	0.01
- Shriram Capital Private Limited	67.15	-	-	-	-	-	-	-	-	-	-	-	67.15	-
- Shriram Capital Limited	-	70.44	-	-	-	-	-	-	-	-	-	-	-	70.44
- Shriram Value Services Limited	-	-	12.99	1.06	-	-	-	-	-	-	-	-	12.99	1.06
Investment in equity shares														
- Shriram Automall India Limited	-	-	-	-	183.17	175.44	-	-	-	-	-	-	183.17	175.44
Commission & other receivables														
- Shriram General Insurance Company Limited	-	-	6.81	3.21	-	-	-	-	-	-	-	-	6.81	3.21

50 RELATED PARTY TRANSACTIONS (Contd.)

Particulars	Promoter		Promoter group		Associates		Employee's benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	(Rs. in crores)													
- Shriram Life Insurance Company Limited	-	-	7.03	1.46	-	-	-	-	-	-	-	-	7.03	1.46
- Shriram Fortune Solutions Limited	-	-	4.25	-	-	-	-	-	-	-	-	-	4.25	-
- Shriram Investment Holding Limited	-	-	11.87	-	-	-	-	-	-	-	-	-	11.87	-
Outstanding expenses														
- Shriram Capital Limited	0.02	11.41	-	-	-	-	-	-	-	-	-	-	-	11.41
- Shriram Capital Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	0.02	-
- Shriram Automall India Limited	-	-	-	0.91	1.06	-	-	-	-	-	-	-	1.06	0.91
- Shriram Value Services Limited	-	-	79.35	77.85	-	-	-	-	-	-	-	-	79.35	77.85
- Novac Technology Solutions Private Limited	-	-	7.88	1.96	-	-	-	-	-	-	-	-	7.88	1.96
- Shriram Fortune Solutions Limited	-	-	0.30	6.37	-	-	-	-	-	-	-	-	0.30	6.37
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	1.90	1.85	-	-	-	-	-	-	-	-	1.90	1.85
- Shriram Insight Share Brokers Limited	-	-	0.68	0.65	-	-	-	-	-	-	-	-	0.68	0.65
- Shriram Wealth Limited	-	-	0.04	0.08	-	-	-	-	-	-	-	-	0.04	0.08
- Way2wealth Securities Private Limited	-	-	0.07	0.08	-	-	-	-	-	-	-	-	0.07	0.08
Investment in mutual fund														
- Shriram Asset Management Company Limited	-	-	12.00	-	-	-	-	-	-	-	-	-	12.00	-
Fixed deposit														
- Key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	1.27	-	-	-	-	1.27
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.06	0.06	-	-	0.06	0.06
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.22	0.11	-	-	0.22	0.11
- Mr. Parag Sharma	-	-	-	-	-	-	-	-	0.00	0.00	-	-	0.00	0.00
- Mr. Hardeep Singh Tur	-	-	-	-	-	-	-	-	0.03	0.03	-	-	0.03	0.03
- Mr. R. Chandrasekar	-	-	-	-	-	-	-	-	1.02	-	-	-	1.02	-
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	2.17	1.55	2.17	1.55
- Shriram Asset Management Company Limited	-	-	64.11	29.57	-	-	-	-	-	-	-	-	64.11	29.57
- Shriram Automall India Limited	-	-	-	-	89.33	77.45	-	-	-	-	-	-	89.33	77.45
- Cartradeexchange Solutions Private Limited	-	-	-	-	18.43	11.92	-	-	-	-	-	-	18.43	11.92
Non-convertible debenture (secured)														
- Key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.13	-	-	-	0.13	-
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.09	-	0.09	-
- Shriram Life Insurance Company Limited	-	-	172.33	36.71	-	-	-	-	-	-	-	-	172.33	36.71
- Shriram General Insurance Company Limited	-	-	213.15	-	-	-	-	-	-	-	-	-	213.15	-
- Shriram Asset Management Company Limited	-	-	2.24	2.50	-	-	-	-	-	-	-	-	2.24	2.50
- Shriram Insight Share Brokers Limited	-	-	0.07	0.08	-	-	-	-	-	-	-	-	0.07	0.08
- Shriram Value Services Limited	-	-	53.14	-	-	-	-	-	-	-	-	-	53.14	-
- Shriram Automall India Limited	-	-	-	-	16.88	17.86	-	-	-	-	-	-	16.88	17.86
Subordinated debt														
- Shriram Life Insurance Company Limited	-	-	168.95	149.04	-	-	-	-	-	-	-	-	168.95	149.04
- Shriram General Insurance Company Limited	-	-	354.25	367.03	-	-	-	-	-	-	-	-	354.25	367.03
Inter-corporate deposit received														
- Shriram Automall India Limited	-	-	-	-	-	27.45	-	-	-	-	-	-	-	27.45

Income / expenses are presented excluding GST

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

The Group has not granted loans or advances to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that is repayable on demand or without specifying any terms or period of repayment for the financial years ended March 31, 2023 and March 31, 2022.

50 RELATED PARTY TRANSACTIONS (Contd.)

Disclosure pursuant to Schedule V of Clause A.2 of Regulation 34 (3) and Regulation 53(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I. Disclosures relating Loans and Advances/ Investments

(Rs. in crores)					
Sr. No.	Loans and Advances in the nature of Loans	Amount outstanding as at March 31, 2023	Maximum amount outstanding during the year March 2023	Amount outstanding as at March 31, 2022	Maximum amount outstanding during the year March 2022
A)	To Subsidiary				
	- Shriram Housing Finance Limited	-	-	-	-
B)	To Associate				
	- Shriram Automall India Limited	-	-	-	-

II. Shriram Finance Limited (SFL) holds 44.56% (March 31, 2022: 44.56%) of equity shares of Shriram Automall India Limited (Associate) and 84.82% (March 31, 2022: Nil) of Shriram Housing Finance Limited (Subsidiary). Disclosure relating to transactions with SFL is given above.

51 RETIREMENT BENEFIT PLAN

A. Shriram Finance Limited (“the Company”) :

a) Defined contribution plan

A defined contribution plan is a pension plan under which the Company pays fixed contributions; there is no legal or constructive obligation to pay further contributions. The assets of the plan are held separately from those of the Company in a fund under the control of trustees.

The Company makes Provident fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 112.05 crores (March 31, 2022: Rs. 50.66 crores) for Provident fund contributions and Rs. 20.35 crores (March 31, 2022: Rs. 8.80 crores) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

b) Defined benefit plan

Gratuity

The Company has a defined benefit gratuity plan (funded). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member’s length of service and last drawn salary. The fund is managed by third party fund managers.

Each year, the Board of Trustees reviews the level of funding in the gratuity plan. Such a review includes the asset-liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks. The Board of Trustees decides contribution to be made by the Company based on the results of this annual review. The trust is in process of investing entire funds in government securities through third party fund managers and as on March 31, 2023, 74.78% funds are invested in government securities and balance 25.22% funds are invested in money market and corporate debt instruments. The Board of Trustees aim to keep annual contributions of the Company relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

51 RETIREMENT BENEFIT PLAN (Contd.)

The following tables summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

Amount recognised in the statement of profit and loss in respect of the defined benefit plan are as follows:

Particulars	(Rs. in crores)	
	Year ended March 31, 2023	Year ended March 31, 2022
Amounts recognised in statement of profit and loss in respect of defined benefit plans are as follows:		
Current service cost	13.88	6.56
Interest expense	9.87	4.61
Interest income	(10.31)	(4.48)
Past service cost	-	-
Components of defined benefit costs recognised in statement of profit and loss (A)	13.44	6.69
Remeasurement of gains/(losses) in other comprehensive income:		
Return on plan assets (excluding amounts included in net interest expense)	(0.94)	(0.01)
Actuarial changes arising from changes in demographic assumptions	(2.92)	0.55
Actuarial changes arising from changes in financial assumptions	(6.77)	(3.57)
Experience adjustments	18.66	6.27
Components of defined benefit costs recognised in other comprehensive income (B)	8.03	3.24
Total (A + B)	21.47	9.93

Movement in the present value of the defined benefit obligation are as follows :

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
Change in the obligation during the year ended		
Present value of defined obligation at the beginning of the year	82.20	72.88
Expenses recognised in statement of profit and loss:		
Current service cost	13.88	6.56
Interest expense/(income)	9.87	4.61
Recognised in other comprehensive income remeasurement gains/(losses)	8.97	3.25
Liability transferred in/acquisitions	60.83	-
Benefits paid from the fund	(6.85)	(5.10)
Present value of defined obligation at the end of the year	168.90	82.20

Change in the Fair value of plan assets:

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets at the beginning of the year	79.96	70.80
Interest income	10.31	4.48
Contributions by the employer	12.54	9.77
Assets transferred in acquisitions	69.43	-
Benefits paid from the fund	(6.85)	(5.10)
Return on plan assets excluding interest income	0.94	0.01
Fair value of plan assets at the end of the year	166.33	79.96

51 RETIREMENT BENEFIT PLAN (Contd.)

Calculation of benefit liability/ (asset):

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
Defined benefit obligation/ liability	168.90	82.20
Fair value of plan assets	166.33	79.96
Benefit liability	2.57	2.24

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	As at March 31, 2023	As at March 31, 2022
Expected return on plan assets	7.41%	6.90%
Rate of discounting	7.41%	6.90%
Expected rate of salary increase	5.00%	5.00%
Rate of employee turnover	For service 4 years and below 26.00% p.a. and for service 5 years and above 6.00% p.a.	For service 4 years and below 25.00% p.a. and for service 5 years and above 7.25% p.a.
Mortality rate during employment	Indian Assured Lives mortality (2012-14) Urban	Indian Assured Lives mortality (2012-14) Urban
Mortality rate after employment	NA	NA

Investments quoted in active markets:

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
Government securities	124.38	75.16
Debt and other instruments	41.95	4.80
Total	166.33	79.96

Assumptions	Sensitivity level	(Rs. in crores)	
		Impact on defined benefit obligation March 31, 2023	Impact on defined benefit obligation March 31, 2022
Discount rate	1% increase	(11.95)	(5.63)
	1% decrease	13.77	6.46
Future salary increases	1% increase	13.78	6.44
	1% decrease	(12.14)	(5.70)
Attrition rate	1% increase	2.49	0.84
	1% decrease	(2.82)	(0.95)

51 RETIREMENT BENEFIT PLAN (Contd.)

	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
Expected payment for future years		
Within the next 12 months (next annual reporting period)	19.70	8.31
Between 2 and 5 years	55.50	29.15
Between 5 and 10 years	68.11	34.24
Beyond 10 years	205.60	83.99
Total expected payments	348.91	155.69

The Company expects to contribute Rs. 18.03 crores to the fund in the next financial year.

The weighted average duration of the defined benefit obligation as at March 31, 2023 is 9 years (March 31, 2022: 9 years).

Asset liability matching strategies

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

c) Compensated absences

The principal assumptions used in determining obligations for the Company are shown below:

Particulars	As at March 31, 2023	As at March 31, 2022
Rate of discounting	7.41%	6.90%
Expected rate of salary increase	5.00%	5.00%
Rate of employee turnover		
Service 4 years and below	26.00%	25.00%
Service 5 years and above	6.00%	7.25%
Mortality	Indian Assured Lives mortality (2012-14) Urban	Indian Assured Lives mortality (2012-14) Urban

	(Rs. in crores)	
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Expenses recognised in statement of profit and loss	46.72	17.32

The Company has not funded its compensated absences liability and the same continues to remain as unfunded as at March 31, 2023.

The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.

Discount rate is based on the prevailing market yields of Indian Government Bonds as at the balance sheet date for the estimated term of the obligation.

B. Shriram Housing Finance Limited (“SHFL”):

Defined contribution plan

SHFL makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the schemes, SHFL is required to contribute a specified percentage of the payroll costs to fund the benefits. SHFL recognised Rs. 3.16 crores for year ended March 31, 2023 for Provident Fund contributions

51 RETIREMENT BENEFIT PLAN (Contd.)

and Rs. 0.13 crores for the year ended March 31, 2023 for Employee State Insurance Scheme contributions in the statement of profit and loss. The contributions payable to these plans by SHFL are at rates specified in the rules of the Schemes.

Defined benefit plan

SHFL has a defined benefit gratuity plan. Every employee who has completed five years of service is eligible for a gratuity on separation at 15 days basic salary (last drawn salary) for each completed year of service. The scheme is funded with the insurance companies in the form of qualifying insurance policy.

During the year 2015-16, SHFL created “Shriram Housing Finance Company Employees’ Group Gratuity Fund”. The Trust is recognised by income tax authorities and administered through trustees. Contributions to the Trust are invested in a scheme with a insurance Company as permitted by law in India.

The following tables summaries the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

Through its defined benefit plans, SHFL is exposed to a number of risks, the most significant of which are detailed below:

1. Interest rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
2. Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation
3. Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.
4. Investment risk : For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.
5. Legislative risk : Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognised immediately in the year when any such amendment is effective.

Amount recognised in the Statement of Profit and Loss

Net employee benefit expense recognised in the employee cost

Particulars	(Rs. in crores)
	Year ended March 31, 2023
Current service cost	1.04
Interest cost on benefit obligation	0.17
Expected return on plan assets	(0.21)
Net (benefit) / expense	1.01

51 RETIREMENT BENEFIT PLAN (Contd.)

Amount recognised in the Balance Sheet

Reconciliation of present value of the obligation and the fair value of plan assets:

Particulars	(Rs. in crores)
	Year ended March 31, 2023
Defined benefit obligation	(3.78)
Fair value of plan assets	3.46
Asset/(liability) recognised in the balance sheet	(0.31)

Amount recognised in the Other Comprehensive Income

Particulars	(Rs. in crores)
	Year ended March 31, 2023
Due to change in financial assumptions	0.05
Due to change in experience adjustments	(0.47)
(Return) on plan assets (excl. interest income)	(0.07)
Total Other Comprehensive Income	(0.49)

Changes in the present value of the defined benefit obligation are as follows:

Particulars	(Rs. in crores)
	Year ended March 31, 2023
Opening defined benefit obligation	2.62
Transfer in/Out	-
Interest cost	0.17
Current service cost	1.04
Liability transferred in/on account of transfer of employees	
Benefits paid	(0.48)
Actuarial loss / (gain) on obligation	0.42
Closing defined benefit obligation	3.78

Changes in the fair value of plan assets are as follows:

Particulars	(Rs. in crores)
	Year ended March 31, 2023
Opening fair value of plan assets	2.31
Interest income	0.21
Expected return	-
Contributions by employer & others Exp	1.50
Adjustment / transfer	-
Benefits paid	(0.48)
Actuarial loss / (gain) on obligation	(0.07)
Closing fair value of plan assets	3.46

SHFL intends to contribute to the trust the amount as per the actuarial valuation in the next year

The major categories of plan assets as a percentage of fair value of total plan assets are as follows:

Particulars	Year ended March 31, 2023
Investments with insurer	100%

51 RETIREMENT BENEFIT PLAN (Contd.)

The principal assumptions used in determining gratuity obligations for SHFLs plans are shown below:

Particulars	Year ended March 31, 2023
Discount rate	7.50%
Salary escalation	5.00%
Attrition rate	5.00%
Mortality table	IALM (2012-14)
Normal retirement age	58 Years

The estimates of future salary increases, considered in actuarial valuation are on account of inflation, seniority, promotion and other relevant factor, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Amounts for the current year is as follows:

Particulars	(Rs. in crores)
	Year ended March 31, 2023
Define benefit obligation	(3.78)
Plan assets	3.46
Surplus/(deficit)	(0.31)

Assumptions	(Rs. in crores)			
	Year ended March 31, 2023		Year ended March 31, 2023	
	Discount rate		Future salary increases	
Sensitivity Level	1% Increase	1% Decrease	1% Increase	1%Decrease
Impact on defined benefit obligation	0.31	(0.36)	(0.36)	0.32

Expected payment for future years	(Rs. in crores)
	Year ended March 31, 2023
Within the next 12 months (next annual reporting period)	0.19
Between 2 and 5 years	1.16
Between 6 and 10 years	2.01
Total expected payments	3.36

The weighted average duration of the defined benefit obligation as at March 31, 2023 is 10.05 Years.

The fund is administered by “Shriram Housing Finance Company Employees Group Gratuity Trust”. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

The Comparative figures for the previous year ended March 31, 2022 are not given as Shriram Housing Finance Limited became subsidiary effective from April 01, 2022 due to business combination.

52 BUSINESS COMBINATION

The Board of Directors of the Company in its meeting held on December 13, 2021 had approved a Composite Scheme of Arrangement and Amalgamation (“Scheme”), inter alia, involving amalgamation of Shriram Capital Limited (SCL) (after demerger of a few undertakings from the said Shriram Capital Limited) and Shriram City Union Finance Limited (SCUF) with the Company under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Reserve Bank of India vide its letter dated June 15, 2022 conveyed its No-Objection to the Scheme. As per the directions of the Hon’ble National Company Law Tribunal, Chennai Bench, (“NCLT”) in the common order dated May 11, 2022, the meeting of the Equity Shareholders, Secured Creditors and Unsecured Creditors was held on July 04, 2022 and the Scheme was approved by the requisite majority of the Equity shareholders, Secured Creditors and Unsecured Creditors in their respective meetings. The Company had obtained approvals/no objection to the Scheme from various statutory authorities, as applicable. The Hon’ble NCLT had sanctioned the Scheme, vide order dated November 09, 2022 to be read with Corrigendum order dated November 17, 2022 effective from appointed date of the Scheme being April 01, 2022. Pursuant to the scheme, Shriekha Business Consultancy Private Limited (“SBCPL”) was amalgamated with SCL. The undertaking carrying on the business of financial services from SCL was demerged and transferred to Shriram Investment Holdings Limited (“SIHL”). The undertakings which were carrying on the businesses of Life Insurance and General Insurance were demerged from SCL and transferred to Shriram LI Holdings Private Limited (“SLIH”), and Shriram GI Holdings Private Limited (“SGIH”) respectively. The remaining undertaking of SCL and its investments in STFC and SCUF were amalgamated with STFC.

Pursuant to the Scheme, the name of the Company is changed to Shriram Finance Limited upon receipt of necessary approval from the Registrar of Companies, Tamil Nadu, Chennai, Ministry of Corporate Affairs, with effect from November 30, 2022. Pursuant to the Scheme, new equity shares of face value of Rs. 10/- each fully paid-up have been issued and allotted to the eligible shareholders of SCL and SCUF on December 12, 2022 as per the share exchange ratio contained in the Scheme. As per Ind AS 103, the amalgamation has been accounted under “acquisition method”. The difference between the purchase consideration and fair value has been accounted as goodwill/capital reserve on amalgamation, as applicable.

The Group has determined the useful life of the intangible asset in the nature of branch network of SCUF acquired through the scheme of amalgamation as five years and started amortising the same over its useful life by making a suitable change in the accounting estimate. Impact for future periods will be Rs. 302.58 crores per annum over next four years. The Group has determined the useful life of the intangible asset in the nature of branch network of SHFL acquired through the scheme of amalgamation as one year and amortised the same over its useful life. The figures for the current reporting period include the effect of merger of transferor Companies SCUF and SCL as discussed above and are therefore not comparable with figures of the respective previous year.

Summary of acquisitions done during the financial year ended March 31, 2023

(i) Shriram City Union Finance Limited (“SCUF”)

The Hon’ble National Company Law Tribunal, Chennai Bench, (“NCLT”) had approved the Composite Scheme of Arrangement and Amalgamation (“Scheme”), inter alia, involving amalgamation of Shriram City Union Finance Limited (SCUF) with its entire undertaking with the Company, vide order dated November 09, 2022 to be read with Corrigendum order dated November 17, 2022 effective from Appointed date of the Scheme being April 01, 2022, for a share exchange ratio of 1.55:1. The percentage of voting equity interests acquired was 100%. This acquisition is highly beneficial to all the stakeholders, by bringing together the capabilities and the presence of the Company in the categories of transport finance, and retail finance, and in the process create a larger financial lending entity with both these businesses combined, and the resulting benefits of scale and synergies of operation. This acquisition further consolidates the leadership position of the Company in the Commercial Vehicle market. Following the acquisition, the amalgamated entity is able to launch retail finance products in new locations.

(a) The fair value of assets and liabilities recognised as a result of the acquisition are as follows:

Particulars	(Rs. in crores)
	Amounts *
Assets	
Cash and cash equivalents	5,269.09
Bank balance other than above	1,573.25
Receivables	4.39
Loans	35,203.60
Investments	1,311.98

52 BUSINESS COMBINATION (Contd.)

(Rs. in crores)	
Particulars	Amounts *
Other financial assets	192.50
Current tax assets (net)	32.36
Deferred tax assets (net)	119.80
Investment property (net)	0.00
Property, plant and equipment (net)	69.55
Intangible assets (net)	4.99
Right-of-use assets	176.82
Other non-financial assets	227.67
Distribution network	1,575.80
Total assets	45,761.80
Liabilities	
Derivative financial instrument	(0.05)
Payables	(53.10)
Debt securities	(7,152.68)
Borrowings (other than debt securities)	(20,708.90)
Deposits	(7,274.04)
Other financial liabilities	(385.58)
Provisions	(29.92)
Other non-financial liabilities	(65.19)
Total liabilities	(35,669.46)
Net identifiable assets acquired	10,092.34
Non-controlling interest	(275.30)

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

*** Consolidated basis**

(b) Calculation of goodwill

The difference between the purchase consideration and amount attributable to identified intangible assets / assets and liabilities represents residual goodwill in the business. As a result of the merger, the Company receives customer information such as names, contact information, historical credit provided and repayment information, etc. of existing customers of SCUF and vice versa. This information can further be divided into different customer profiles based on demography, zones, age groups, etc., which helps businesses target products/services according to their target audience that will be used by the merged entity to gain synergies from cross selling its products. Consequently, the Goodwill in the transaction subsumes the above synergy benefit, along with assembled workforce, future potential of the new branches that are planned to open, new customers, new geographies etc.

(Rs. in crores)	
Particulars	Amounts
Purchase consideration	12,068.81
Less: Net identifiable assets acquired	(10,092.34)
Less: Deferred tax liability on net identifiable assets acquired	(235.53)
Goodwill #	1,740.94

#Goodwill is not deductible for tax purpose

(c) The revenues and profits contributed to the Group for the financial year ended March 31, 2023 are as follows:

(Rs. in crores)	
Particulars	Amounts
Revenue	7,949.32
Profit before tax	1,742.31

52 BUSINESS COMBINATION (Contd.)

(d) Acquired Receivables

(Rs. in crores)	
Particulars	Amounts
Fair value of acquired trade receivables	4.39
Gross contractual amount for trade receivables	4.39
Contractual cash flows not expected to be collected	-

(e) Purchase consideration - cash outflow

(Rs. in crores)	
Particulars	Amounts
Net outflow of cash - investing activities	-

(f) Acquisition related costs:

Acquisition related costs of Rs. 26.53 crores (March 31, 2022: Rs. Nil) have been recognised under Miscellaneous expenses in the Statement of Profit and Loss.

(ii) Shriram Capital Limited (“SCL”)

The Hon'ble National Company Law Tribunal, Chennai Bench, (“NCLT”) had approved the Composite Scheme of Arrangement and Amalgamation (“Scheme”), inter alia, involving amalgamation of Shriram Capital Limited (SCL) with its Remaining undertaking with the Company, vide order dated November 09, 2022 to be read with Corrigendum order dated November 17, 2022, effective from Appointed date of the Scheme being April 01, 2022 for a share exchange ratio 1:0.97. The amalgamation will achieve the combination of the remaining line of business activities of SCL with the Company which is a listed entity engaged in the business of financial lending. This will ensure that the companies forming part of the Shriram Group, which are focused on the business of lending are concentrated in a single large entity, which has the necessary means, presence and resources to achieve still larger scales in the business of lending, while reducing the presence of multiple entities across the Group, with an interest and presence in the same line of business.

(a) The fair value of assets and liabilities recognised as a result of the acquisition are as follows:

(Rs. in crores)	
Particulars	Amounts
Assets	
Property, plant and equipment (net)	0.01
Bank balance	0.10
Trade receivables	12.47
Total assets	12.58
Liabilities	
Trade payable	0.02
Total liabilities	0.02
Net identifiable assets acquired	12.56

(b) Amount recognised directly in other equity (Capital Reserve):

(Rs. in crores)	
Particulars	Amounts
Purchase consideration	-
Less: Net identifiable assets acquired	12.56
Capital reserve	12.56

52 BUSINESS COMBINATION (Contd.)

- (c) The revenues and profits contributed to the company for the financial year ended March 31, 2023 are as follows:

(Rs. in crores)	
Particulars	Amounts
Revenue	-
Profit before tax	(0.58)

- (d) Acquired Receivables

(Rs. in crores)	
Particulars	Amounts
Fair value of acquired trade receivables	12.45
Gross contractual amount for trade receivables	12.45
Contractual cash flows not expected to be collected	-

- (e) Purchase Consideration - Cash Outflow

(Rs. in crores)	
Particulars	Amounts
Net outflow of cash - investing activities	-

53 FAIR VALUE MEASUREMENT

53.01: Valuation principle

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained in significant accounting policies of the year ended March 31, 2023.

53.02: Fair value hierarchy of assets and liabilities

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

As at March 31, 2023

(Rs. in crores)				
Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
<i>Derivative financial instruments</i>				
Forward contracts	-	(193.01)	-	(193.01)
Currency swaps	-	121.65	-	121.65
Interest rate swaps	-	35.75	-	35.75
Cross currency interest rate swaps	-	588.33	-	588.33
Interest rate caps	-	116.65	-	116.65
Total derivative financial instruments	-	669.37	-	669.37
<i>Financial assets held for trading</i>				
Mutual funds	587.35	-	-	587.35
Equity instruments	63.35	-	25.40	88.75
Investment in security receipts	-	6.44	-	6.44
Venture capital fund	-	1.53	-	1.53
Total financial assets held for trading	650.70	7.97	25.40	684.07
Total assets measured at fair value on a recurring basis	650.70	677.34	25.40	1,353.44

53 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Assets measured at fair value on a non-recurring basis				
Non-current assets and disposals held for sale	-	-	-	-
Total assets measured at fair value on a non-recurring basis	-	-	-	-
Total assets measured at fair value	650.70	677.34	25.40	1,353.44

(Rs. in crores)

Liabilities measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Total financial liabilities measured at fair value on a recurring basis	-	-	-	-
Liabilities measured at fair value on a non-recurring basis				
Non-current liabilities and disposals held for sale	-	-	-	-
Total financial liabilities measured at fair value on a non-recurring basis	-	-	-	-
Total liabilities measured at fair value	-	-	-	-

As at March 31, 2022

(Rs. in crores)

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
<i>Derivative financial instruments</i>				
Forward contracts	-	97.84	-	97.84
Currency swaps	-	(276.95)	-	(276.95)
Interest rate swaps	-	3.18	-	3.18
Cross currency interest rate swaps	-	364.13	-	364.13
Interest rate caps	-	13.20	-	13.20
Total derivative financial instruments	-	201.40	-	201.40
<i>Financial assets held for trading</i>				
Mutual funds	1,523.02	-	-	1,523.02
Equity instruments	-	-	23.89	23.89
Certificate of deposits	-	822.29	-	822.29
Venture capital fund	-	1.53	-	1.53
Total financial assets held for trading	1,523.02	823.82	23.89	2,370.73
Total assets measured at fair value on a recurring basis	1,523.02	1,025.22	23.89	2,572.13
Assets measured at fair value on a non-recurring basis				
Non-current assets and disposals held for sale	-	-	-	-
Total assets measured at fair value on a non-recurring basis	-	-	-	-
Total assets measured at fair value	1,523.02	1,025.22	23.89	2,572.13

53 FAIR VALUE MEASUREMENT (Contd.)

	(Rs. in crores)			
Liabilities measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Total financial liabilities measured at fair value on a recurring basis	-	-	-	-
Liabilities measured at fair value on a non-recurring basis				
Non-current liabilities and disposals held for sale	-	-	-	-
Total financial liabilities measured at fair value on a non-recurring basis	-	-	-	-
Total liabilities measured at fair value	-	-	-	-

53.03: Valuation techniques

Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:

Investments in Mutual funds/ Equity instruments

Investment in units of mutual funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are generally Level 1. Equity instruments in non-listed entities are initially recognised at transaction price and re-measured (to the extent information is available) and valued on a case-by-case and classified as Level 3. Quoted equity instruments on recognised stock exchanges are valued at Level 1 hierarchy being the unadjusted quoted price as the reporting date.

Derivative Financial Instruments

Foreign exchange contracts include foreign exchange forward and swap contracts, interest rate swaps and over-the-counter foreign exchange options. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points and option valuation models. With the exception of contracts where a directly observable rate is available which are disclosed as Level 1, the Group classifies derivative financial instruments as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole).

Certificate of deposits (CDs)

Certificate of deposits are short-term financial instruments issued by Banks. Financial Benchmark India Private Limited (FBIL) has developed the FBIL-CD, a new benchmark for the money market based on traded CDs reported on the FIMMDA Trade Reporting and Confirmation System (FTRAC) platform of The Clearing Corporation of India Limited (CCIL). FBIL-CD is announced for seven tenors of 14 days, 1 month, 2 months, 3 months, 6 months, 9 months and 12 months. For valuation, the Group uses FBIL-CD benchmark and based on that benchmark the Group interpolates and calculates CD prices corresponding to their residual maturities and such instruments are classified as Level 2.

53.04: Transfer between fair value hierarchy levels

During the year there were no transfers between level 1 and level 2. Similarly, there were no transfers from or transfer to level 3.

53.05: Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value. Transfers from Level 3 to Level 2 occur when the market for some securities became more liquid, which eliminates the need for the previously required significant unobservable valuation inputs. Since the transfer, these instruments have been valued using valuation models incorporating observable market inputs. Transfers into Level 3 reflect changes in market conditions as a result of which instruments become less liquid. Therefore, the Group requires significant unobservable inputs to calculate their fair value.

53 FAIR VALUE MEASUREMENT (Contd.)

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

Particulars	(Rs. in crores)	
	Equity instruments	
	As at March 31, 2023	As at March 31, 2022
Opening balance	23.89	6.74
On account of business combination	0.01	-
Purchase	-	-
Sales	-	-
Issuances	-	-
Settlements	-	-
Transfers into level 3	-	-
Transfers from level 3	-	-
Net interest income, net trading income and other income	-	-
Other comprehensive income	-	-
Unrealised gains and losses related to balances held at the end of the year	1.50	17.15
Closing balance	25.40	23.89

53.06: Impact of changes to key assumptions on fair value of level 3 financial instruments measured at fair value

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Group's level 3 assets and liabilities. The range of values indicates the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation. Relationships between unobservable inputs have not been incorporated in this summary.

(Rs. in crores)

Particulars	Fair value		Valuation technique	Significant unobservable inputs
	Level 3 assets	Level 3 assets		
	As at March 31, 2023	As at March 31, 2022		
Equity instruments	25.40	23.89	Based on the discounted cashflow	Based on the discounted cashflow

53.07: Sensitivity of fair value measurements to changes in unobservable market data

The table below describes the effect of changing the significant unobservable inputs to reasonable possible alternatives. All changes would be reflected in the Statement of profit and loss. Sensitivity data are calculated using a number of techniques, including analysing price dispersion of different price sources, adjusting model inputs to reasonable changes within the fair value methodology.

The ranges are not comparable or symmetrical as the model inputs are usually not in the middle of the favourable/unfavourable range.

The table below shows data in relation to level 3 inputs that are already aggregated on the underlying product levels without assuming any potential diversification effect, but including potential off-sets from economic or accounting hedge relationships in place. The Group is of the opinion that, whilst there may be some diversification benefits, incorporating these would not be significant to the analysis.

(Rs. in crores)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Favourable changes 5% increase	Unfavourable changes 5% decrease	Favourable changes 5% increase	Unfavourable changes 5% decrease
	Equity instruments based on the discounted cashflow	26.67	24.13	25.03

53 FAIR VALUE MEASUREMENT (Contd.)

53.08: Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

(Rs. in crores)

As at March 31, 2023	Carrying amount	Fair value			
		Level-1	Level-2	Level-3	Total
Financial assets					
Cash and cash equivalents	9,932.84	5,008.79	4,937.42	-	9,946.21
Bank balance other than cash and cash equivalents	6,374.11	70.63	6,280.10	-	6,350.73
Trade receivables	17.00	-	-	17.00	17.00
Other receivables	429.69	-	-	429.69	429.69
Loans	178,685.14	-	-	177,980.42	177,980.42
Investments at amortised cost	6,562.26	5,077.41	175.40	1,187.68	6,440.49
Other investments	183.74	-	-	183.74	183.74
Other financial assets	77.47	-	-	68.63	68.63
Total financial assets	202,262.25	10,156.83	11,392.92	179,867.16	201,416.91
Financial liabilities					
Trade payables	313.19	-	-	313.19	313.19
Other payables	1.45	-	-	1.45	1.45
Debt securities	44,924.03	-	40,485.75	-	40,485.75
Borrowings (other than debt securities)	78,544.75	-	77,242.75	-	77,242.75
Deposits	36,139.83	-	-	35,308.09	35,308.09
Subordinated liabilities	4,593.63	-	4,611.19	-	4,611.19
Lease liabilities	602.08	-	-	602.08	602.08
Other financial liabilities	1,073.82	-	-	1,073.82	1,073.82
Total financial liabilities	166,192.78	-	122,339.69	37,298.63	159,638.32
Off-balance sheet items					
Other commitments	839.63	-	-	839.63	839.63
Total off-balance sheet items	839.63	-	-	839.63	839.63

(Rs. in crores)

As at March 31, 2022	Carrying amount	Fair value			
		Level-1	Level-2	Level-3	Total
Financial assets					
Cash and cash equivalents	10,662.44	5,953.99	4,701.32	-	10,655.31
Bank balance other than cash and cash equivalents	5,692.72	9.72	5,126.81	-	5,136.53
Trade receivables	5.35	-	-	5.35	5.35
Other receivables	190.49	-	-	190.49	190.49
Loans	116,665.15	-	-	115,370.83	115,370.83
Investments at amortised cost	4,425.06	3,155.70	-	1,082.12	4,237.82
Other investments	175.44	-	-	175.44	175.44
Other financial assets	51.45	-	-	42.70	42.70
Total financial assets	137,868.10	9,119.41	9,828.13	116,866.93	135,814.47
Financial liabilities					
Trade payables	166.03	-	-	166.03	166.03
Other payables	2.67	-	-	2.67	2.67
Debt securities	41,256.55	-	40,467.60	-	40,467.60
Borrowings (other than debt securities)	46,676.93	-	47,147.82	-	47,147.82
Deposits	21,948.98	-	-	23,963.34	23,963.34
Subordinated liabilities	4,614.25	-	4,962.46	-	4,962.46
Lease liabilities	349.43	-	-	349.43	349.43
Other financial liabilities	859.64	-	-	859.64	859.64
Total financial liabilities	115,874.48	-	92,577.88	25,341.11	117,918.99

53 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

As at March 31, 2022	Carrying amount	Fair value			
		Level-1	Level-2	Level-3	Total
Off-balance sheet items					
Other commitments	92.43	-	-	92.43	92.43
Total off-balance sheet items	92.43	-	-	92.43	92.43

Note:

The management assessed that cash and cash equivalents, trade receivables, trade payables, other receivables, other payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

53.09: Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: trade receivables, other receivables, balances other than cash and cash equivalents and trade payables without a specific maturity.

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models based on contractual cash flows using actual yields.

Pass through certificates

These instruments include asset backed securities. The market for these securities is not active. Therefore, the Group uses a variety of valuation techniques to measure their fair values. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers such as loan-to-value ratios, emergence period estimation, indebtedness and rental income levels. Instruments with no comparable instruments or valuation inputs are classified as Level 3.

Investment in associate at cost

Investment in associate: As per Ind AS 28 Interest in associate are recognised at cost and not adjusted to fair value at the end of each reporting period. Cost represents amount paid for acquisition of the said investments. The Group assesses at the end of each reporting period, if there are any indications that the said investments may be impaired. If so, the Group estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

Investment in government securities at amortised cost

The fair values financial assets held-to-maturity investments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties credit risk.

Issued debt and borrowings

The fair value of issued debt is estimated by a discounted cash flow model incorporating interest rate from market-observable data such as secondary prices for its traded debt.

Deposits

The fair value of public deposits and deposit from corporates is estimated by discounting the future cash flows considering the interest rate applicable on the reporting date for deposits of similar tenure and scheme (cumulative/non-cumulative). Inter-corporate deposits are estimated at their carrying amounts due to the short-term maturities of these deposits.

53 FAIR VALUE MEASUREMENT (Contd.)

Off-balance sheet positions

Estimated fair values of off-balance sheet positions are based on the carrying amounts due to the short-term maturities of these positions.

The carrying value of financial instruments by categories is as follows:

(Rs. in crores)

As at March 31, 2023	Amortised cost	Derivative instruments in hedging relationship	At Fair value Through OCI	At Fair value Through profit or loss	Others (at cost)	Total
Financial assets:						
Cash and cash equivalents	9,932.84	-	-	-	-	9,932.84
Bank balance other than cash and cash equivalents	6,374.11	-	-	-	-	6,374.11
Derivative financial instruments	-	669.37	-	-	-	669.37
Receivables						
(I) Trade receivables	17.00	-	-	-	-	17.00
(II) Other receivables	429.69	-	-	-	-	429.69
Loans	178,685.14	-	-	-	-	178,685.14
Investments	6,562.26	-	63.35	620.72	183.74	7,430.07
Other financial assets	77.47	-	-	-	-	77.47
Total financial assets	202,078.51	669.37	63.35	620.72	183.74	203,615.69
Financial liabilities:						
Payables						
(I) Trade payables	313.19	-	-	-	-	313.19
(II) Other payables	1.45	-	-	-	-	1.45
Debt securities	44,924.03	-	-	-	-	44,924.03
Borrowings (other than debt securities)	78,544.75	-	-	-	-	78,544.75
Deposits	36,139.83	-	-	-	-	36,139.83
Subordinated liabilities	4,593.63	-	-	-	-	4,593.63
Lease liabilities	602.08	-	-	-	-	602.08
Other financial liabilities	1,073.82	-	-	-	-	1,073.82
Total financial liabilities	166,192.78	-	-	-	-	166,192.78

(Rs. in crores)

As at March 31, 2022	Amortised cost	Derivative instruments in hedging relationship	At Fair value Through OCI	At Fair value Through profit or loss	Others (at cost)	Total
Financial assets:						
Cash and cash equivalents	10,662.44	-	-	-	-	10,662.44
Bank balance other than cash and cash equivalents	5,692.72	-	-	-	-	5,692.72
Derivative financial instruments	-	201.40	-	-	-	201.40
Receivables						
(I) Trade receivables	5.35	-	-	-	-	5.35
(II) Other receivables	190.49	-	-	-	-	190.49
Loans	116,665.15	-	-	-	-	116,665.15
Investments	4,425.06	-	-	2,370.73	175.44	6,971.23
Other financial assets	51.45	-	-	-	-	51.45
Total financial assets	137,692.66	201.40	-	2,370.73	175.44	140,440.23
Financial liabilities:						
Payables						
(I) Trade payables	166.03	-	-	-	-	166.03
(II) Other payables	2.67	-	-	-	-	2.67
Debt securities	41,256.55	-	-	-	-	41,256.55

53 FAIR VALUE MEASUREMENT (Contd.)

As at March 31, 2022	Amortised cost	Derivative instruments in hedging relationship	At Fair value Through OCI	At Fair value Through profit or loss	Others (at cost)	(Rs. in crores)
						Total
Borrowings (other than debt securities)	46,676.93	-	-	-	-	46,676.93
Deposits	21,948.98	-	-	-	-	21,948.98
Subordinated liabilities	4,614.25	-	-	-	-	4,614.25
Lease liabilities	349.43	-	-	-	-	349.43
Other financial liabilities	859.64	-	-	-	-	859.64
Total financial liabilities	115,874.48	-	-	-	-	115,874.48

54 RISK MANAGEMENT

Whilst risk is inherent in the Group's activities, it is managed through an integrated risk management framework including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to his or her responsibilities. The Group is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

54.01: Introduction and risk profile

54.01.01: Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Board has constituted the Risk Management Committee which is responsible for monitoring the overall risk process within the Group.

The Risk Management Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Risk Management Committee is responsible for managing risk decisions and monitoring risk levels.

The Chief Risk officer is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The Risk owners within each department will report to the Risk Committee.

The Risk owners are responsible for monitoring compliance with risk principles, policies and limits across the Group. Each department has its Risk owner who is responsible for the control of risks, including monitoring the actual risk of exposures against authorised limits and the assessment of risks.

The Group's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Group.

The Group's policy is that risk management processes throughout the Group are audited annually by the Internal Audit function, which examines both the adequacy of the procedures and the Group's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to Risk Management Committee.

54.01.02: Risk mitigation and risk culture

As part of its overall risk management, the Group can use derivatives and other instruments to manage exposures resulting from changes in interest rates and foreign currencies associated with foreign currency transactions.

54.01.03: Risk measurement and reporting systems

The Group's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment, as necessary.

The Group's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Information compiled from all the departments is examined and processed in order to analyse, control and identify risks on a timely basis. This information is presented and explained to the Risk Management Committee and the head of each department.

The Risk Management Committee receives a comprehensive risk report once a quarter which is designed to provide all the necessary information to assess and conclude on the risks of the Group.

54 RISK MANAGEMENT (Contd.)

It is the Group's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Group is exposed to that they decide to take on. The Group's continuous training and development emphasises that employees are made aware of the Group's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Group's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees annual ratings and remuneration reviews.

54.01.04: Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on spreading its lending portfolio across all the states with a cap on maximum limit of exposure for a state and also for an individual/Group.

54.02: Credit risk

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

Credit risk is monitored by the credit department of the Group. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit manager, as well as the business with tools like credit risk systems, policies, models and reporting.

The Group has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties.

The credit quality review process aims to allow the Group to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

The Group's internal credit rating grades on days past due(dpd) basis:

Internal rating grade	Internal rating description
Performing	
High grade	0 dpd
Standard grade	1 to 30 dpd
Sub-standard grade	31 to 60 dpd
Past due but not impaired	61 to 90 dpd
Non-performing	90+ dpd

54.02.01: Derivative financial instruments

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet.

With gross-settled derivatives, the Group is also exposed to a settlement risk, being the risk that the Group honours its obligation, but the counterparty fails to deliver the counter value.

54.02.02: Impairment assessment

The references below show where the Group's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the Summary of significant accounting policies.

The Group's definition and assessment of default (Note 54.02.02.01).

- How the Group defines, calculates and monitors the probability of default, exposure at default and loss given default (Notes 54.02.02.02 to 54.02.02.04)
- When the Group considers there has been a significant increase in credit risk of an exposure (Note 54.02.02.05)
- The Group's policy of segmenting financial assets where ECL is assessed on a collective basis (Note 54.02.02.07)
- The details of the ECL calculations and categorisation of loans for stage 1, stage 2 and stage 3 assets (Note 7.1(xi))

54.02.02.01: Definition of default

The Group considers a financial instrument defaulted and therefore stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

54 RISK MANAGEMENT (Contd.)

As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikelihood to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as stage 3 for ECL calculations or whether stage 2 is appropriate. Such events include:

- The borrower requesting emergency funding from the Group.
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral.
- A covenant breach not waived by the Group.
- The debtor (or any legal entity within the debtor's Group) filing for bankruptcy application/protection.
- All the facilities of a borrower are treated as stage 3 when one of his facility becomes 90 days past due i.e. credit impaired.
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise.

54.02.02.02: PD estimation process

It is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Group. While arriving at the PD, the Group also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. Group calculates the 12 month PD by taking into account the past historical trends of the portfolio and its credit performance. In case of assets where there is a significant increase in credit risk, lifetime PD has been applied which is computed based on survival analysis. For credit impaired assets, a PD of 100% has been applied.

54.02.02.03: Exposure at Default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Group assesses the possible default events within 12 months for the calculation of the 12 months ECL.

For stage 2 and stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

In case of undrawn loan commitments, a credit conversion factor of 100% is applied for expected drawdown.

54.02.02.04: Loss Given Default (LGD)

LGD is an estimate of the loss arising in case where a default occurs. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, including from the realisation of any security.

54.02.02.05: Significant increase in credit risk (SICR)

The Group continuously monitors all assets subject to ECLs in order to determine whether an instrument or a portfolio of instruments is subject to 12 month ECL or lifetime ECL. The Group assesses whether there has been an event which could cause a significant increase in the credit risk of the underlying asset or the customers ability to pay and accordingly change the 12 month ECL to a lifetime ECL.

In certain cases, the Group may also consider that events explained in Note 54.02.02.01 are a significant increase in credit risk as opposed to a default. Regardless of the above, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

When estimating ECLs on a collective basis for a Group of similar assets (as set out in Note 54.02.02.07), the Group applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

54.02.02.06: Forward looking information

As explained in Note 7.1.(xi), the Group has incorporated forward looking information and macro-economic factors while calculating PD and LGD rate.

54 RISK MANAGEMENT (Contd.)

54.02.02.07: Grouping financial assets measured on a collective basis

As explained in Note 7.1.(xi) dependent on the factors below, the Group calculates ECLs only on a collective basis.

The Group segments the exposure into smaller homogeneous portfolios, based on a combination of internal and external characteristics of the loans as described below.

1. Secured Loans for New Vehicles
2. Secured Loans for Used Vehicles
3. Gold Loans
4. MSME Loans
5. Two Wheeler Loans
6. Personal Loans
7. Loan against property

54.02.03: Analysis of risk concentration

The maximum credit exposure to any individual client or counterparty as of March 31, 2023 was Rs. 61.78 crores (March 31, 2022: Rs. 61.13 crores).

Credit risk exposure analysis

(Rs. in crores)

Particulars	As at March 31, 2023			
	Stage 1 collective	Stage 2 collective	Stage 3 collective	Total
Credit risk exposure	162,197.38	16,434.95	11,440.70	190,073.03

54.03: Liquidity risk and funding management

In assessing the Group's liquidity position, consideration shall be given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds. The Group maintains a portfolio of marketable assets that are assumed to be easily liquidated and undrawn cash credit limits which can be used in the event of an unforeseen interruption in cash flow. The Group also enters into securitisation deals (direct assignment as well as pass through certificates) of their loan portfolio, the funding from which can be accessed to meet liquidity needs. In accordance with the Group's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Group. Net liquid assets consist of cash, short-term bank deposits and investments in mutual fund available for immediate sale, less issued securities and borrowings due to mature within the next month. Borrowings from banks and financial institutions, issue of debentures and bonds and acceptance of public deposits are considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings.

The Board of Directors also approves constitution of Asset Liability Committee (ALCO), Asset Liability Management Committee(ALCO) reviews or monitors Asset Liability Management (ALM) mismatch. ALCO conducts periodic reviews relating to the liquidity position and stress test assuming various what if scenarios. The ALCO is responsible for ensuring adherence to the limits set by the Board as well as for deciding the business strategy of the Group in line with the Group's budget and decided risk management objectives. The ALCO is a decision-making unit responsible for balance sheet planning from risk-return perspective including strategic management of interest rate and liquidity risks. The ALCO also evaluates the Borrowing Plan of subsequent quarters on the basis of previous borrowings of the Group. The ALCO will be responsible for ensuring the adherence to the target set by the Board of Directors. The meetings of ALCO are held at quarterly intervals. The ALM Support Groups consisting of operating staff are responsible for analysing, monitoring and reporting the risk profiles to the ALCO. ALCO support group meets every fortnight. The minutes of ALCO meetings are placed before the RMC and the Board of Directors in its next meeting for its ratification.

54 RISK MANAGEMENT (Contd.)

54.03.01: Analysis of financial assets and liabilities by remaining maturities

The table below summarises the maturity profile of the Group's financial assets and liabilities as at March 31. All derivatives used for hedging and natural hedges are shown by maturity. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Group expects that many customers will not request repayment on the earliest date it could be required to pay and the table does not reflect the expected cash flows indicated by its deposit retention history.

Maturity pattern of assets and liabilities as on March 31, 2023:

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents	9,932.84	-	-	-	-	-	9,932.84
Bank balance other than above	3,824.87	841.87	1,927.54	116.39	95.60	-	6,806.28
Derivative assets	-	490.73	8.47	104.49	65.68	-	669.37
Financial assets at fair value through profit and loss	587.35	-	-	2.15	2.15	29.08	620.72
Loans *	27,947.97	25,377.05	45,038.04	98,339.25	23,573.38	6,532.48	226,808.16
Financial investments at FVOCI	-	-	-	-	-	63.35	63.35
Financial investments at amortised cost	436.51	111.28	443.19	1,299.96	1,021.34	3,334.90	6,647.19
Trade receivables	17.00	-	-	-	-	-	17.00
Other receivables	61.47	49.68	84.35	172.09	50.02	17.35	434.96
Other financial assets	1.62	0.77	2.55	2.78	1.06	74.39	83.16
Total undiscounted financial assets	42,809.63	26,871.38	47,504.15	100,037.11	24,809.22	10,051.54	252,083.03
Financial liabilities							
Deposits *	2,252.10	2,671.47	5,513.94	21,117.21	9,750.56	-	41,305.28
Debt securities *	5,842.10	4,410.68	10,808.44	14,834.48	4,976.24	15,299.50	56,171.44
Borrowings (other than debt securities) *	11,886.32	11,330.16	14,716.52	39,622.65	9,886.16	1,729.50	89,171.32
Subordinated liabilities *	275.03	171.98	311.35	2,878.26	1,859.71	395.86	5,892.18
Trade payables	310.14	2.45	0.45	0.15	-	-	313.19
Other payables	1.45	-	-	-	-	-	1.45
Lease liabilities	47.97	46.39	88.69	271.76	132.07	205.02	791.90
Other financial liabilities	827.14	69.38	99.93	64.12	11.56	1.70	1,073.82
Total undiscounted financial liabilities	21,442.25	18,702.50	31,539.31	78,788.62	26,616.30	17,631.58	194,720.57
Net undiscounted financial assets/ (liabilities)	21,367.38	8,168.88	15,964.84	21,248.48	(1,807.07)	(7,580.04)	57,362.46
Cumulative net undiscounted financial assets/ (liabilities)	21,367.38	29,536.26	45,501.09	66,749.58	64,942.50	57,362.46	

(Rs. in crores)

* includes future interest

54 RISK MANAGEMENT (Contd.)

Maturity pattern of assets and liabilities as on March 31, 2022:

Particulars	(Rs. in crores)						Total
	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	
Financial assets							
Cash and cash equivalents	10,662.44	-	-	-	-	-	10,662.44
Bank balance other than above	2,784.30	1,031.15	1,317.79	559.48	-	-	5,692.72
Derivative assets	-	-	-	63.56	137.84	-	201.40
Financial assets at fair value through profit and loss	2,345.31	-	-	-	-	25.42	2,370.73
Loans *	15,723.90	14,546.00	26,984.78	71,816.77	17,558.94	1,792.34	148,422.73
Financial investments at FVOCI	-	-	-	-	-	-	-
Financial investments at amortised cost	326.03	113.89	158.46	641.28	565.38	2,656.02	4,461.06
Trade receivables	5.35	-	-	-	-	-	5.35
Other receivables	26.85	27.62	46.59	81.92	7.51	-	190.49
Other financial assets	-	-	-	-	-	51.45	51.45
Total undiscounted financial assets	31,874.18	15,718.66	28,507.62	73,163.01	18,269.67	4,525.23	172,058.37
Financial liabilities							
Deposits *	1,940.42	2,127.66	3,645.55	12,642.21	5,526.91	-	25,882.75
Debt securities *	2,556.00	808.00	10,135.48	21,192.82	5,692.14	8,960.67	49,345.11
Borrowings (other than debt securities) *	8,178.50	4,948.26	9,511.65	24,057.35	5,307.19	50.61	52,053.56
Subordinated liabilities *	137.00	152.00	466.40	3,323.50	521.20	1,606.00	6,206.10
Trade payables	165.72	-	-	0.31	-	-	166.03
Other payables	2.67	-	-	-	-	-	2.67
Lease liabilities	26.48	25.72	48.42	155.57	89.58	99.69	445.46
Other financial liabilities	643.75	53.30	58.01	99.19	5.39	-	859.64
Total undiscounted financial liabilities	13,650.54	8,114.94	23,865.51	61,470.95	17,142.41	10,716.97	134,961.32
Net undiscounted financial assets/ (liabilities)	18,223.64	7,603.72	4,642.11	11,692.06	1,127.26	(6,191.74)	37,097.05
Cumulative net undiscounted financial assets/ (liabilities)	18,223.64	25,827.36	30,469.47	42,161.53	43,288.79	37,097.05	

* includes future interest

54 RISK MANAGEMENT (Contd.)

The table below shows the expiry by maturity of the contingent liabilities and commitments of the Group and its associate:: Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

(Rs. in crores)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
As at March 31, 2023							
In respect of Income tax demands where the Group has filed appeal before various authorities	-	-	-	-	-	91.68	91.68
VAT demand where the Group has filed appeal before various appellates	-	-	-	-	-	4.92	4.92
Service tax demands where the Group has filed appeal before various authorities	-	-	-	-	-	2,056.83	2,056.83
Bank Guarantees	19.99	0.60	23.37	15.96	-	-	59.92
Penalty levied for Contravention of provisions of Section 6(3)(b) of FEMA, 1999 read with Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000	-	-	-	-	-	5.00	5.00
Estimated amount of contracts remaining to be executed on capital account, net of advances	102.11	-	-	-	-	-	102.11
Commitments related to loans sanctioned but undrawn	839.63	-	-	-	-	-	839.63
Total commitments	961.73	0.60	23.37	15.96	-	2,158.43	3,160.09
As at March 31, 2022							
In respect of Income tax demands where the Group has filed appeal before various authorities	-	-	-	-	-	175.46	175.46
VAT demand where the Group has filed appeal before various appellates	-	-	-	-	-	117.54	117.54
Service tax demands where the Group has filed appeal before various authorities	-	-	-	-	-	1,976.63	1,976.63
Penalty levied for Contravention of provisions of Section 6(3)(b) of FEMA, 1999 read with Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000	-	-	-	-	-	5.00	5.00
Estimated amount of contracts remaining to be executed on capital account, net of advances	11.72	-	-	-	-	-	11.72
Commitments related to loans sanctioned but undrawn	92.43	-	-	-	-	-	92.43
Total commitments	104.15	-	-	-	-	2,274.63	2,378.78

54 RISK MANAGEMENT (Contd.)

54.04: Market Risk

Market risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Group classifies exposures to market risk into either trading or non-trading portfolios and manages each of those portfolios separately.

Interest rate risk

The Group's exposure to changes in interest rates relates to the Group's outstanding floating rate liabilities. Most of the Group's outstanding liability is on fixed rate basis and hence not subject to interest rate risk. Some of the borrowings of the Group are linked to rate benchmarks such as Bank Marginal Cost of Funds based Lending Rate (MCLR) or London Inter-bank Offered Rate (LIBOR), Euro Interbank Offered Rate (EURIBOR), Secured Overnight Financing Rate (SOFR) and Mumbai Inter-Bank Offer Rate (MIBOR) and hence subject to interest rate risk. The Group hedges interest rate risks of foreign currency borrowings through derivative transactions. The sensitivity of the Group's floating rate borrowings to change in interest rate (assuming all other variables constant) is given below:

As at March 31, 2023

(Rs. in crores)

Particulars	Carrying amount	Favourable change 1% increase	Unfavourable change 1% decrease
Debt instrument	7,644.34	984.28	(445.85)
Term loans	37,568.87	3,126.89	(4,390.33)
Total floating rate borrowings	45,213.21	4,111.17	(4,836.18)

As at March 31, 2022

(Rs. in crores)

Particulars	Carrying amount	Favourable change 1% increase	Unfavourable change 1% decrease
Debt instrument	2,446.80	237.64	(294.97)
Term loans	11,198.93	1,356.11	(1,801.15)
Total floating rate borrowings	13,645.73	1,593.75	(2,096.12)

Most of the Group's outstanding loans is on fixed rate basis and hence not subject to interest rate risk. The Group's exposure to changes in interest rates relates to the Group's outstanding floating rate loans hence subject to interest rate risk. The sensitivity of the Group's floating rate loans to change in interest rate (assuming all other variables constant) is given below:

As at March 31, 2023

(Rs. in crores)

Particulars	Carrying amount	Favourable change 1% increase	Unfavourable change 1% decrease
Loans	2,691.16	(26.91)	26.91
Total floating rate loans	2,691.16	(26.91)	26.91

As at March 31, 2022

(Rs. in crores)

Particulars	Carrying amount	Favourable change 1% increase	Unfavourable change 1% decrease
Loans	-	-	-
Total floating rate loans	-	-	-

54 RISK MANAGEMENT (Contd.)

Fair value sensitivity analysis for fixed rate instruments

The Group's fixed rate instruments are carried at amortised cost and are not measured for interest rate risk, as neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

Inter-bank Offered Rate (IBOR) reform

The table below shows the Group's exposure at the year end to significant IBORs subject to reform that have yet to transition to alternative Risk Free Rates (RFRs). These exposures will remain outstanding until the IBOR ceases and will therefore transition in future and the table excludes exposures to IBOR that will expire before transition is required. The derivative hedging instruments provide a close approximation to the extent of the risk exposure the Group manages through hedging relationships.

(Rs. in crores)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Rate of interest	Notional amounts	Maturity date	Rate of interest	Notional amounts	Maturity date
Currency derivatives:						
- Spots and forwards	3 months LIBOR + 1.95%	6.71	June 10, 2022 to August 10, 2023	3 months LIBOR + 1.95%	22.19	June 10, 2022 to August 10, 2023
- Cross currency interest rate swaps	3 months LIBOR + 1.95%	2,402.33	August 10, 2023	3 months LIBOR + 1.95%	2,402.33	August 10, 2023
- Cross currency interest rate swaps	6 months LIBOR + 2.50%	106.91	December 11, 2029	6 months LIBOR + 2.50%	133.64	June 13, 2022 to December 11, 2026
TOTAL		2,515.95			2,558.16	

Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group is exposed to foreign currency fluctuation risk for its foreign currency borrowing. The Group's borrowings in foreign currency are governed by RBI Master Direction External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019 (as and when updated) which requires entities raising External Commercial Borrowings (ECB) for an average maturity of less than 5 years to hedge minimum 70% of the its ECB exposure. The Group hedges its entire ECB and external commercial bond exposure as per Board approved hedging policy and resource mobilisation policy. The Group manages foreign currency risk by entering into cross currency swaps and forward contract. When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match with the terms of the hedge exposure. The Group holds derivative financial instruments such as Cross currency interest rate swap to mitigate risk of changes in exchange rate in foreign currency and floating interest rate. The Counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in market place. Refer Note 23 B - External commercial bond (ED) Secured and 24 C - External commercial borrowing, respectively for terms and conditions of external commercial bonds and external commercial borrowings.

Exposure to currency risk

The summary quantitative data about exposure to Currency risk (based on Notional amounts) as reported :

(Amount in crores)

Particulars	As at March 31, 2023				As at March 31, 2022			
	Contracts in EURO		Contracts in USD		Contracts in EURO		Contracts in USD	
	EURO	INR	USD	INR	EURO	INR	USD	INR
Total foreign currency exposure in respect of recognised assets and liabilities	0.67	533.08	49.69	39,552.52	8.65	685.39	536.60	36,134.01
Cross currency Interest rate swap /Forward exchange contracts	0.67	533.08	49.69	39,552.52	8.65	685.39	536.60	36,134.01
Net Exposure	-	-	-	-	-	-	-	-

54 RISK MANAGEMENT (Contd.)

Movement in Cash flow hedge reserve

(Rs. in crores)

Cash flow hedge reserve	As at March 31, 2023			As at March 31, 2022		
	Realised	Unrealised	Total	Realised	Unrealised	Total
Balance at the beginning of the year	-	(213.40)	(213.40)	-	(93.02)	(93.02)
Add: Changes in the fair value during the year	-	(14.73)	(14.73)	-	(160.87)	(160.87)
Less: Income tax relating to items that will be reclassified to profit or loss	-	3.71	3.71	-	40.49	40.49
Less: Amounts reclassified to Statement of profit and loss	-	-	-	-	-	-
Balance at the end of the year	-	(224.42)	(224.42)	-	(213.40)	(213.40)

Nature and terms and conditions of outstanding derivative contracts

(Rs. in crores)

Particulars	As at March 31, 2023				As at March 31, 2022			
	Rate of interest	Maturity date	Notional amounts	Fair Value - Assets	Rate of interest	Maturity date	Notional amounts	Fair Value - Assets
(i) Currency derivatives:								
- Spots and forwards	3 months LIBOR + 1.95%	June 10, 2022 to August 10, 2023	6.71	0.05	3 months LIBOR + 1.95%	June 10, 2022 to August 10, 2023	22.19	(0.56)
- Spots and forwards	SOFR + 2.00%	December 27, 2023 to December 27, 2027	3,141.79	(11.58)	-	-	-	-
- Spots and forwards	4.08% to 6.91%	June 15, 2023 to December 15, 2031	13,715.75	(182.04)	4.15% to 5.95%	June 15, 2022 to June 15, 2027	17,018.41	98.39
- Spots and forwards	12M SOFR 3.54% + 0.91%	August 31, 2022 to August 30, 2023	45.33	0.56	-	-	-	-
- Currency swaps	SOFR + 2.00%	January 20, 2026	1,425.88	14.24	-	-	-	-
- Currency swaps	4.78% to 5.25%	March 13, 2024 to July 18, 2025	1,290.05	107.41	4.15% to 5.10%	July 14, 2023 to July 18, 2025	2,320.47	(276.95)
- Cross currency interest rate swaps	3 months LIBOR + 1.95%	August 10, 2023	2,402.33	474.96	3 months LIBOR + 1.95%	August 10, 2023	2,402.33	197.16
- Cross currency interest rate swaps	6 months EURIBOR + 1.15%	April 26, 2022 to April 25, 2026	533.08	74.01	6 months EURIBOR + 1.15%	April 26, 2022 to April 25, 2026	685.38	155.82

54 RISK MANAGEMENT (Contd.)

(Rs. in crores)

Particulars	As at March 31, 2023				As at March 31, 2022			
	Rate of interest	Maturity date	Notional amounts	Fair Value - Assets	Rate of interest	Maturity date	Notional amounts	Fair Value - Assets
- Cross currency interest rate swaps	6 months LIBOR + 2.50%	June 13, 2022 to December 11, 2026	106.91	15.87	6 months LIBOR + 2.50%	June 13, 2022 to December 11, 2026	133.64	5.50
- Cross currency interest rate swaps	SOFR + 2.10%	December 03, 2024	187.35	23.49	SOFR + 2.10%	December 03, 2024	187.35	5.66
(ii) Interest rate derivatives:								
- Interest rate swaps	4.08% to 5.10%	July 17, 2023 to December 15, 2031	12,927.24	103.18	4.15% to 5.95%	October 24, 2022 to July 18, 2025	14,049.63	3.18
- Interest rate swaps	SOFR + 2.00%	January 20, 2026 to December 27, 2027	4,303.18	13.47	-	-	-	-
- Interest rate caps	6 months EURIBOR + 1.15%	April 26, 2022 to April 25, 2026	-	35.75	6 months EURIBOR + 1.15%	April 26, 2022 to April 25, 2026	-	13.20
TOTAL			40,085.60	669.37			36,819.40	201.40

Price-risk

The Group's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

Ineffectiveness is recognised on a cash flow hedge where the cumulative change in the designated component value of the hedging instrument exceeds on an absolute basis the change in value of the hedged item attributable to the hedged risk. In such cases, ineffectiveness may arise if:

- The critical terms of the hedging instrument and the hedged item differ (i.e. nominal amounts, timing of the forecast transaction, interest resets changes from what was originally estimated), or
- differences arise between the credit risk inherent within the hedged item and the hedging instrument.

There were no ineffectiveness recognised in the statement of profit and loss.

There were no other sources of ineffectiveness in these hedge relationships.

55 DISCLOSURE UNDER THE MSME ACT 2006, (AS PER THE INTIMATION RECEIVED FROM THE VENDOR)

Based on the intimation received by the Group, some of the suppliers have confirmed to be registered under “The Micro, Small and Medium Enterprises Development (‘MSMED’) Act, 2006”. Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
The principal amount remaining unpaid to supplier as at the end of the year	0.36	1.48
The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

56 DISCLOSURE REGARDING AUDITORS REMUNERATION DISCLOSED UNDER LEGAL AND PROFESSIONAL FEES

In addition to the auditors remuneration shown in note 43 Other expenses, the Group has also incurred auditors remuneration in connection with audit and related statutory services to be performed by auditors in connection with issue of senior secured notes of Rs. 0.60 crores (March 31, 2022: Rs. 0.54 crores) shown under Legal and professional fees in note 43 Other expenses.

57 DISCLOSURE REGARDING AUDITORS REMUNERATION DISCLOSED UNDER SHARE ISSUE EXPENSES

In addition to the auditors remuneration shown in note 43 Other expenses, the Group has also incurred auditors remuneration in connection with audit and related statutory services to be performed by auditors in connection with issue of Qualified institutional placement and preferential issue of equity shares of Rs. Nil (March 31, 2022: Rs. 0.33 crores) netted off against Securities premium under in note 32 Other equity.

58 SEGMENT REPORTING

The Group operates in a single reporting segment i.e. financing. Its associate is primarily engaged in the business of facilitation service. Since, it does not meet the quantitative thresholds laid down under the Ind AS 108 – Operating Segments for reportable segments, it has not been considered for segment reporting.

59 TRANSFER OF FINANCIAL ASSETS

Note 59.01: Transferred financial assets that are not derecognised in their entirety

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
Securitisation		
Carrying amount of transferred assets measured at amortised cost (held as collateral)	22,596.75	21,120.76

59 TRANSFER OF FINANCIAL ASSETS (Contd.)

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
Carrying amount of associated liabilities (Borrowings (other than debt securities)-measured at amortised cost)	22,476.91	19,538.08
Fair value of assets	22,459.82	21,105.47
Fair value of associated liabilities	22,262.08	19,765.43
Net position at fair value	197.74	1,340.04

Note 59.02: Transferred financial assets that are derecognised in their entirety

The Group has assigned loans (earlier measured at amortised cost) by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 90% of the assets transferred to the buyer, the assets have been de-recognised from the Group's balance sheet. The table below summarises the carrying amount of the derecognised financial assets :

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
Direct assignment		
Carrying amount of transferred assets measured at amortised cost	3,959.79	1,599.67
Carrying amount of exposures retained by the Group at amortised cost	437.74	159.97

Note 59.03: Transferred financial assets that are derecognised in their entirety but where the Group has continuing involvement

The Group has not transferred any assets that are derecognised in their entirety where the Group continues to have continuing involvement.

60 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

Particulars	(Rs. in crores)	
	Year ended March 31, 2023	Year ended March 31, 2022
Professional charges-resource mobilisation	106.28	36.63
Professional charges on securitisation	2.93	-
Total	109.21	36.63

61 DETAILS OF CSR EXPENSES

Particulars	(Rs. in crores)	
	Year ended March 31, 2023	Year ended March 31, 2022
a) Gross amount required to be spent by the Group during the year	95.40	69.12
b) Amount spent during the year		
- On purposes other than construction/acquisition of any asset		
Paid in cash	95.48	69.72
Yet to be paid in cash	-	-
Total	95.48	69.72

There is no shortfall in the CSR amount required to be spent by the Group as per section 135(5) of the Act for the financial years ended March 31, 2023 and March 31, 2022.

CSR activities include Education, Preservation of Arts, Culture and Heritage, Preventive Healthcare, Scholarship Scheme, Training and Skill Development, Road Safety Awareness Program, Contribution towards - Primary, Secondary and Higher Education, Mathematical and Scientific Research, School Repairs and renovation and other activities which are specified under Schedule VII of Companies Act, 2013.

The Group has neither made any CSR contributions towards its related parties nor recorded any provision for CSR expenditure during the financial years ended March 31, 2023 and March 31, 2022.

62 NOTE ON COVID

The Group holds management overlay of Rs. 1,107.49 crores as at March 31, 2023 and Rs. 2,052.58 crores as at March 31, 2022.

63 MOVEMENT IN PROVISIONS

(Rs. in crores)

Provision for taxes - contested	Opening Balance	Additional provision	Utilisation/reversal during the year	Closing Balance
As at March 31, 2023	90.93	7.66	-	98.59
As at March 31, 2022	92.75	-	1.82	90.93

The above provisions relate to disputed tax demands in relation to VAT and Service tax. Due to the very nature of such provisions and the litigations involved, it is not possible to estimate the timing/ uncertainties relating to their outflows.

64 EVENTS AFTER REPORTING DATE

There have been no events after the reporting date.

65 FLOATING CHARGE ON INVESTMENT IN GOVERNMENT SECURITIES

In accordance with the Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 dated August 25, 2016, the Group has created a floating charge on the statutory liquid assets comprising of investment in government securities (face value) to the extent of Rs. 5,346.44 crores (March 31, 2022: Rs. 3,354.44 crores) in favour of trustees representing the public deposit holders of the Group.

66.01 The Group invoked resolution plans to relieve COVID-19 pandemic related stress to eligible borrowers. The resolution plans are based on the parameters laid down in the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI on August 06, 2020 and May 05, 2021. The staging of accounts and provisioning for the eligible accounts where the resolution plans are invoked and implemented is in accordance with the Board Approved Policy in this regard.

Disclosure on Resolution Framework 2.0 implemented in terms of RBI notification no. RBI/2020-21/16 DOR. NO.BP.BC/3/21.04.048/2020-21 dated August 06, 2020 and RBI/2021-22/31/DOR.STR.REC.11 /21.04.048/2021-22 dated May 05, 2021

(Rs. in crores)

Type of borrower	(A)	(B)	(C)	(D)	(E)
	Exposure to accounts classified as Standard consequent to implementation of Resolution Plan - Position as at the end of September 30, 2022 (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of Resolution Plan - Position as at the end of March 31, 2023
Personal Loans #	874.90	50.25	2.70	172.80	649.15
Corporate persons*	14.63	-	-	0.25	14.38
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	889.53	50.25	2.70	173.05	663.53

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

pertains to automobile loans

67 EMPLOYEE STOCK OPTION PLAN
A. Shriram Finance Limited (“the Company”):

The Company provides share-based payment schemes to its Employees.

Employee Stock Option Plan (2013)
67.01: About the plan

Pursuant to clause 3.35.11 of the approved the Composite Scheme of Arrangement and Amalgamation (“Scheme”), all the employees in service of Shriram City Union Finance Limited (“Transferor Company”) have become employee of the Company with effect from appointed date of the scheme i.e April 01, 2022. The Transferor Company prior to the Scheme had framed and implemented the Shriram City Union Finance Limited Employee Stock Options Scheme 2013 (“SCUF ESOS 2013”) under which Employee Stock Options were granted to certain of its eligible employees. Shriram Finance Limited Employee Stock Options Scheme 2023 (“SFL ESOS 2023”) has been created in lieu of the SCUF ESOS 2013 to issue stock options to the eligible employee of the Transferor Company taking into account the share exchange ratio as provided in terms of clause 3.36.1 of the Scheme. The objective of SFL ESOS 2023 plan is that the eligible employees of the Transferor Company continue to enjoy the benefit of stock options upon becoming the employees of the Company and to restore the value of options post amalgamation in the manner provided in terms of Clause 3.35.17 of the Scheme. This SFL ESOS 2023 plan has been adopted on March 15, 2023 by the Board and Nomination and Remuneration Committee of the Company.

Total no. of grant of options under SCUF ESOS 2013 plan are 2,627,000.

Details of grants made under SCUF ESOS 2013 plan are as follows:

Particulars	Grant date	No. of options granted
Grant I	August 11, 2020	300,221
Grant II	November 02, 2020	300,030
Grant III	January 29, 2021	315,396
Grant IV	July 29, 2021	302,601
Grant V	October 27, 2021	303,270
Grant VI	January 28, 2022	301,582
Grant VII	April 29, 2022	599,800
Grant VIII	July 27, 2022	28,913

Particulars	Number of options
Options Outstanding under SCUF ESOS Scheme 2013; as on April 01, 2022	1,188,819
Options granted between April 01, 2022 to March 14, 2023	628,713
Options exercised between April 01, 2022 to March 14, 2023	404,724
Options lapsed/ forfeited between April 01, 2022 to March 14, 2023	30,120
Options Outstanding under SCUF ESOS Scheme 2013; as on March 14, 2023	1,382,688
No. of options not yet granted under SCUF ESOS Scheme 2013 as on March 14, 2023	216,594
Total Options Outstanding including ungranted options under SCUF ESOP Scheme 2013; as on March 14, 2023	1,599,282
Fresh Options to be granted under SFL ESOS Scheme 2023 in lieu of SCUF ESOP Scheme 2013 Swap ratio of 1.55 shares per one share	2,478,888
Roundup adjustment for fractional options resulting on account of conversion	620
Total Fresh Options granted under SFL ESOS Scheme 2023 adopted on March 15, 2023	2,479,508
Options lapsed/ forfeited after adoption of SFL ESOS Scheme 2023	36,097
No of options not yet granted under SFL ESOS Scheme 2023 in lieu of SCUF ESOP Scheme 2013 Swap ratio of 1.55 shares per one share	335,720
Total share Options Outstanding under SFL ESOS 2023 as on March 31, 2023	2,107,691

The options shall vest in the hands of the Option holder after a minimum period of 12 months from the date of grant of option or such longer period as may be determined by the Committee subject to the condition that the Option grantee continues to be an employee of the Company and the performance or other conditions as may be determined by the Committee. The maximum period of vesting shall be 5 years from the date of grant.

67 EMPLOYEE STOCK OPTION PLAN (Contd.)

The period during which the options granted by the Transferor Company under SCUF ESOS 2013 plan were held by the eligible employee shall be adjusted against the minimum vesting period. That is, the date of vesting under the SCUF ESOS 2013 plan shall be considered as the vesting date under SFL ESOS 2023 plan.

The exercise price shall be Rs. 193.55 per Fresh Options under the SFL ESOS 2023.

The options vested shall be exercised within period of ten years from the vesting date. When exercisable, each option is convertible into one equity share. Any option granted shall be exercisable according to the terms and conditions as determined by the Scheme.

67.02: Fair value of the options granted

The Company has recorded employee stock-based compensation expense relating to the SFL ESOS 2023 options on the basis of fair value of SCUF ESOS 2013 options.

The fair value of the options granted is mentioned below as per vesting period. The fair value of the options is determined using Black-Scholes model which takes into account the exercise price, the term of the option (time to maturity), the share price as at the grant date and expected price volatility (standard deviation) of the underlying share, the expected dividend yield and risk-free interest rate for the term of the option.

Fair value and assumptions for the equity-settled grants under the SCUF ESOS 2013 plan is as under;

Particulars	Grant I	Grant II	Grant III	Grant IV	Grant V	Grant VI	Grant VII	Grant VIII
Grant Date	August 11, 2020	November 02, 2020	January 29, 2021	July 29, 2021	October 27, 2021	January 28, 2022	April 29, 2022	July 27, 2022
Vesting Date	August 11, 2020	November 02, 2021	January 29, 2022	July 29, 2022	October 27, 2022	January 28, 2023	April 29, 2023	July 27, 2023
Exercise Price (in Rs.)	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00
Fair value of option (in Rs.)	399.20	560.18	756.39	1,539.79	1,985.23	1,517.66	1,440.68	1,686.59
Input Variables:								
Share price as on grant date (in Rs.)	661.80	822.75	1,018.70	1,814.10	2,257.45	1,787.90	1,708.60	1,949.95
Standard deviation (Volatility)	38.28%	44.52%	47.21%	27.52%	49.85%	53.76%	51.12%	49.47%
Risk-free rate	5.85%	5.88%	6.20%	4.48%	4.82%	5.03%	5.51%	6.46%
Time to maturity (in years)	2	2	2	2	2	2	2	2
Expected Dividend per annum (in Rs)	20.00	25.00	30.00	-	-	-	-	-
Dividend yield	3.00%	3.00%	3.00%	-	-	-	-	-

Since the SFL ESOS scheme 2023 is already recorded by applying fair value method, the disclosure required under para 48 of guidance note on "Accounting for Employees Share Based Payments" issued by ICAI for reconciling the impact on net profit and earnings per share is not required.

67.03: Rationale for the variables used

The variables used for calculating the fair values and their rationale are as follows:

a. Stock Price

The latest available closing market price on the National Stock Exchange (NSE) date on which options are granted under SCUF ESOS 2023 plan has been considered for the purpose of valuation.

b. Volatility

Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes option pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time.

67 EMPLOYEE STOCK OPTION PLAN (Contd.)

The period to be considered for volatility must be adequate to represent a consistent trend in the price movements. Accordingly, the annualised volatility has been computed based on the share price data of past one year, from the date of the valuation.

The fair value is very sensitive to this variable. Higher the volatility, higher is the fair value. The rationale being, the more volatile a stock is, the more is its potential to go up (or come down), and the more is the probability to gain from the movement in the price. Accordingly, an option to buy a highly volatile stock is more valuable than the one to buy a less volatile stock, since the probability of gaining is lesser in the latter case.

c. Risk free interest rate

The risk-free interest rate being considered for the calculation is the interest rate applicable on Government securities - having 10 year maturity period.

d. Exercise price

Exercise price of the options granted is as per SCUF ESOS 2013 plan.

e. Time to maturity / Expected life of options

Time to maturity / expected life of options is the period from the grant date to the date on which option is expected to be exercised. The minimum life of stock option is the minimum period before which the options cannot be exercised and maximum life is the period after which the options cannot be exercised.

Considering the deep discount on the market price i.e. 55% to 70%, it is expected that the options will be exercised in 1 year from the vesting date. As such the average expected life of options is considered at 2 years.

67.04: Effect of the employee share-based payment plans on the Statement of profit and loss and on its financial position

The Company has recorded employee stock-based compensation cost of Rs. 168.03 crores in the Statement of profit and loss for the year ended March 31, 2023 (March 31, 2022: Rs. Nil)

The share option outstanding in the Balance Sheet as at March 31, 2023 is Rs. 194.84 crores (March 31, 2022: Rs. Nil)

67 EMPLOYEE STOCK OPTION SCHEME (ESOS)

B. Shriram Housing Finance Limited (“SHFL”):

SHFL provides share-based payment schemes to its employees. For the year ended March 31, 2023 following employee stock option plans (ESOPs) were in existence. The relevant details of the schemes and the grants are as below :

Details of Employee Stock Option Schemes	ESOP Scheme 2013 (Tranche I - 13)	ESOP Scheme 2013 (Tranche II - 13)	ESOP Scheme 2016 (Tranche I - 16)	ESOP Scheme 2013 (Tranche III - 13)	ESOP Scheme 2016 (Tranche II - 16)	ESOP Scheme 2016 (Tranche III - 16)
Date of shareholder’s approval of plan	March 28, 2013	March 28, 2013	December 13, 2016	March 28, 2013	December 13, 2016	December 13, 2016
Date of grant	August 28, 2013 & April 20, 2015	December 19, 2018	February 01, 2020	February 23, 2021	November 01, 2021	May 01, 2022
Number of options granted	350,000	25,00,000	1,240,000	500,000	1,570,000	200,000
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity
Vesting period	3 - 5 years	3 - 10 years	1 - 3 years	1 - 8 years	1 - 3 years	1 - 3 years
Exercise price	10.00	10.00	35.00	10.00	35.00	35.00
Exercise period	Not later than 5 years from the date of vesting of options	Not later than 5 years from the date of vesting of options	Not later than 3 years from the date of vesting of options	Not later than 5 years from the date of vesting of options	Not later than 3 years from the date of vesting of options	Not later than 3 years from the date of vesting of options
Vesting conditions	Employee remaining in the employment of the enterprise during the vesting period					

67 EMPLOYEE STOCK OPTION SCHEME (ESOS) (Contd.)

Details of vesting

Vesting period from the grant date	ESOP Scheme 2013 (Tranche I - 13)	ESOP Scheme 2013 (Tranche II - 13)	ESOP Scheme 2016 (Tranche I, II and III - 16)	ESOP Scheme 2013 (Tranche III - 13)
Completion of 1 year	-	-	33.33%	12.50%
Completion of 2 year	-	-	33.33%	12.50%
Completion of 3 year	-	12.50%	33.33%	12.50%
Completion of 4 year	50.00%	12.50%	-	12.50%
Completion of 5 year	50.00%	12.50%	-	12.50%
Completion of 6 year	-	12.50%	-	12.50%
Completion of 7 year	-	12.50%	-	12.50%
Completion of 8 year	-	12.50%	-	12.50%
Completion of 9 year	-	12.50%	-	-
Completion of 10 year	-	12.50%	-	-

Details of activity under each plan

Particulars	ESOP Scheme 2013 (Tranche I - 13)		ESOP Scheme 2013 (Tranche II - 13)		ESOP Scheme 2016 (Tranche I, II and III - 16)		ESOP Scheme 2013 (Tranche III - 13)	
	No. of Options	Weighted Avg. Exercise Price	No. of Options	Weighted Avg. Exercise Price	No. of Options	Weighted Avg. Exercise Price	No. of Options	Weighted Avg. Exercise Price
Outstanding as at March 31, 2022	60,000	10.00	2,500,000	10.00	2,765,000	35.00	500,000	10.00
Vested as at March 31, 2022	-	-	312,500	-	413,333	-	62,500	-
Outstanding as at 01 April 2022	60,000	10.00	2,500,000	10.00	2,765,000	35.00	500,000	10.00
Granted during the year	-	-	-	-	200,000	35.00	-	-
Forfeited during the year	-	10.00	-	-	(70,000)	35.00	-	-
Exercised during the year	(25,000)	10.00	(625,000)	-	-	-	(125,000)	-
Outstanding as at March 31, 2023	35,000	10.00	1,875,000	10.00	2,895,000	35.00	375,000	10.00
Vested as at March 31, 2023	35,000		1,875,000		2,695,000		375,000	

The value of the underlying shares has been determined by an independent valuer. The following assumptions were used for calculation of fair value of grants in accordance with Black Scholes model, for options granted during the financial year:

Particulars	ESOP Scheme 2013 (Tranche I - 13)	ESOP Scheme 2013 (Tranche II - 13)	ESOP Scheme 2016 (Tranche I - 16)	ESOP Scheme 2013 (Tranche III - 13)	ESOP Scheme 2016 (Tranche II - 16)	ESOP Scheme 2016 (Tranche III - 16)
Risk-free interest rate	7.26% - 7.42%	7.08% - 7.68%	5.75% - 6.03%	5.45% - 6.46%	4.96% - 5.70%	4.96% - 5.70%
Expected life of options (years) [(year to vesting) + (contractual option term)/2]	6.50 Years - 7.50 Years	5.50 - 6.78 Years	2.50 - 4.50 Years	3.32 - 4.60 Years	2.50 - 2.91 Years	2.50 - 4.50 Years

67 EMPLOYEE STOCK OPTION SCHEME (ESOS) (Contd.)

Particulars	ESOP Scheme 2013 (Tranche I - 13)	ESOP Scheme 2013 (Tranche II - 13)	ESOP Scheme 2016 (Tranche I - 16)	ESOP Scheme 2013 (Tranche III - 13)	ESOP Scheme 2016 (Tranche II - 16)	ESOP Scheme 2016 (Tranche III - 16)
Expected volatility (%)	40.56% - 43.90%	36.58% - 42.21%	40.76% - 42.76%	36.00% - 40.16%	31.01% - 36.98%	31.01% - 36.98%
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Weighted average remaining contractual life (in years)	-	-	-	-	-	1.09

The risk free interest rates are determined based on the Government bond yields with maturity equal to the expected term of the option. Volatility calculation is based on historical stock prices of comparable listed companies using standard deviation of daily change in stock price. The historical period is taken into account to match the expected life of the option. Dividend yield has been considered taking into account the historical and expected rate of dividend on equity share price as on grant date.

The expense recognised for employee services received during year ended March 31, 2023 is shown in the following table:

Particulars	(Rs. in crores)
	Year ended March 31, 2023
Expense arising from equity-settled share based payment transactions	3.47
Expense arising from cash-settled share based payment transactions	-
Total expense arising from share based payment transactions	3.47

68 CAPITAL MANAGEMENT

The Group maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Group.

The primary objectives of the Group's capital management policy are to ensure that the Group complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Group manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years except those incorporated on account of regulatory amendments. However, they are under constant review by the Board.

69 The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Group towards Provident Fund and Gratuity. The effective date from which changes are applicable is yet to be notified and the rules thereunder are yet to be announced. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.

70 REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES (ROC)

All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2023 and March 31, 2022. No charges or satisfactions are yet to be registered with ROC beyond the statutory period.

71 COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES

The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2023 and March 31, 2022.

72 COMPLIANCE WITH APPROVED SCHEME(S) OF ARRANGEMENTS

The Board of Directors of the Company in its meeting held on December 13, 2021 had approved a Composite Scheme of Arrangement and Amalgamation ("Scheme"), inter alia, involving amalgamation of Shriram Capital Limited (after de-merger of few undertakings from the said Shriram Capital Limited) and Shriram City Union Finance Limited with the Company under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Hon'ble National Company Law Tribunal, Chennai Bench ("NCLT") has approved the Composite Scheme of Arrangement and Amalgamation ("Scheme"). The effect of such Scheme of Arrangements has been accounted for in the books of account of the Company in accordance with the Scheme and in accordance with accounting standards.

73 UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM

The Group, as part of its normal business, grants loans and advances, makes investment, provides guarantees to and accept deposits and borrowings from its customers, other entities and persons. These transactions are part of Group's normal non-banking finance business, which is conducted ensuring adherence to all regulatory requirements. Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries). The Group has also not received any fund from any parties (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

74 UNDISCLOSED INCOME

There are no transactions not recorded in the books of accounts for the financial years ended March 31, 2023 and March 31, 2022.

75 CHANGE IN POLICY FOR IMPAIRMENT OF FINANCIAL INSTRUMENTS

The Group had been fully providing for the underlying loans net of its estimated realisable value in respect of which collaterals had been repossessed and not sold for more than 12 months till June 30, 2021. During the quarter ended September 30, 2021, the Group had revised its policy to fully provide for the underlying loans net of its estimated realisable value in respect of which collaterals had been repossessed and not sold for more than 6 months. Had it continued to follow the earlier policy, impairment of financial instruments for the year ended March 31, 2022 would have been lower by Rs. 30.49 crores and profit before tax for the same period would have been higher by Rs. 30.49 crores.

76 CHANGE IN THE PROCESS OF NPA CLASSIFICATION

Pursuant to RBI circular RBI/2021-22/125 DOR/STR/REC.68/21.04.048/2021-22 dated November 12, 2021, on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications, the Group has revised its process of NPA classification to flagging of the borrower accounts as overdue as part of the day-end processes for the due date. Had the Group followed the earlier method, the profit before tax for the year ended on March 31, 2022 would have been higher by Rs. 407.65 crores.

77 PREVIOUS YEAR COMPARATIVES

The figures for the previous year have been regrouped/ rearranged wherever necessary to conform to the current year presentation. There are no significant regroupings/ reclassification for the year under report.

78 TITLE DEEDS OF IMMOVABLE PROPERTIES NOT HELD IN NAME OF THE GROUP

Consequent to effect of scheme of amalgamation of SCUF with STFC and change in the name of the company from STFC to SFL, the Company is in process of applying for the name change in respect of its immovable properties.

79 DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

The Group has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2023 and March 31, 2022.

80 DETAILS OF BENAMI PROPERTY HELD

No proceedings have been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2023 and March 31, 2022.

81 WILFUL DEFAULTER

The Group has not been declared as a wilful defaulter by any bank or financial institution or other lender in the financial years ended March 31, 2023 and March 31, 2022.

82 RELATIONSHIP WITH STRUCK OFF COMPANIES

82.01: Shriram Finance Limited

Transactions with companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 in the financial years ended March 31, 2023 and March 31, 2022 are given below:

Name of the struck off company	Relationship with the Struck off company	(Rs. in crores)		Nature of transaction
		Balance outstanding as at March 31, 2023 *	March 31, 2022 *	
Receivables (Loans outstanding)				
ARRR Constructions Chennai Private Limited	No	-	0.02	Borrower
Skilltech Services Private Limited	No	-	0.02	Borrower
Swift Equipments Private Limited	No	0.89	0.95	Borrower
Benze Vaccations Club Public Limited	No	0.01	-	Borrower
Gocha Infrastructure Private Limited	No	0.01	-	Borrower
Karainthi Private Limited	No	0.47	-	Borrower
Saanwi Housing Private Limited	No	0.06	-	Borrower
Seven Stones TM Private Limited	No	0.08	-	Borrower
Vekkaiamman Telecom Serv	No	0.06	-	Borrower
Janasaathi Media And Technologies Private Limited	No	0.01	-	Borrower
MCDN Management Services Private Limited	No	0.01	-	Borrower
Maltiton Equipments Private Limited	No	0.01	-	Borrower
Steigen Crop Tech Private Limited	No	0.44	-	Borrower
S. A. Industries Private Limited	No	0.23	-	Borrower
Three G Online Services Private Limited	No	0.03	-	Borrower

82 RELATIONSHIP WITH STRUCK OFF COMPANIES (Contd.)

Name of the struck off company	Relationship with the Struck off company	(Rs. in crores)		Nature of transaction
		Balance outstanding as at		
		March 31, 2023 *	March 31, 2022 *	
Shares held by struck off company**				
Nasik Capital and Financial Services Private Limited	No	0.00	0.00	Equity shareholder
Rasi Leasing Company Private Limited	No	0.00	0.00	Equity shareholder
Unickon Fincap Private Limited	No	0.00	-	Equity shareholder
Arunoday Holdings Private Limited	No	0.00	-	Equity shareholder
Tangmarg Investment and Trading Private Limited	No	0.00	-	Equity shareholder

*0.00 denotes amounts less than Rs. 1.00 lac.

**In the financial years ended March 31, 2023 and March 31, 2022, the Company did not have any transaction with above equity shareholders, being the companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956. Our Company has not allotted any Equity share to the said companies. The shareholding data is as per the record of beneficiary position downloaded by the Registrar and Transfer Agent of the Company from the database maintained by the depositories and reported to us for the purpose of this disclosure.

82.02: Shriram Housing Finance Limited (“SHFL”)

SHFL has not undertaken any transactions with any company whose name is struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 in the financial years ended March 31, 2023.

As per our report of even date

For KKC & Associates LLP
(formerly Khimji Kunverji & Co LLP)
Chartered Accountants
ICAI Firm Registration No.: 105146W/W100621

For Sundaram & Srinivasan

Chartered Accountants
ICAI Firm Registration No.: 004207S

For and on behalf of the Board of Directors of

Shriram Finance Limited
(formerly Shriram Transport Finance Company Limited)

Devang Doshi
Partner

Membership No.: 140056
Mumbai
April 27, 2023

P Menakshi Sundaram
Partner

Membership No.: 217914
Mumbai
April 27, 2023

Jugal Kishore Mohapatra
Chairman

DIN: 03190289
New Delhi
April 27, 2023

Y. S. Chakravarti
Managing Director
& CEO
DIN: 00052308
Mumbai
April 27, 2023

Parag Sharma
Joint Managing Director & CFO
DIN: 02916744
Mumbai
April 27, 2023

U Balasundararao
Company Secretary
Mumbai
April 27, 2023

Additional information as required by paragraph 2 of the general instructions for preparation of Consolidated Financial statements to schedule III to the Companies Act, 2013.

Name of the entity in the Group	Net Asset, i.e., total assets minus total liabilities		Shares in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount (Rs. in crores)	As % of Consolidated profit or loss	Amount (Rs. in crores)	As % of consolidated other comprehensive income	Amount (Rs. in crores)	As % of total comprehensive income	Amount (Rs. in crores)
1	2	3	4	5	4	5	4	5
Parent								
Shriram Finance Limited	98.87%	43,306.64	99.32%	5,979.34	97.51%	(25.82)	99.33%	5,953.52
Subsidiaries								
Indian								
Shriram Housing Finance Limited	2.31%	1,012.51	2.14%	128.76	1.28%	(0.34)	2.14%	128.42
Foreign	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Minority interests in all subsidiaries	0.65%	286.68	0.00	8.99	0.23%	(0.06)	0.15%	8.93
Associates (Investment as per the equity method)								
Indian								
Shriram Automall India Limited	0.39%	170.37	0.14%	8.56	0.98%	(0.26)	0.14%	8.30
Foreign	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Inter-company eliminations and consolidation adjustments	-2.23%	(976.66)	-1.75%	(105.62)	0.00%	-	-1.76%	(105.62)
Joint Ventures (as per proportionate consolidation / investment as per the equity method)								
Indian	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Foreign	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
TOTAL	100.00%	43,799.54	100.00%	6,020.03	100.00%	(26.48)	100.00%	5,993.55

For and on behalf of the Board of Directors of
Shriram Finance Limited
(formerly Shriram Transport Finance Company Limited)

Jugal Kishore Mohapatra
Chairman
DIN: 03190289
New Delhi
April 27, 2023

Y. S. Chakravarti
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Mumbai
April 27, 2023

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Joint Managing Director & CFO
DIN: 02916744
Mumbai
April 27, 2023

U Balasundararao
Company Secretary
Mumbai
April 27, 2023

SHRIRAM FINANCE LIMITED

(Formerly known as Shriram Transport Finance Company Limited)

CIN: L65191TN1979PLC007874

Regd. Office: Sri Towers, Plot No. 14A, South Phase, Industrial Estate, Guindy, Chennai – 600 032, Tamil Nadu, India

Tel No: +91 44 4852 4666 Fax: +91 44 4852 5666

Website: www.shriramfinance.in

Email id: secretarial@shriramfinance.in

NOTICE

NOTICE is hereby given that the Forty-Fourth Annual General Meeting of the Members of **SHRIRAM FINANCE LIMITED** (Formerly known as Shriram Transport Finance Company Limited) (“the Company”) will be held on **Friday, June 23, 2023** at **02.00 p.m.** through Video Conferencing (‘VC’) / Other Audio Visual Means (‘OAVM’), to transact the following business:

ORDINARY BUSINESS

- To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2023, together with the Reports of the Board of Directors and the Auditors thereon and in this regard, to pass the following resolution as an Ordinary Resolution:**

“RESOLVED THAT the audited financial statements including Balance Sheet of the Company as at March 31, 2023, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement for the year ended on that date together with all the notes annexed and the Directors’ and Auditors’ Reports thereon, placed before the meeting, be and are hereby considered and adopted.”

- To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023, together with the Report of the Auditors thereon and in this regard, to pass the following resolution as an Ordinary Resolution:**

“RESOLVED THAT the audited consolidated financial statements including Balance Sheet of the Company as at March 31, 2023, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Cash Flow Statement for the year ended on that date together with all the notes annexed and the Auditors’ Reports thereon, placed before the meeting, be and are hereby considered and adopted.”

- To declare a Final Dividend of Rs.20/- per Equity Share of Rs.10/- each and to confirm the payment of Interim Dividend of Rs.15/- per Equity Share of Rs.10/- each declared by the Board of Directors in its meeting held on December 24, 2022, for the Financial Year ended March 31, 2023 and in this regard, to pass the following resolution as an Ordinary Resolution:**

“RESOLVED THAT the Company do declare and pay a final dividend of Rs.20/- per equity share of face value of Rs.10/- each to all those Members whose names appear

in the Register of Members or who are beneficial owners of equity shares of the Company as on Friday, June 16, 2023.

RESOLVED FURTHER THAT an Interim Dividend of Rs.15/- per equity share on 37,44,27,276 equity shares of face value of Rs.10/- each fully paid-up absorbing Rs.561,64,09,140/- (Rupees Five Hundred and Sixty-One Crores Sixty-Four Lakhs Nine Thousand One Hundred and Forty Only), declared by the Board of Directors in its meeting held on December 24, 2022, for the financial year ended March 31, 2023, paid to the eligible Members on January 13, 2023, subject to deduction of tax at source, as applicable be and is hereby noted and confirmed.”

- To appoint a director in place of Mr. D. V. Ravi (DIN 00171603), who retires by rotation at this meeting, and being eligible, offers himself for re-appointment as a Director of the Company and in this regard, to pass the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. D.V. Ravi (DIN 00171603), Director of the Company who retires by rotation at this meeting, and being eligible, has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

SPECIAL BUSINESS

- To consider and approve insertion of Article 24.d. after the existing Article 24.c. of Articles of Association of the Company to comply with the requirement of Regulation 23(6) of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended and in this regard, to pass the following resolution as a Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 5, Section 14 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the applicable rules framed thereunder (including any statutory modification(s) or amendment(s) thereto or re-enactment thereof for the time being in force) and all other laws, acts, rules, regulations, guidelines, circulars, directions and notifications issued by the regulatory authorities as applicable from time to time, the consent of Members of the Company be and is hereby accorded

for insertion of Article 24.d. after the existing Article 24.c. of Articles of Association of the Company:

“Article 24. d.

Right of Debenture Trustee to appoint nominee director	<i>On receipt of communication from the Debenture Trustee of the proposed nomination of any person as a director, pursuant to clause (e) of sub regulation (1) of regulation 15 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Board of Directors shall appoint such a person as nominee director on the Board of Directors of the Company. Such nominee director shall neither be liable to retire by rotation nor be required to hold any qualification shares.”</i>
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RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

6. To consider and approve deletion and substitution of Article 3 of Articles of Association of the Company and in this regard, to pass the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 5, Section 14 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the applicable rules framed thereunder (including any statutory modification(s) or amendment(s) thereto or re-enactment thereof for the time being in force) and all other laws, acts, rules, regulations, guidelines, circulars, directions and notifications of the regulatory authorities as applicable from time to time, the consent of Members of the Company be and is hereby accorded for deletion of the following existing Article 3 of Articles of Association of the Company:

3. The Authorized Share Capital of the Company is Rs.4,265,50,00,000/- (Rupees Four Thousand Two Hundred and Sixty Five Crores Fifty Lakhs only) consisting of 297,55,00,000 Equity Shares of Rs.10/- each and 12,90,00,000 Preference Shares of Rs. 100/- each.

and substitution of the following Article 3 in its place:

“3.

Share Capital	<i>The Authorized Share Capital of the Company shall be such amount as from time to time be authorised by the Memorandum of Association. The Company in general meeting may, by an ordinary resolution from time to time, increase or reduce the capital for the time being of the Company and divide the shares in the capital into several classes with rights, privileges or conditions as may be determined. The Company may issue preference shares which shall or at the option of the Company, shall be liable to be redeemed.”</i>
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RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

By Order of the Board
For **Shriram Finance Limited**
(Formerly known as Shriram Transport Finance Company Limited)

U Balasundararao
Company Secretary
Membership No. : ACS 40941

Mumbai

April 27, 2023

CIN: L65191TN1979PLC007874

Regd. Office: Sri Towers, Plot No.14A, South Phase,

Industrial Estate, Guindy, Chennai 600 032,

Tel No: +91 44 4852 4666 Fax: +91 44 4852 5666.

Website: www.shriramfinance.in

Email id: balasundar@shriramfinance.in.

Notes:

1. Ministry of Corporate Affairs (“MCA”) vide its General Circular Nos.14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No.20/2020 dated May 05, 2020, Circular No.02/2021 dated January 13, 2021, Circular No.19/2021 dated December 08, 2021, Circular No.21/2021 dated December 14, 2021, Circular No.02/2022 dated May 05, 2022 and Circular No. 10/2022 dated December 28, 2022 (“MCA Circulars”) has permitted to conduct the Annual General Meeting through video conferencing (“VC”) or other audio-visual means (“OAVM”) upto September 30, 2023. In compliance with the aforesaid MCA Circulars, the 44th Annual General Meeting (“44th AGM” or “Meeting”) of the Members of the Company will be held through VC/OAVM, without the physical presence of the Members at a common venue. The venue of the Meeting shall be deemed to be the Registered Office of the Company.
2. A Member entitled to physically attend and vote at the annual general meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. Since this 44th AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with in line with the MCA Circulars. Accordingly, the facility for appointment of proxies by the Members will not be available for this 44th AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
3. Institutional investors, who are Members of the Company, are encouraged to attend and vote at the 44th AGM of the Company through VC / OAVM facility.
4. Institutional / Corporate Shareholders (i.e. other than individuals / HUFs, NRIs, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorisation etc., authorising its representative to attend the 44th AGM through VC / OAVM on its behalf and to vote through remote e-voting pursuant to Section 113 of the Companies Act, 2013 (“the Act”). The said resolution/authorisation shall be sent by registered email address to the Scrutinizer at sf1td.scrutinizer@gmail.com and helpdesk.evoting@cdslindia.com.
5. The Explanatory Statement pursuant to Section 102(1) of the Act, in respect of the special business set out under Item Nos. 5 & 6 is annexed and forms a part of this Notice.
6. The brief details of the director, who is being re-appointed, at this 44th AGM is annexed hereto as per the requirements of Regulation 36(3) of the Listing Regulations, as amended and the Secretarial Standards on General Meetings (“SS-2”) issued by the Institute of Company Secretaries of India (“ICSI”).
7. The payment of final dividend, upon approval by the Members at the 44th AGM, will be made, subject to deduction of tax at source (TDS) on or before **Saturday, July 22, 2023** as under:
 - a. to all those beneficial owners holding shares in electronic form as per the beneficial ownership data as may be made available to the Company by the National Securities Depository Ltd (NSDL) and the Central Depository Services (India) Ltd (CDSL) as of the end of business hours on **Friday, June 16, 2023** and
 - b. To all those Members holding shares in physical form after giving effect to all the valid transmission and transposition in respect of valid requests lodged with the Company as of the end of business hours on **Friday, June 16, 2023**.
8. Pursuant to the provisions of Section 91 of the Act, the Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, June 17, 2023 to Friday, June 23, 2023 (both days inclusive) for the purpose of payment of dividend and 44th AGM of the Company.
9. The facility of joining the 44th AGM through VC/OAVM will be opened 30 minutes before and will remain open for 15 minutes after the scheduled start time of the 44th AGM, i.e. from 1.30 p.m. to 2.15 p.m.
10. The Company will be providing the facility of live webcast of the proceedings of 44th AGM. Members can view the proceedings of the 44th AGM by logging on the website of CDSL at www.evotingindia.com using their secure login credentials.
11. In terms of Sections 101 and 136 of the Act read with the relevant Rules made thereunder and Regulation 34 and 36 of the Listing Regulations read with SEBI circular SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05 2023, Companies can send Annual Reports and other communications through electronic mode. Physical copy of the Annual Report shall be sent to those Members who request for the same. Notice of the 44th AGM along with the Annual Report for F.Y. 2022-23 is being sent through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. The Member who wishes to obtain hard copy of the Annual Report can send a request for the same at email ID - secretarial@shriramfinance.in mentioning Folio No/

DP ID and Client ID. Members may note that the Notice and Annual Report for F.Y.2022- 23 will also be available on the Company's website www.shriramfinance.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of Central Depository Services (India) Limited ('CDSL') at <https://www.evotingindia.com/>

12. Further, those Members who have not updated their email addresses in the Demat account/Folio may get their email address and mobile number registered with Company's Registrar and Transfer Agent, Integrated Registry Management Services Private Limited ("RTA") latest by Friday, June 16, 2023 for receiving the Notice of AGM and Annual Report along with the Login ID and Password by sending an email to the RTA at their email ID: csdstd@integratedindia.in.
13. Members attending the 44th AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
14. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on **Friday, June 16, 2023** being the Cut-off Date. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
15. a) For non-individual Members, who acquires shares of the Company and becomes a Member after despatch of the Notice, but holds shares as on the Cut-off Date for remote e-voting i.e. **Friday, June 16, 2023**, may obtain the login Id and password by sending a request at helpdesk.evoting@cdslindia.com or csdstd@integratedindia.in.
- b) For Individual Members, who acquires shares of the Company and becomes a Member after despatch of the Notice, but holds shares as on the Cut-off Date for remote e-voting i.e. **Friday, June 16, 2023**, holding shares in NSDL and CDSL should login through the websites of NSDL and CDSL can cast the votes during remote e-voting period.
- c) Members will be provided with the facility for voting through an electronic voting system during the VC/OAVM proceedings at the 44th AGM and Members participating at the 44th AGM, who have not already cast their vote by remote e-Voting, will be eligible to exercise their right to vote during such proceedings of the 44th AGM. Members who have cast their vote by remote e-voting prior to

the 44th AGM will also be eligible to participate at the 44th AGM but shall not be entitled to cast their vote again on such resolutions for which the Member has already cast the vote through remote e-Voting.

For details on login method of e-voting please refer the instructions below under the head "**Voting through electronic means**".

16. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the 44th AGM.
17. The Company has been maintaining, inter alia, the following statutory registers at its Registered Office at Sri Towers, Plot No. 14A, South Phase, Industrial Estate, Guindy, Chennai – 600 032, Tamil Nadu, India:
 - i. Register of contracts or arrangements in which directors are interested under Section 189 of the Act.
 - ii. Register of directors and key managerial personnel and their shareholding under Section 170 of the Act.

In accordance with the MCA Circulars, the Statutory Registers will be made accessible for inspection through electronic mode and shall remain open and be accessible to any Member during the continuance of the 44th AGM. Members seeking to inspect such documents can send an e-mail at secretarial@shriramfinance.in.
18. The Board of Directors has appointed Mr. P. Sriram (Membership No. FCS 4862), Practising Company Secretary (CP No. 3310) or failing him Ms. Nithya Pasupathy (Membership No. FCS 10601), Practising Company Secretary (CP No. 22562) of SPNP & Associates, Chennai as the Scrutinizer to scrutinize the remote e-voting process and at the 44th AGM in a fair and transparent manner and he/she has consented to act as Scrutinizer.
19. SEBI vide circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 and SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021 has provided the norms for furnishing PAN, KYC details and Nomination by holders of physical securities. Pursuant to the aforesaid SEBI Circular, the Company has sent individual communications to all the Members holding shares of the Company in physical form. In case of physical shareholders who have not updated their KYC details may please submit Form ISR-1, Form ISR-2, Form

ISR-3 and Form No. SH-13. The link for downloading the forms is available on the Company's RTA website : <https://tinyurl.com/yckkaxhb>.

20. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/ folios; Transmission and Transposition. Further, SEBI vide its circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/65 dated May 18, 2022 has simplified the procedure and standardized the format of documents for transmission of securities. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's RTA website under the web link at <https://tinyurl.com/yckkaxhb>.

Members holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into demat/electronic form to get inherent benefits of dematerialisation and also considering that physical transfer of equity shares/ issuance of equity shares in physical form have been disallowed by SEBI.

21. SEBI has made it mandatory for all the Companies to use the bank account details furnished by the Depositories and the bank account details maintained by the RTA for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through Electronic Clearing Service (ECS)/National Electronic Clearing Service (NECS)/ Automated Clearing House (ACH)/ Real Time Gross Settlement (RTGS)/ Direct Credit/ NEFT etc.
22. Pursuant to SEBI Circular no. SEBI/HO/MIRSD/MIRSDPoD-1/P/ CIR/2023/37 dated March 16, 2023, issued in supersession of earlier circulars issued by SEBI bearing nos. SEBI/HO/MIRSD/MIRSD RTAMB /P/CIR/2021/655 and SEBI/HO/MIRSD/MIRSD RTAMB/ P/CIR/2021/687 dated November 3, 2021 and December 14, 2021, respectively. SEBI has recently mandated furnishing of PAN, KYC details (i.e., Postal Address with Pin Code, email address, mobile number, bank account detail, specimen signature) and nomination details by holders of securities. In case any of the above cited documents/ details are not

available in the Folio(s), RTA shall be constrained to freeze such Folio(s) effective from October 01, 2023. Relevant details and forms prescribed by SEBI in this regard are available on the website of the RTA at <https://tinyurl.com/yckkaxhb>. In view of the above we urge Members holding shares in physical form to submit the required forms alongwith the supporting documents on or before September 30, 2023. Members who hold shares in dematerialized form and wish to update their PAN, KYC, Bank Details and Nomination are requested to contact their DPs.

23. Members may note that, in terms of the Listing Regulations, equity shares of the Company can only be transferred in dematerialised form.
24. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register their e-mail address with their Depository Participant (s) in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form for receiving all communication including Annual Report, Notices, Financial Results etc. from the Company electronically.
25. As per the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividends declared or distributed or paid by a Company on or after April 01, 2020 shall be taxable in the hands of the Members and the Company shall be required to deduct tax at source ("TDS") at the prescribed rates from the dividend to be paid to Members at the time of distribution or payment of dividend. The tax so deducted will be paid to the credit of the Central Government. The TDS rate would vary depending on the residential status of the Members and the documents submitted by them and accepted by the Company in accordance with the applicable provisions of the Income Tax Act, 1961. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC, etc., to their Depository Participants in case the shares are held by them in electronic form and to RTA in case the shares are held by them in physical form. A separate email will be sent at the registered email id of the members describing about the detailed process to submit the documents/declarations along with the formats in respect of deduction of tax at source of the final equity dividend payout. The intimation will also be uploaded on the website of the Company www.shriramfinance.in. A Resident individual shareholder with PAN and

who is not liable to pay income tax can submit a yearly declaration in Form No. 15G / 15H, to avail the benefit of non-deduction of tax at source in the link : <https://bit.ly/3fWgshS> on or before June 16, 2023. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders [including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors(FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10E, any other document which may be required to avail the tax treaty benefits. For this purpose the shareholder may submit the above documents (PDF / JPG Format) under the link : <https://bit.ly/3fWgshS>. The aforesaid declarations and documents need to be submitted by the shareholders on or before June 16, 2023.

26. **Loss of Shares:** In case of loss/misplacement of share certificates, Members should immediately lodge a complaint/FIR with the police if the value of shares exceeds Rs. 5,00,000/- and inform the Company's RTA for the procedure of obtaining the duplicate share certificates.
27. **Nomination Facility:** As per the provisions of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, as amended, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with Company's RTA. In respect of shares held in dematerialised form, the nomination form may be filed with the respective Depository Participant.
28. **Non-Resident shareholders:** Non-Resident shareholders are requested to immediately notify the following to the Company in respect of shares held in Physical form and to their Depository Participant in respect of shares held in Dematerialised form:
- Indian address for sending all communications, if not provided so far;

32. Transfer of unclaimed dividend transferred to Investor Education and Protection Fund

- i. Pursuant to the provisions of Section 125 of the Act, the dividends which remain unclaimed for a period of 7 (seven) consecutive years will be transferred by the Company to the "Investor Education and Protection Fund" (IEPF) established by the Central Government as and when they fall due. Members who have not encashed their dividend warrant/ payment instrument(s) so far are requested to make their claim to the Company's Corporate Office or to Integrated

- Change in their residential status on return to India for permanent settlement;
 - Particulars of the Bank Account maintained with a bank in India, if not furnished earlier; and
 - RBI Permission number with date to facilitate prompt credit of dividend in their Bank Accounts.
29. Members holding shares in physical form, are requested to convert their physical shareholding in to dematerialised shareholding. Please note that transfer of shares in physical form is not permissible as per SEBI guidelines. In this regard, the Members/legal heirs of deceased Members are also requested to open demat account simultaneously for dematerialising the shares to their demat account(s) after transmission of shares in their name by the RTA of the Company.
30. Members are requested to note that, dividends if not encashed for a consecutive period of 7 (seven) years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form IEPF-5 available on www.iepf.gov.in.
31. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.

Registry Management Services Private Limited, 2nd Floor, Kences Towers, No. 1, Ramakrishna Street, North Usman Road, T Nagar, Chennai - 600 017 before transfer to IEPF on the respective dates mentioned below. The intimation in this regard has been sent to the concerned Members.

Year ending on March 31	Dividend to be transferred to IEPF		Year ending on March 31	Dividend to be transferred to IEPF	
	Final Dividend	Interim Dividend		Final Dividend	Interim Dividend
2016	01/09/2023	-	2020	-	29/11/2026
2016 (erstwhile SCUF)	02/09/2023	-	2020 (erstwhile SCUF)	-	28/11/2026
2017	04/08/2024	30/11/2023	2021	30/07/2028	1. 04/12/2027 2. 30/04/2028
2017 (erstwhile SCUF)	04/08/2024	01/12/2023	2021 (erstwhile SCUF)	02/09/2028	1. 06/12/2027 2. 29/04/2028
2018	31/08/2025	07/12/2024	2022	-	1. 04/12/2028 2. 10/04/2029
2018 (erstwhile SCUF)	27/08/2025	04/12/2024	2022 (erstwhile SCUF)	-	1. 02/12/2028 2. 11/04/2029
2019	02/08/2026	30/11/2025	2023	-	29/01/2030
2019 (erstwhile SCUF)	02/09/2026	29/11/2025			

- ii. **Transfer of Equity Shares to Investor Education and Protection Fund** – As per Government of India Gazette notification No. REGD. NO. D. L.-33004/99 dated February 28, 2017 issued by Ministry of Corporate Affairs, the Company is required to transfer the shares to Investor Education and Protection Fund Authority (IEPF Authority), the shares on which dividend remains unclaimed for 7(seven) consecutive years will be transferred to the IEPF Authority as per Section 124 of the Act, and the applicable rules. Accordingly, the Company had transferred 96739 Equity shares of Rs. 10/- each in respect of which the following dividend was not claimed/remained unpaid for 7 (seven) consecutive years as per the below mentioned table.

Financial Year	Type of Dividend	No. of Shares Transferred to IEPF Authority	IEPF 4 Form Filing date
2014- 2015	Interim Dividend	1,925	07/01/2022
2014-2015	Final Dividend	72,144	06/10/2022
2015-2016	Interim Dividend	16,977	01/02/2023
2015-2016 (erstwhile SCUF)	Interim Dividend	5,693	09/02/2023

Consequent to Scheme of Arrangement and Amalgamation, the Company has credited 94,846 Equity shares of Rs. 10 each, allotted in lieu of the shares of erstwhile Shriram City Union Finance Limited, lying with the IEPF authorities.

The Members who have a claim on above dividends and equity shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form IEPF-5. During the financial year ended March 31, 2023, the Company had received requests from investors for claiming dividends, fixed deposits and equity shares from IEPF Authority. All the requests are duly attended to. Information on the procedures to be followed for claiming the dividend/ shares/ fixed deposits are available on the web-link: <http://www.iepf.gov.in/IEPF/refund.html>.

No claims shall lie against the Company in respect of the dividend, shares, etc. so transferred.

Voting through Electronic means

In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the Listing Regulations, and in terms of Circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 09, 2020 issued by SEBI in relation to e-Voting Facility, the Members are provided the facility to cast their vote electronically, through the remote e-voting services and the e-voting facility at the 44th AGM by Central Depository Services (India) Limited ('CDSL'), e-voting agency, for voting on all the resolutions set out in this Notice.

The remote e-voting period commences on **Tuesday, June 20, 2023 (9.00 a.m. IST)** and ends on **Thursday, June 22, 2023 (5:00 p.m. IST)**. The e-voting module shall be disabled by CDSL for voting thereafter. During this period, Members holding shares either in physical form or in dematerialised form, as on **Friday, June 16, 2023 i.e. Cut-off Date**, may cast their vote electronically.

Person who is not a Member as on the Cut-off Date should treat this Notice for information purpose only. Those Members, who will be present at the 44th AGM through VC/OAVM facility and have not cast at their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system at the 44th AGM.

THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

In terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to the aforesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022-4886 7000 and 022-2499 7000

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (7) After entering these details appropriately, click on “SUBMIT” tab.
- (8) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (9) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (10) Click on the EVSN for Shriram Finance Limited on which you choose to vote.
- (11) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (12) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (13) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (14) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (15) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (16) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (17) There is also an optional provision to upload BR/ POA if any uploaded, which will be made available to scrutinizer for verification.
- (18) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively, Non Individual shareholders are mandatorily required to send by their registered email address the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote to the Scrutinizer at sfltd.scrutinizer@gmail.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING AT THE 44TH AGM ARE AS UNDER:

1. The procedure for attending Meeting & e-Voting at the 44th AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the 44th AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Only those shareholders, who are present the 44th AGM through VC/OAVM facility and have not cast their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the 44th AGM.
8. If any Votes are cast by the shareholders through the e-voting available during the 44th AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES

1. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to csdstd@integratedindia.in.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)

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

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai – 400 013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33. You may also contact Mr. U Balasundararao, Company Secretary to address the grievances connected with e-Voting at Corporate Office, Tel. No. +91- 022-40959595, Email-id-secretarial@shriramfinance.in

Instructions for attending /joining the 44th AGM through VC/OAVM are as under:

1. Members will be provided with a facility to attend the 44th AGM through VC/OAVM through the CDSL e-voting system. Members may access the same at <https://www.evotingindia.com> under shareholders/ members login by using the remote e- voting credentials. The link for VC/OAVM will be available in shareholder/ members login where the EVSN of Company will be displayed.
2. The Members can join the AGM in the VC/OAVM mode 30 minutes before and will remain open for 15 minutes after the scheduled start time of the commencement of the Meeting by following the procedure mentioned in the Notice.
3. Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned above.
4. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.
5. Further, Members will be required to allow camera, if any, and hence use internet with a good speed to avoid any disturbance during the meeting.
6. While all efforts will be made to make the VC/ OAVM meeting smooth, participants connecting through mobile devices, tablets, laptops, etc. may, at times, experience audio/video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.

7. **AGM Questions prior to 44th AGM:** Members are requested to send their questions in advance during the period from Monday, June 19, 2023 to Wednesday, June 21, 2023 mentioning their name, demat account number/folio number, email ID, mobile number at SFLAGM2023@shriramfinance.in. Such questions by the Members shall be taken up during the meeting and replied by the Company suitably. Please note that only questions of the members holding the shares as on cut-off date will be considered. Members intending to speak at the 44th AGM would require microphone and speakers / headphone.
8. **Speaker Registration during 44th AGM session:** Members who would like to express their views/ask questions during the Meeting may register themselves as a speaker by sending their request in advance during the period from Monday June 19, 2023 to Wednesday, June 21, 2023 mentioning their name, demat account number/folio number, email ID, mobile number at SFLAGM2023@shriramfinance.in. Only those Members who have registered themselves as a speaker will be allowed to express their views/ask questions during the 44th AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the 44th AGM.
9. **Scrutinizer's Report and declaration of results:**
- The Scrutinizer shall, immediately after the conclusion of voting at the 44th AGM, first count the votes cast at the meeting, thereafter unblock the votes through e-voting and make a consolidated Scrutinizers' report of the total votes cast in favour or against, within 2 (two) working days of the conclusion of the 44th AGM, to the Chairman or Mr. Umesh Revankar, Executive Vice Chairman or Mr. Y. S. Chakravarti, Managing Director and CEO or Mr. D. V. Ravi, Director or any other person authorised by the Chairman in writing, who shall countersign the same and declare the results of the voting forthwith.
 - The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.shriramfinance.in and on the website of CDSL at www.evotingindia.com immediately after the declaration of results and communicate to the BSE Limited and National Stock Exchange of India Limited. The resolutions shall be deemed to be passed at the 44th AGM of the Company.

By Order of the Board
For Shriram Finance Limited
 (Formerly known as Shriram Transport Finance Company Limited)

U Balasundararao
Company Secretary
Membership No. : ACS 40941

Mumbai
April 27, 2023

CIN: L65191TN1979PLC007874

Regd. Office: Sri Towers, Plot No. 14A, South Phase,

Industrial Estate, Guindy, Chennai 600 032,

Tel No:+91 44 4852 4666 Fax:+91 44 4852 5666.

Website: www.shriramfinance.in Email id: secretarial@shriramfinance.in

ANNEXURE TO NOTICE

Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013

ITEM NOs. 5 & 6

Insertion of Article 24.d. in the Articles of Association of the Company

Vide Notification No. SEBI/LAD-NRO/GN/2023/119 dated February 02, 2023 (SEBI Notification), Securities and Exchange Board of India (SEBI), has inter-alia, amended SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021. Accordingly, a listed company issuing non-convertible debt securities is required to ensure that its Articles of Association enables the Board of Directors to appoint a person nominated by the debenture trustee(s) in terms of clause (e) of sub-regulation (1) of regulation 15 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 as a Nominee director on its Board of Directors i.e. in the event of:

- (i) two consecutive defaults in payment of interest to the debenture holders; or
- (ii) default in creation of security for debentures; or
- (iii) default in redemption of debentures

In case of listed company whose debt securities are listed as on the date of publication of the SEBI Notification shall alter its Articles of Association to comply with the requirement of the SEBI Notification, on or before September 30, 2023.

The Company being a Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India (RBI), in ordinary course of its business issues debt securities including secured non-convertible debentures, bonds, from time to time for the purpose of on-lending, growing the Company's asset book, refinancing existing debt and other

“Article 24. d.

Right of Debenture Trustee to appoint nominee director	<i>On receipt of communication from the Debenture Trustee of the proposed nomination of any person as a director, pursuant to clause (e) of sub regulation (1) of regulation 15 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Board of Directors shall appoint such a person as nominee director on the Board of Directors of the Company. Such nominee director shall neither be liable to retire by rotation nor be required to hold any qualification shares.”</i>
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Deletion and substitution of Article 3 of the Articles of Association of the Company

The existing Capital Clause V of the Memorandum of Association and Article 3 of the Articles of Association the Company mentions the Authorised Share Capital of the Company and its composition. Any proposal for change in the Authorised Capital will require alteration of both Memorandum of Association and Articles of Association of the Company. For administrative convenience and ease of reference, the Board of Directors in its meeting held on April 27, 2023 had also considered and approved the proposal for alteration of Clause 3 of the Articles of Association of the Company, subject to the approval of Members of the Company, by deleting the existing Article 3 as mentioned below:

general purposes as may be decided by the Board. The issue of debt securities is made through private placement and public Issue, depending on prevailing market conditions and judicious evaluation of various factors including cost effectiveness, urgency etc.

The Company had 3,45,172 Rated, Listed, Secured, Redeemable, Non-Convertible Debentures (“NCDs”) issued by the Company on private placement basis aggregating up to Rs. 27,648.08 crores outstanding as on March 31, 2023.

The Company had 2,31,30,584 Rated, Listed, Secured, Redeemable, Non-Convertible Debentures (“NCDs”) of the Company issued by way of public issue aggregating up to Rs. 2,508.89 crores outstanding as on March 31, 2023.

The Company has a good track record of timely payment of interest on debt securities on due date, repayment of principal amount of debt securities on redemption date and providing adequate security cover with respect to outstanding secured debt securities. The Board of Directors does not envisage occurrence of any such event of default or circumstances triggering appointment of nominee director by the Debenture Trustees on the Board of Directors of the Company. However, in order to comply with SEBI Notification, the Board recommends alteration of Articles of Association of the Company by insertion of new Article 24.d. in the Articles of Association of the Company. Accordingly, the Board of Directors in its meeting held on April 27, 2023 had considered and approved the alteration of Articles of Association of the Company, subject to the approval of Members of the Company by insertion of the following Article 24. d. after the existing Article 24. c. of Articles of Association:

- 3 The Authorised Share Capital of the Company is Rs.4,265,50,00,000/- (Rupees Four Thousand Two Hundred and Sixty Five crores Fifty Lac only) consisting of 297,55,00,000 Equity Shares of Rs.10/- each and 12,90,00,000 Preference Shares of Rs. 100/- each.

and substituting in its place the following Article 3:

“Article 3.

<i>Share Capital</i>	<i>The Authorised Share Capital of the Company shall be such amount as from time to time be authorised by the Memorandum of Association. The Company in general meeting may, by ordinary resolution from time to time, increase or reduce the capital for the time being of the Company and divide the shares in the capital into several classes with rights, privileges or conditions as may be determined. The Company may issue preference shares which shall or at the option of the Company, shall be liable to be redeemed.”</i>
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In terms of Section 14 of the Companies Act, 2013, the consent of the Members by way of a Special Resolution is required to approve alteration of Articles of Association of the Company.

The existing Articles of Association along with the Articles of Association incorporating therein the proposed alterations are available for electronic inspection by the Members without any fee from the date of circulation of this Notice up to the date of 44th AGM, i.e. Friday, June 23, 2023. Members seeking to inspect such documents can send an email to secretarial@shriramfinance.in. Alternatively, the same are available for inspection by the Members of the Company at the Registered and Corporate Office of the Company on all working days during business hours up to the date of 44th AGM.

The Board of Directors recommends the resolutions set out at Item Nos. 5 and 6 of Notice of the 44th AGM to the Members of the Company for their consideration and approval, by way of Special Resolutions.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolutions.

For Shriram Finance Limited
(Formerly known as Shriram Transport Finance Company Limited)

U Balasundararao
Company Secretary
Membership No. : ACS 40941

Mumbai

April 27, 2023

CIN: L65191TN1979PLC007874

Regd. Office: Sri Towers, Plot No.14A, South Phase,

Industrial Estate, Guindy, Chennai 600 032,

Tel No:+91 44 4852 4666 Fax:+91 44 4852 5666.

Website: www.shriramfinance.in

Email id: secretarial@shriramfinance.in

Information required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standard 2 with respect to appointment/re-appointment of Directors:

Name of Director	Mr. D. V. Ravi
Date of Birth and Age	September 05, 1964 Age - 58 years
DIN	00171603
Date of first appointment on the Board	June 18, 2015
Nationality	Indian
Expertise in specific functional areas	Wide experience in financial service industry, insurance domain, corporate finance, strategic and business planning, governance, ethics and regulatory oversight, Audit & Risk Management, Human Resource, Information Technology, synergy creation, Mergers & Acquisitions and Leadership Development.
Qualifications	Commerce Graduate from the University of Bangalore, Post Graduate Diploma in Management from the Institute of Rural Management, Anand (IRMA).
Directorship held in other companies	1. DRP Consultants Pvt. Ltd. 2. Shriram Properties Holding Pvt. Ltd. 3. Shriram Capital Pvt. Ltd. (Formerly known as Shriram Financial Ventures (Chennai) Pvt. Ltd.) 4. Shriram Credit Company Ltd. 5. APA Engineering Pvt. Ltd. 6. Intelent Data Sciences Pvt. Ltd. 7. R.K.P Management Consultants Pvt. Ltd. 8. Take Sports Management Pvt. Ltd. 9. Shriram Investment Holdings Ltd. 10. Eywa Pharma Pte Ltd.
Membership/ Chairmanship of Committees of such companies	Member of Finance Committee - Shriram Capital Private Limited (formerly known as Shriram Financial Ventures (Chennai) Private Limited)
Name of listed entities from which the person has resigned in the past three years	TAKE Solutions Limited
Shareholdings in the Company including shareholding as a beneficial owner	20 Equity Shares
Disclosure of relationships between directors/ Key Managerial Personnel inter-se	There is no inter-se relationship between Mr. D. V. Ravi and the directors on the Board of Directors of the Company and Key Managerial Personnel.
Remuneration received from the Company in the F.Y. 2022-23	Nil. The Company does not pay any remuneration, sitting fees or commission to non-executive, non- independent director.
Terms and conditions of re-appointment along with details of remuneration sought to be paid	Mr. D. V. Ravi, Director is liable to retirement by rotation. No remuneration, sitting fees or commission is proposed to be paid to him.
The number of Meetings of the Board attended during the F.Y. 2022-23	Attended 9 out of 10 Board Meetings held during Financial Year 2022-23.

Brief Profile of Mr. D.V. Ravi

Mr. D.V. Ravi, is the Vice Chairman and Managing Director of Shriram Capital Private Limited (formerly known as Shriram Financial Ventures (Chennai) Private Limited), Promoter of the Company. He has been a part of the Shriram Group since 1992 and has an extensive experience and expertise in the financial services and insurance domains and has been an integral part of the organisation especially in formulating Corporate Strategies, Building Teams and creating Synergy, Mergers & Acquisitions, Risk Management, Corporate Finance, Leadership development and Technology initiatives.

Mr. D.V. Ravi started his career in strategy and finance in the year 1987 with Karnataka Oil Seeds Federation, Bangalore where he held the responsibility of planning and managing the finance and technology initiatives of the entity.



Corporate Office:

Shriram Finance Limited
Wockhardt Towers
Level - III, West Wing, C-2, G-Block
Bandra - Kurla Complex, Bandra (East)
Mumbai - 400051, Maharashtra

Tel. No: +91 22 40959595
Fax: +91 22 40959597

Registered Office:

Shriram Finance Limited
Sri Towers, Plot No. 14A
South Phase, Industrial Estate
Guindy, Chennai - 600032, Tamil Nadu

Tel. No: 044 48524666
Fax: 044 48525666
Website: www.shriramfinance.in