SEC/FILING/NSE-BSE/22-23/68B **May 30, 2022**

The Secretary
BSE Limited
P J Street
Dalal Street,
Mumbai – 400 001.
Scrip Code : 511218

National Stock Exchange of India Limited
Exchange Plaza, 5th floor
Plot no. C/1, G- Block
Bandra Kurla Complex
Bandra (East), Mumbai - 400 051.
Scrip Code : SRTRANSFIN

Dear Sir/Madam,

Sub: 1 Regulation 30, Regulation 34 and Regulation 53 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') – Notice of 43rd Annual General Meeting and Annual Report for the Financial Year 2021-22.

2 Intimation of cut-off date i.e Thursday, June 16, 2022 to determine the eligibility of the Members to cast their vote through remote e-Voting and e-Voting during the 43rd Annual General Meeting.

In continuation to our letter dated April 28, 2022 and pursuant to Regulations 30 and 34 read with paragraph A of Part A of Schedule III and Regulation 53 of the Listing Regulations, we are enclosing the Annual Report for the Financial Year 2021-22 also containing Notice of the 43rd Annual General Meeting of the Company (including e-voting instructions) scheduled to be held on Thursday, June 23, 2022 at 2.00 p.m. through Video Conferencing (VC)/ Other Audio Visual Means (OAVM).

The Notice of the 43rd Annual General Meeting and the Annual Report for the Financial Year 2021-22 is available on the Company's website at the link: https://www.stfc.in/investors/annual-reports

SHRIRAM
Transport Finance Company Limited
A WINNING RELATIONSHIP

In compliance with Circular No. 14/2020 dated 8th April 2020, Circular No.17/2020 dated 13th April 2020, Circular No.20/2020 dated 5th May 2020, Circular No.02/2021 dated 13th January, 2021, Circular No.19/2021 dated 8th December, 2021, Circular No.21/2021 dated 14th December, 2021 and Circular No.02/2022 dated 5th May, 2022 issued by the Ministry of Corporate Affairs and SEBI Circular No. SEBI /HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, electronic copies of the Annual Report for F.Y. 2021-22 also containing Notice of the AGM are being dispatched only to all the Members whose email addresses are registered with the Company/Company's Registrar and Share Transfer Agent, Integrated Registry Management Services Private Limited("Integrated") / Depository Participants. Any member who wish to obtain hard copy of Annual Report can send a request for the same at email id - secretarial@stfc.in mentioning Folio No./ DP ID and Client ID.

Further, in terms of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management & Administration) Rules, 2014, as amended, the Company has fixed Thursday, June 16, 2022 as the cut-off date to determine the eligibility of the members to cast their vote by electronic means and e-Voting during the 43rd AGM scheduled to be held on Thursday, June 23, 2022 at 2.00 p.m through VC/OAVM Facility.

Kindly take the same on record.

Thanking you,
Yours faithfully,

for **SHRIRAM TRANSPORT FINANCE COMPANY LIMITED**

VIVEK ACHWAL
COMPANY SECRETARY
Encl:a/a
cc:
1. National Securities Depository Limited
2. Central Depository Services (India) Limited

SHRIRAM

Transport Finance Company Limited

A WINNING RELATIONSHIP

CONTENTS

FORWARD LOOKING STATEMENT

In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

CORPORATE
INFORMATION

Corporate Identity Number (CIN)
L65191TN1979PLC007874

BOARD OF DIRECTORS

Mr. S. Lakshminarayanan	Chairman (Independent)
Mr. Umesh Revankar	Vice Chairman & Managing Director
Mrs. Kishori Udeshi	(Independent)
Mr. S. Sridhar	(Independent)
Mr. Pradeep Kumar Panja	(Independent)
Mr. D. V. Ravi	
Mr. Ignatius Michael Viljoen	
Mr. Y. S. Chakravarti (w.e.f. 13.12.2021)	
Mr. Parag Sharma (w.e.f. 13.12. 2021)	Joint Managing Director and 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. Vivek Achwal, Company Secretary

Mr. U. Balasundara Rao, Chief Information Officer

Mr. Hardeep Singh Tur, Chief Risk Officer

AUDITORS

(w.e.f. September 15, 2021)
M/s. Khimji Kunverji & Co LLP, Chartered Accountants (name change to KKC & Associates LLP, Chartered Accountants w.e.f. May 24, 2022)

M/s. Sundaram & Srinivasan, Chartered Accountants

(upto September 15, 2021)

M/s. Haribhakti & Co., LLP, Chartered Accountants

M/s. Pijush Gupta & Co., 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 44 281 40801/02/03, Fax: +91 44 2814 2479

DEBENTURE TRUSTEES

Axis Trustee Services Limited
The Ruby, 2nd Floor, SW, 29 Senapati Bapat Marg,
Dadar West, Mumbai- 400 028.
Mr. Anil Grover
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

IDBI Trusteeship Services Limited
Asian Building, Ground Floor, 17, R Kamani Marg,
Ballard Estate, Mumbai – 400 001.
Mr. Ritobrata Mitra
Tel No. : +91 22 40807000, Fax: + 91 22 66311776
rmitra@idbitrustee.com; itsl@idbitrustee.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, Level-3, West Wing, C-2, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra. Tel No. : +91 22 4095 9595, Fax: +91 22 4095 9597

EQUITY SHARES LISTED ON

National Stock Exchange of India Limited
BSE Limited

LIST OF BANKS AND INSTITUTIONS

BANKS

- Australia and New Zealand Banking Group Limited
- Axis Bank Limited
- Bank of Baroda
- Bank of India
- Bank of Maharashtra
- Bank of America, N.A.
- Bandhan Bank Limited
- Barclays Bank PLC
- BNP Paribas SA
- Canara Bank
- Central Bank of India
- Citibank N.A.
- Chang Hwa Commercial Bank Ltd.
- Credit Suisse AG
- DBS Bank India Limited
- Deutsche Bank AG
- Dhanlaxmi Bank Limited
- Doha Bank
- Emirates NBD Bank PJSC
- Equitas Small Finance Bank
- HDFC Bank Limited
- Hua Nan Commercial Bank Ltd.
- ICICI Bank Limited
- IDFC First Bank Limited
- Indian Bank
- Indian Overseas Bank
- IndusInd Bank Limited
- ING Bank, a Branch of ING-DiBa AG
- Jana Small Finance Bank
- JP Morgan Chase Bank N.A.
- KEB Hana Bank
- Kotak Mahindra Bank Limited
- MUFG Bank
- PT Bank Rakyat (Indonesia) Persero Tbk
- Punjab & Sind Bank
- Punjab National Bank
- Qatar National Bank (Q.P.S.C.)
- 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 Khamirah
- The Federal Bank Limited
- The Shanghai Commercial & Savings Bank Ltd.
- UCO Bank
- Union Bank of India
- Woori Bank
- Yes Bank Limited

INSTITUTIONS

- International Finance Corporation (IFC)
- Life Insurance Corporation of India (LIC)
- Micro Units Development and Refinance Agency Ltd (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)

Shriram Transport Finance Company Limited (STFC) is the flagship company of Shriram Group – a diversified group with interests in financial services viz. Commercial vehicle finance, Consumer Finance, life and general insurance, stock broking, chit funds and distribution of financial products such as life and general insurance products and units of mutual funds.

Established in 1979, STFC is an asset financing Non-Banking Finance Company.

Headquartered in Mumbai, STFC has played a credible role in financial inclusion of millions of First Time Buyers (FTBs) and driver-turned-owner (DTO) by offering affordable finance on pre-owned commercial vehicles (CVs).

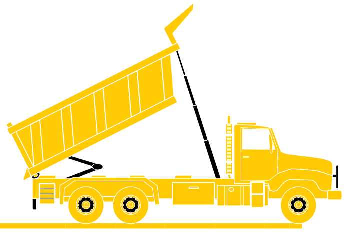
A professionally managed company, STFC has fostered the culture of entrepreneurship across all levels in the organization. Presently, the company is driven by **25,456** employees (including business team ~19,000) championing a unique "relationship-based" business model through a pan-India network comprising **1,854** branches, **775** rural centers and partnerships with ~**500** private financiers.

STFC, being a pioneer in pre-owned CV segment, has institutionalized its expertise in loan origination, valuation and collection. Over the years, STFC has created "an ecosystem of empowerment" by expanding its products and services to encompass similar asset classes (pre-owned and new commercial and passenger vehicles, tractors, 3 wheelers, multi-utility vehicles, etc.) and ancillary services (finance for working capital, engine replacement, small business finance loans, tyre-loans and fuel loans as holistic financing support).

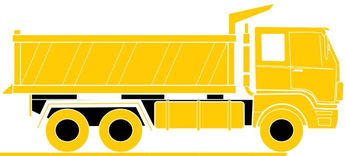
STFC is listed on the BSE Ltd (stock code: 511218) and the National Stock Exchange of India Ltd (stock code: SRTRANSFIN). Its market capitalization as on March 31, 2022 stood at **Rs. 30,677 crores**.

STANDALONE BASIS

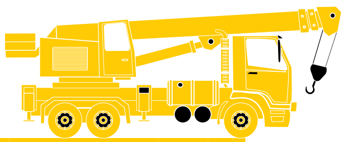
Assets under management stands at **Rs. 127,041** crores



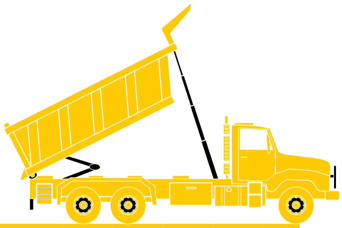
Total income for the year **Rs. 19,274** crores



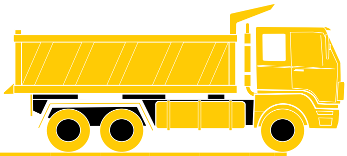
Profit after tax for the year **Rs. 2,708** crores



Net interest income for the year **Rs. 9,316** crores

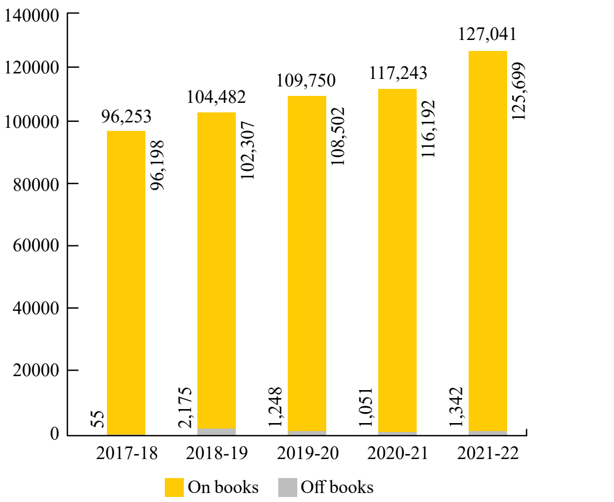


Earnings per share for the year **Rs. 101.74**

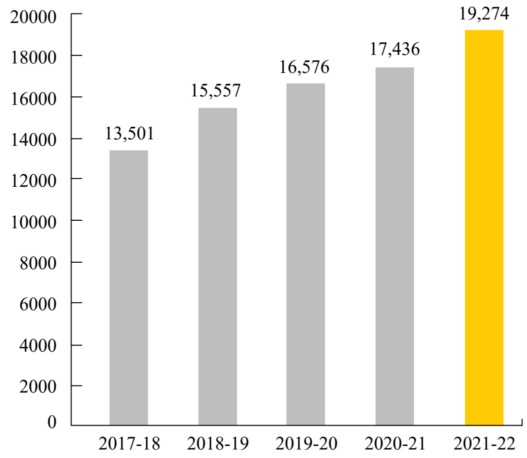


ANNUAL
PERFORMANCE TRENDS STANDALONE BASIS

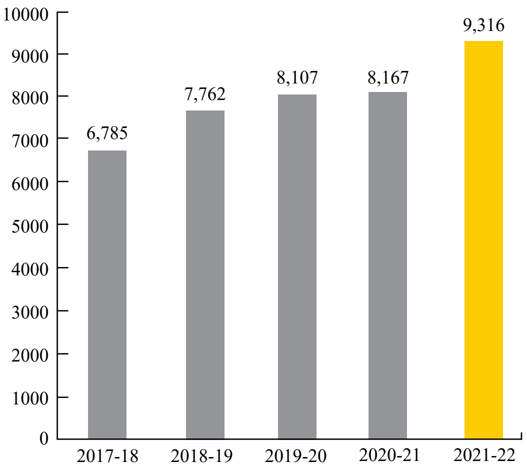
ASSETS UNDER MANAGEMENT (Rs. crores)



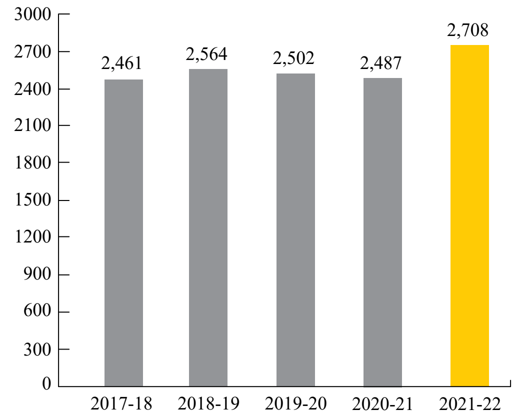
TOTAL INCOME (Rs. crores)



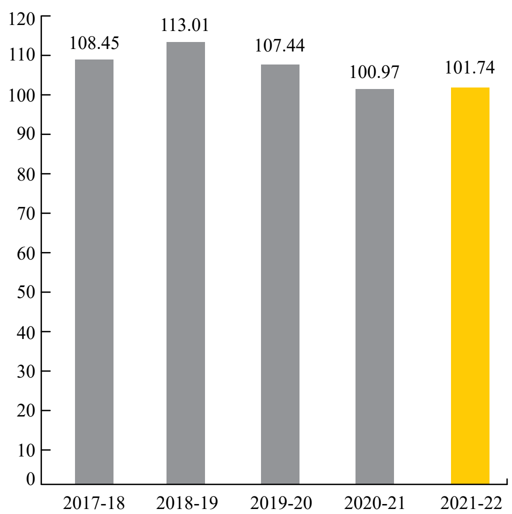
NET INTEREST INCOME (Rs. crores)



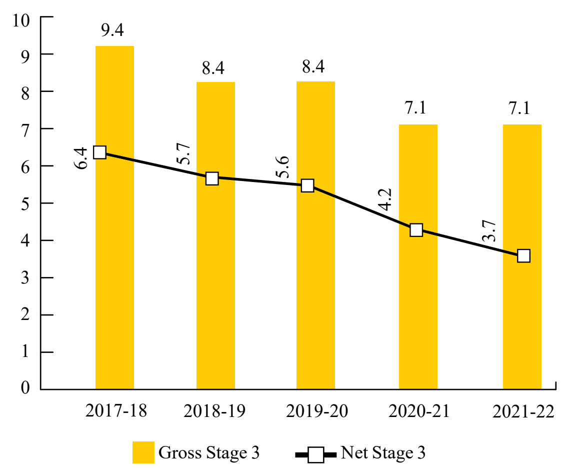
NET PROFIT (Rs. crores)



EPS (BASIC) (Rs.)

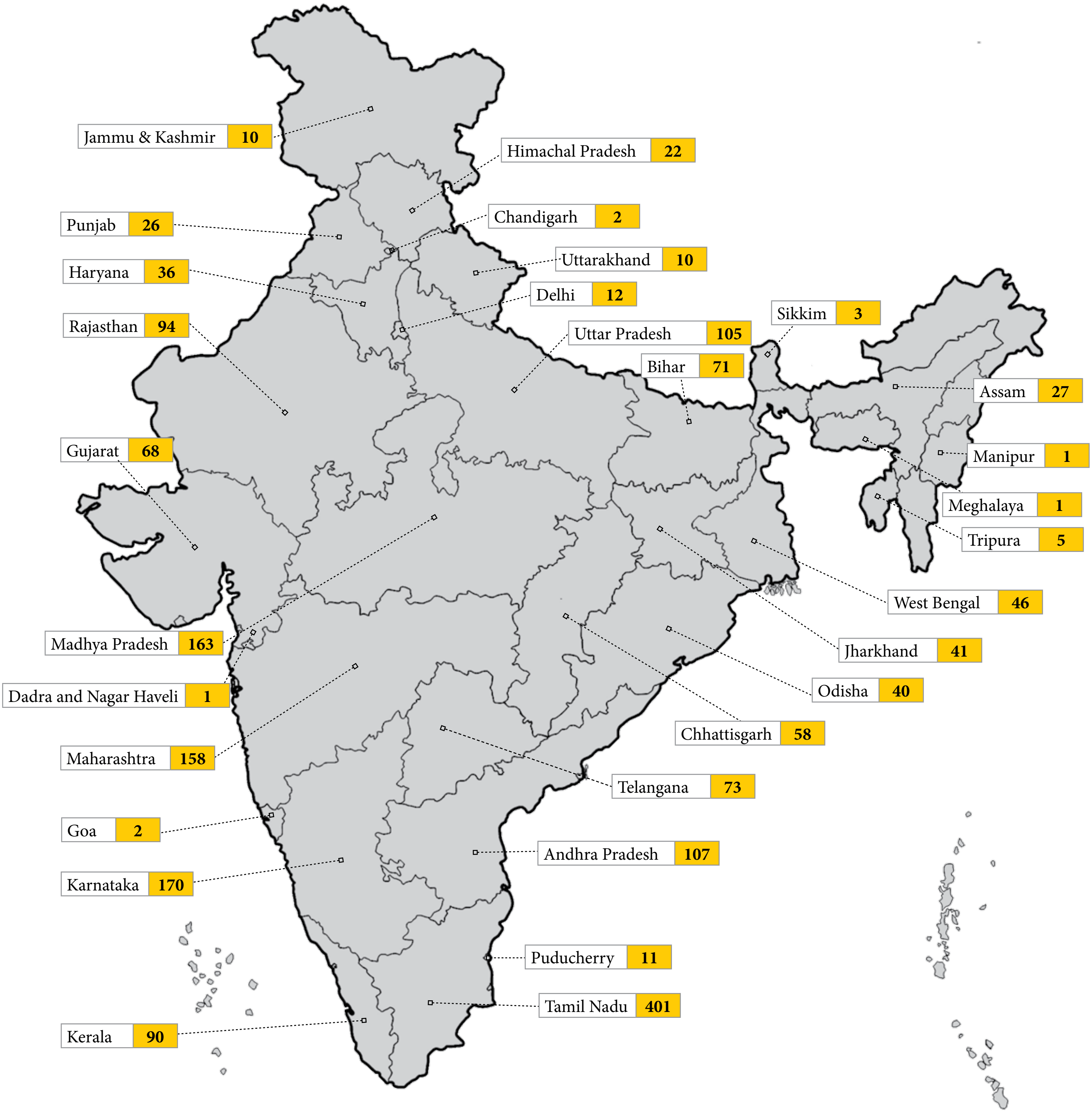


STAGE 3 (%)



OUR REACH

BRANCH NETWORK AS ON MARCH 31, 2022 : 1,854 BRANCHES



List of branches with addresses is available on the Company's website at the web link:
http://www.stfc.in/branch-locator.aspx

Environmental, Social and Governance Report

Vision

People First!
STFC was set up with the objective of offering the common man host of products and services that would be helpful to put them on the path to prosperity.

Our Core Values

'Operational Efficiency, integrity and catering needs of common people'

Overview of our Business Areas

Shriram Transport Finance Company Limited (STFC) is the flagship company of Shriram Group – a diversified group with interests in financial services viz. Commercial vehicle finance, Consumer finance, Life and General insurance, Stock broking, Chit funds and distribution of financial products such as life and general insurance products and units of mutual funds.

Commitment to our Company's Environmental Social and Governance Aspects

UN SDGs Outline

STFC is complying with SDG-8 Promote inclusive and sustainable economic growth, employment & decent work for all; SDG-9 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation; SDG-10 Reduce inequality within and among countries, SDG-11 Make cities inclusive, safe, resilient and sustainable. To support these endeavours, we are focusing on various initiatives to cater to the needs of socially and economically lower sections of the society, looking towards digitalization for getting closer to our customers, driving employee development initiatives as well as welfare activities for employee and their families.

Environmentally Responsible

We are constantly striving to be an environmentally responsible organization. As financing of pre-owned vehicles is an essential part of our business, we've developed a set of eligibility criteria to determine whether the vehicles are environmentally friendly and suitable for our customers' use. We finance vehicles up to 12 years old, all vehicles must have a Pollution Under Control (PUC) certificate as well as a competence certificate and insurance. We always encourage our clients to drive vehicles that utilize cleaner fuels and we ensure that majority of our loan cycle activities are done digitally. To promote digital collection of Loan instalments and investment in Fixed Deposits, we had offered cashback on online payment of Loan EMIs and differential interest rates on Fixed Deposits to the customers who invested through online mode. During the Financial Year 2021-22, the digital Collection of Loan EMIs and Fixed Deposits were 27.09% and 11.02% respectively. We have requested our shareholders to opt for soft copies of annual reports and other relevant documents. For payment of interest, dividend, maturity amount of debentures and fixed desposits, etc. we make continuous appeal to the investors to furnish their bank account details to enable Company to use electronic mediums (like NECS, NEFT, RTGS) of payment/remittance in line with our initiatives for paperless, faster, safer and secure transfer of funds. We are also continuously making efforts to switch from paper-based agreements to e-agreements. Also, all our loan disbursements are in digital/electronic mode i.e., all loans are disbursed digitally in a paperless format.

Energy Conservation

For future generations, we have prioritized the preservation of our world and ecology. Our home and working environments will be healthier as we become more "Green." STFC is dedicated to helping the planet achieve its Green Quotient.

At some of our branch offices, we've implemented energy-saving measures and replaced traditional lighting fixtures with LEDs. In our branch offices, we've installed 5-star certified air conditioners. Old technology and gadgets that are inefficient are replaced with more efficient alternatives, like inverters instead of DG Sets and video conferencing facilities are prioritized instead of employee travel. All electronic equipment in offices should be turned off at regular intervals. Water usage has been restricted, and sensor-based taps have been fitted. To eliminate printing on letterheads, we have inculcated use of digital signature on all communications. In comparison to Financial Years 2018-19 and 2019-20, printing of letterheads and envelopes has decreased significantly in financial year 2021-22.

"Shri Prakruti" is our endeavour to encourage STFC branches and employees to be more environmentally conscious, responsible and ethical. One move in this manner "The Green Branch Contest". As a result, our branches have been requested to take on such initiatives and demonstrate their efforts to make the branches **Go Green** by implementing various eco-friendly measures that can be implemented on a long-term basis. STFC received over 500 entries and the winners were recently announced, along with rewards for the entire branch staff.

We are taking steps towards supporting Indian economy in Electric Vehicles (EVs), a market witnessing emergence of new players. We, at STFC will join hands to contribute our best towards growing demand of EVs. We are working towards financing electric vehicles in the two-wheeler segment, and the vehicle continues to attract the interest of potential buyers. We will diligently work towards establishing the right environment for EV uptake and integration.

Green Innovations

We commute in a different way

Efficiency in energy usage

Environment friendly office saving

Décor, training programs on paper

We've changed the way we commute: It saves fuel, money, and the environment

- Encouraged staff to use Public Transport for work
- Brought in Car-pooling & Ride sharing system
- Motivated nearby living staff for Walking/Cycling to reach office

Upgraded Office Décor that is environmentally sustainable

- Indoor plants in the Office Workspace & Trees planted all around the office
- Introduced ECO friendly stationery like Paper pen with seeds, decomposable garbage bags etc.
- Banned plastics inside Office, including food parcels in plastic covers
- Started using exclusive dustbins for biodegradable & non degradable wastes

Energy saving challenges have been introduced to control consumption and Costs

- Bi-Monthly Electricity Unit Consumption Audit is being conducted
- Installed Energy saving lights with motion sensors at appropriate locations
- Installed 5-star rated air conditioners in all our branch offices
- Installed water sensor-based taps at all locations for water conservation

Created awareness on Paper saving & Printing Practices

- Shredding old files, papers & Sale to scrap vendors for grind mill
- Strict implementation on taking print only if necessary

Go Green Cycle rally was held to raise awareness among the general population in the area

The Lunch & Learn concept was launched to discuss Go Green concepts and implementation.

Planted trees & ensured watering and growing of trees alongside office area road

Initiated a "Waste Walk" concept among employees for a bi-monthly walk within and around the office to clear undesirable waste products from biodegradable and non-biodegradable dustbins

Implemented Rainwater harvesting by storing water in Sump & routing to garden area through connecting pipes to collect rainwater from RCC / Warehouse Roof top

Introduced gifting indoor plants to staff on special occasions like Birthday to keep it on their workstation tabletop

Working with the Communities

We began our journey in 1979 to meet the needs of our country's perceived underserved and frequently disregarded financially disadvantaged populace. We envisioned a financially self-sufficient society in which peoples' dreams of becoming entrepreneurs to provide prosperity, social position, and prestige to their families are realized. We realized that individuals who require the most financial assistance frequently have the fewest resources. Interest rates are frequently prohibitive, and service providers are not always available in all areas of the country. As a result of these circumstances, we decided to concentrate on the commercial and passenger vehicle segments. We began providing financial services to small road transport operators and first time buyers of new and used commercial vehicles.

Diversity in our Workforce

We have a total workforce of 25,456 individuals including 1,398 permanent female employees and 27 permanent disabled employees. We have a woman on our board of directors, and three women hold senior executive positions.

Employee benefits

All of our employees are covered under life, health and accidental insurance. The Company's low attrition rate demonstrates our commitment to our employees' progress and well-being.

Skills Training

Our digital transformation path has been aided by our peoples' training and the development of a culture of adaptation to constant change. Over the last few years, we've provided 100% of our learning interventions electronically. This has allowed us to extend the reach of learning outside the physical classroom, which was especially useful during the lockdown. Through digital learning, we are now able to reach over 90% of our staff.

Employees covered under various engagement activities are as below:

Sr. No.	Name of the program	No. of employees covered (During F.Y. 2021-22)
1	Induction Program	6,001
2	Refresher Program	18,680
3	Future Leadership Program	109
4	Management Education Scheme	3,424

Apart from training, management interacts with the employees in the form of periodical reviews wherein key stakeholders ensure that the employee is well directed and oriented towards the desired learning and performance parameters.

Enriching Lives of our Customers

Over time, our understanding of the many issues faced by the country's trucking community has aided us in building and diversifying our product line to assist them in overcoming these challenges. We've also started several skill development programmes for truck drivers to generate income, promote entrepreneurship as token of our gratitude to our clients and their affiliates. We keep our clients' trust by securing their data and information while providing them with fair results. We ensure that all consumer feedback is included across all of our products and business lines by operating with high standards of conduct.

Our solutions enable people to fulfill their needs

Social Finance Framework

We also have developed the Social Finance Framework in the year 2020, under which we issue Social Financing Instruments ("SFI"), inter-alia, social bond(s), to finance or refinance a portfolio of new and/or existing Eligible Social Projects to promote sustainability. This Framework outlines the criteria and guidelines for the allocation of proceeds as per International Capital Market Association ("ICMA") Social Bond Principles 2018 ("SBP") as permitted by the ECB Guidelines. We have engaged independent external agencies to give Second party opinion and independent assurance on our Social Finance Framework.

Eligible use of proceeds of Social bonds:

- 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 for suitable financial instruments and supporting services for micro, small and medium-sized enterprises in India, in accordance with 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.

On 18th of January 2022, we have issued 4.15% Senior Secured Notes due 2025 (Social Bonds) worth USD 475 Million under the USD 3.5 Billion Global Medium Term Note Programme to the Qualified Institutional Buyers (QIBs) under the Rule 144A of the U.S. Securities Act 1933 and to the eligible investors outside United States under Regulation S of the U.S. Securities Act 1933. The Social Bonds issue received good response from investors with oversubscription by more than 2.5 times. The Social Bonds are listed on the Singapore Exchange Securities Trading Limited, NSE IFSC Limited and India International Exchange (IFSC) Ltd. ('India INX').

Governance Structure

Board of Directors

S. Lakshminarayanan
Chairman

Umesh Govind Revankar
Vice Chairman &
Managing Director

Parag Sharma

Kishori Udeshi

S. Sridhar

Pradeep Kumar Panja

D.V. Ravi

Y.S. Chakravarti

Ignatius Michael Viljoen

Our company has an internal governance structure that includes a Board of Directors made up of specialists from several disciplines who advise us on how to improve the value we provide for all of our stakeholders. Senior management employees, led by the Vice Chairman and Managing Director, are in charge of the Company's day-to-day operations, general supervision, direction, and control. The Board of Directors examines the Company's policies, goals, and performance appraisals on a regular basis. There are no significant, financial, or commercial transaction(s) between independent directors and the Company that could cause a conflict of interest with the Company as a whole. The Company's efficient operation is ensured by various committees constituted by the board of Directors.

These Committees represent various functions our business is segregated into and are constituted as per the applicable legal requirements. They are responsible for enhancement of long-term shareholder value, assisting the management in decision-making and prudent financial management along with maintaining transparency and professionalism across the Company. The Committees are also delegated with the responsibility of achieving excellence in Corporate Governance by conforming to the applicable guidelines and reviewing the existing systems periodically for further improvements.

The details of the Company's Corporate Governance are presented separately in the Corporate Governance Report of this Annual Report. As a further reflection of our highest commitment to ESG principles, we have constituted ESG Committee and the terms of reference of the same are mentioned in the Corporate Governance Report also forming part of this Annual Report.

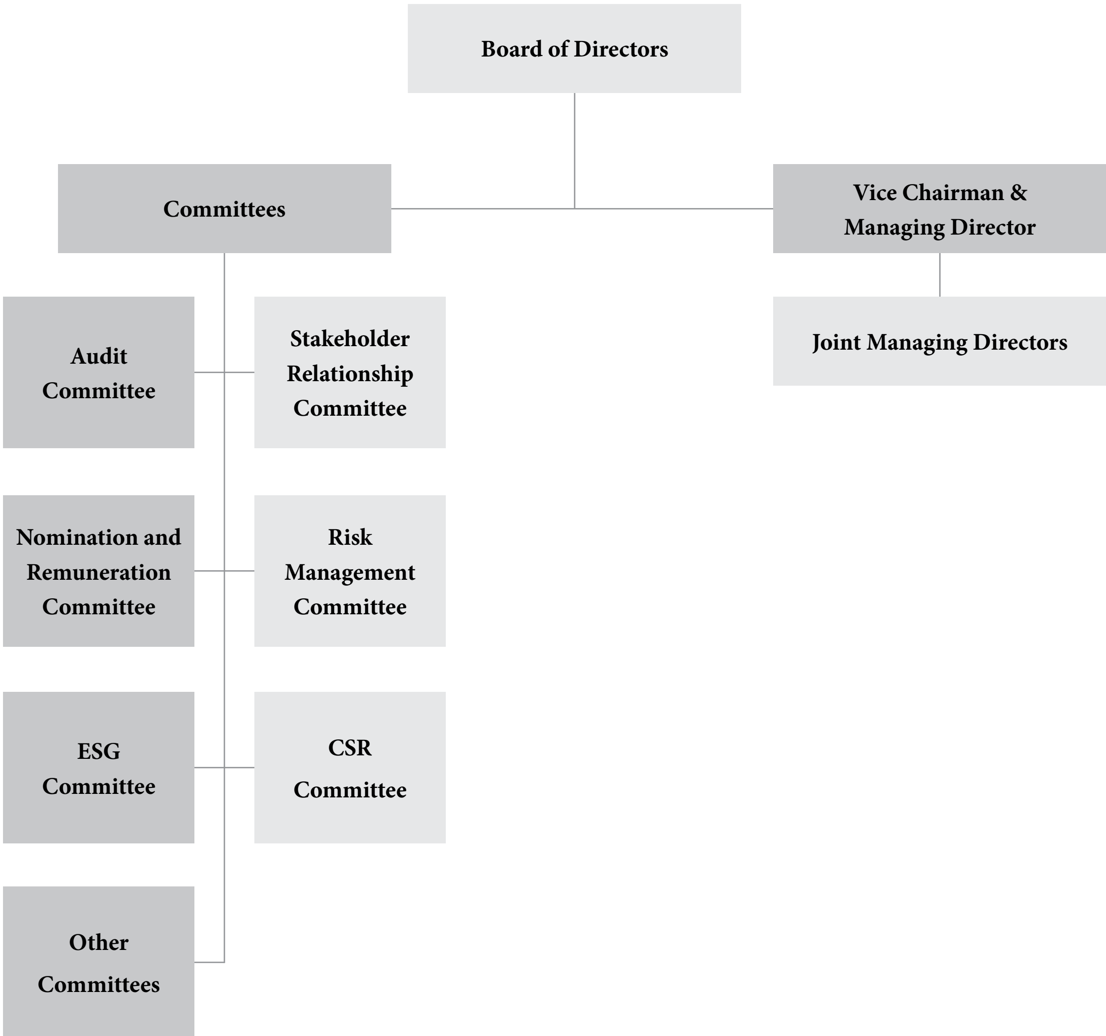
It is our constant endeavour to improve the quality of life of the economically weaker sections of the society and help them in achieving financial independence. Keeping this in mind, a separate Business Responsibility Report also forming part of this Annual Report, describes the Company's approach towards creating positive environmental and social outcomes across the nine principles of business responsibility.

STFC understands that its governance processes must ensure that the resources are utilized in a manner that meets stakeholders' aspirations and societal expectations. There are policies and frameworks in place for managing and monitoring the STFC ethical conduct across all its engagements.

The policies include

- Code of Conduct for the Board of Directors and Senior Management Personnel
- Code for Independent Directors
- Code of Conduct for Collections taking Possession of Asset
- Fair Practice Code
- Prohibition of Insider Trading Code
- Policy on Appointment/Re-appointment of Statutory Auditors
- Interest Rate policy
- Policy on Material Subsidiaries
- Policy on Materiality of Related Party and dealing with Related Party Transactions Transactions
- Policy for Preservation of Documents and Archival Policy
- Policy on Disclosure of Material Events
- Policy on Performance Evaluation of Directors
- Policy on Board Diversity
- Remuneration Policy
- Business Responsibility Policy
- CSR Policy
- Dividend Distribution Policy
- Whistle Blower Policy/Vigil Mechanism

Corporate Governance Framework



The Managing Director is responsible for the overall affairs of the STFC, under the superintendence, guidance and control of the Board of Directors.

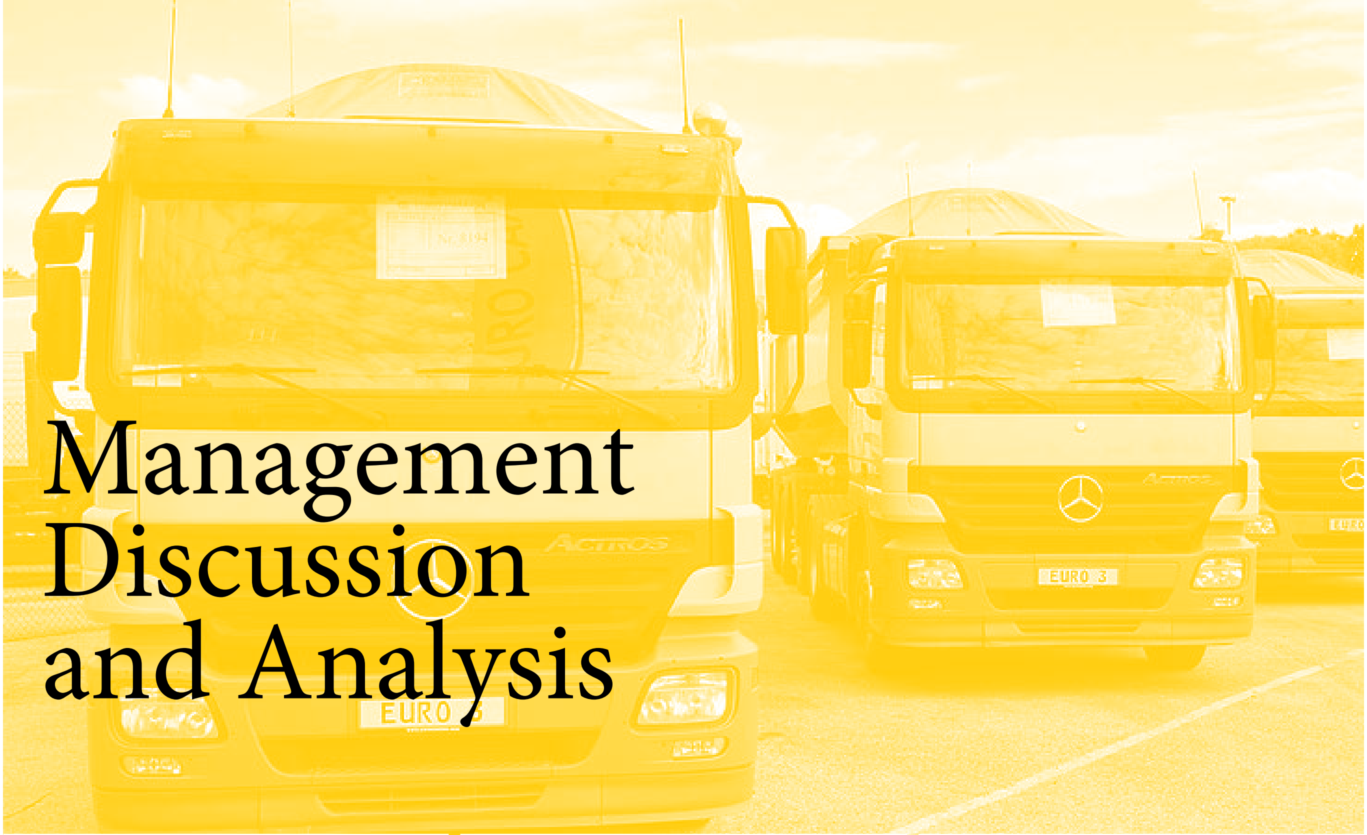
The Company envisages multiple growth opportunities going forward and a robust organisation structure is put in place to handle the future exponential growth of the Company.

Joint Managing Directors are responsible for Growth, Development and Profitability of branches in the Geographical Units (GU) allocated to each of them. They, under the guidance of Managing Director, oversee various business functions.

For and on behalf of the Board of Directors
S. Lakshminarayanan

Mumbai
April 28, 2022

Chairman
(DIN: 02808698)



Management Discussion and Analysis

OVERVIEW OF INDIAN ECONOMY FY 2021-22

The Financial Year 2021-22 was fairly a year of recovery from the adverse impacts of COVID-19 pandemic. The Indian economy successfully faced the challenges posed by the second and third waves of the pandemic, thanks to successful implementation of vaccination program, untiring services of the front line warriors, fiscal and monetary policies, stimulus measures of Reserve Bank of India, central and state governments which gave a much-needed cushion for the stability of the economy.

According to the second advance estimates of India's Gross Domestic Product (GDP) published by the National Statistical Office for the financial year 2021-22, GDP growth in the first and second quarter was 20.1% and 8.4% respectively. In the third quarter, the GDP growth slowed down to 5.4%. In the fourth quarter, India witnessed third wave of infection but remained largely unaffected owing to vaccination of large proportion of population. India's GDP growth in Financial Year 2021-22 is estimated at 8.9%, compared to a contraction of 7.3% in Financial Year 2020-21. The Index of Industrial Production grew 11.3% against an 8.4% contraction in Financial Year 2020-21. The consumer and business confidence was resilient with improvement in general economic situation, household incomes, and spending. The economic recovery continued its positive momentum throughout the festive season. The mobility indicators viz. collections from GST, toll and e-way bill generators had demonstrated recovery to pre-pandemic levels since February, 2022. Food-grain production touched a new record in Financial Year 2021-22, with both kharif and rabi output crossing the final estimates for Financial Year 2020-21 as well as the targets set for Financial Year 2021-22. The farm sector remained upbeat due to higher minimum support prices announced by the government. The Economic Survey 2021-22 stated that the total consumption is estimated to have increased by 7.0% in Financial Year 2021-22 with Government consumption contributing the larger pie. Private consumption, on the other hand, is also expected to have improved significantly to its pre-pandemic output levels. The macro-economic indicators suggest that the Indian economy is well on its way to achieve its pre-pandemic growth levels in the current Financial Year 2023.

As a part of rehabilitation measure to reduce the stress caused by COVID-19 pandemic, the government has extended the Emergency Credit Line Guarantee Scheme till March 31, 2023 to provide credit support to small and micro organizations with expansion of guarantee cover by Rs. 50,000 crores to total cover of Rs. 5 lakh crores. It also provisioned additional credit of Rs. 2 lakh crores for Micro and Small Enterprises to be facilitated under the Credit Guarantee Trust for Micro and Small Enterprises. It further accelerated the MSME performance with an outlay of Rs.6,000 crores over five years.

The headline CPI inflation edged up to 6.0 per cent in January 2022 and 6.1 per cent in February, 2022 breaching the upper tolerance threshold. Pick-up in food inflation contributed the most in headline inflation. The geopolitical crisis of Russia-Ukraine war, which started in the last week of February 2022, is casting uncertainty over the global economy, with increased volatility in crude prices and inflationary trends across commodities. The consequential financial sanctions and political pressure from the war are causing unpredictable and undesired implications on the global financial system and our economy due to rising crude oil and other commodity prices leading to higher inflation.

FINANCIAL SERVICES -NBFC SECTOR

Over the past few years, Non-Banking Financial Companies (NBFCs) have played a prominent role in the Indian financial system. They provide financial inclusion to the underserved section of the society that does not have easy access to credit. NBFCs have revolutionized the Indian lending system and have efficiently leveraged digitization to drive efficiency and provide customers with a quick and convenient financing experience. The plethora of services include vehicle financing, MSME financing, home financing, microfinance and other retail segments The Government has consistently worked on the governance measures to strengthen the systemic importance of the NBFCs. As of January 31, 2022 there were approximately 9,495 NBFCs registered with Reserve Bank of India (RBI), of which 49 deposit accepting NBFCs.

The pandemic impacted the NBFCs operations, leading to decline in disbursements across the sectors. However, the support and focus of the Government through various liquidity measures such as repo rate cut, targeted long-term repo operations, special liquidity scheme and partial credit guarantee scheme, kept the sector afloat. The total credit outstanding from the NBFCs for Financial Year 2020-21 stood at Rs.23.75 trillion and is expected to grow by 6-7% in the Financial Year 2021-22. This growth was mainly led by growth in the housing, auto, gold and other retail segments which stood resilient even in the previous fiscal year. While the disbursement and AUM trends improved in the second and third quarters of Financial Year 2021-22, the trend is expected to continue in Q4 of Financial Year 2021-22 due to the limited impact of the third wave of the pandemic. The disbursement growth would have to remain healthier for a sustained AUM growth. Besides, bank credit growth to the NBFC sector improved significantly to 14.6% in February 2022 from 7% a year ago.

Pursuant to RBI circular RBI/2021-22/125 DOR/STR/REC.68/21.04.048/2021-22 dated November 12, 2021, on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications, the Company has revised its process of NPA classification to flagging of the borrower accounts as overdue as part of the day-end processes for the due date.

COMMERCIAL AND PASSENGER VEHICLE INDUSTRY

The automotive industry is considered to be one of the major drivers of economic growth due to its linkages with multiple industries. The growth of this sector benefits commodity sector as vehicle manufacturing requires steel, aluminium, plastic, etc. It also holds importance for the NBFC/Banks in form of automobile financing.

According to the data published by Society of Indian Automobile Manufacturers, during the Financial Year 2021-22, there was marginal growth in vehicle production - 2,29,33,230 units. There was 6% de-growth in sale of vehicles- 1,75,13,596 units, comprising of Passenger Vehicles-30,69,499 units, Commercial Vehicles-7,16,566 units, Three-wheeler-2,60,995 units, Two-wheeler-1,34,66,412 units and Quadricycle-124 units. However, the sale of Passenger Vehicle, Commercial Vehicles and Three-wheelers grew by 13.20%, 26.03% and 18.93% respectively. The Commercial vehicle sales comprised of 11,804 units of Passenger Carrier and 2,28,773 units of Goods Carrier in Medium & Heavy Commercial vehicles segment and 19,957 units of Passenger Carrier and 4,56,032 units of Goods Carrier in Light Commercial Vehicles segment.

PRE-OWNED COMMERCIAL VEHICLES

The pre-owned commercial vehicles financing continued to be focus area for the Company ever since its inception. The Company has established its leadership in the segment and created sustainable competitive advantage through deep understanding of the borrower profile and their credit behaviour. The pre-owned commercial vehicles are affordable to aspiring owner-cum-drivers who are small road transport operators with limited banking habits and credit history for verification of creditworthiness. The market for preowned commercial vehicle financing is fragmented and dominated by private financiers in the unorganized sector. The Company has taken initiative to corporatize the preowned CV financing business. The Company's key strengths enable providing finance to pre-owned commercial vehicle operators at favourable interest rates and repayment terms as compared to private financiers in the unorganised sector. The credit evaluation techniques, relationship-based approach, extensive branch network and strong valuation skills make the Company's business model unique and sustainable as compared to other financiers. Further, the business model is easily scalable at local levels throughout India. The Company has an established track record of developing and training recruits on the internally developed valuation techniques, substantial customer knowledge and relationship culture, the Company has developed over the past four decades. The Company has established its leadership in the segment and created sustainable competitive advantage through deep understanding of the borrower profile and their credit behaviour.

FINANCIAL AND OPERATIONAL PERFORMANCE

(Rs. in Crores)

Sr. No.	Particulars	F.Y. 2021-22	F.Y. 2020-21	Change
1	Total Income	19,274.23	17,436.40	10.54%
2	Net Interest Income	9,316.06	8,167.10	14.07%
3	Assets Under Management	127,040.86	117,242.82	8.36%
4	Securitization/Direct assignment done during the year	14,147.16	13,622.00	3.86%
5	Net worth	25,904.55	21,540.73	20.26%
6	Profit after tax	2,707.93	2,487.26	8.87%
7	Capital Adequacy Ratio	22.97%	22.50%	2.09%
8	Return on total assets	1.88%	1.98%	-5.05%
9	Debt equity ratio	4.42	4.92	-10.16%
10	Net Interest margin	6.62%	6.70%	-1.19%
11	Interest coverage ratio	1.95	1.90	2.63%
12	Net profit margin	14.05%	14.26%	-1.47%
13	Return on Net Worth	11.15%	12.58%	-11.37%
14	Stage 3 assets	7.07%	7.06%	0.14%
15	Net stage 3	3.67%	4.22%	-13.03%
16	Return on equity	11.14%	12.57%	-11.38%

During the F.Y. 2021-22, the Stage 3 Assets was 7.07 % as compared to 7.06 % in F.Y. 2020-21. The Stage 3 Assets net of Stage 3 Provision was 3.67 % in F.Y. 2021-22 as compared to 4.22 % in F.Y. 2020-21 due to more provision made on stage 3 assets during the year. There are no significant changes in key financial ratios of the Company for F.Y. 2021-22 as compared to F.Y. 2020-21. The return on equity was 11.14% as on March 31, 2022 as against 12.57% as on March 31, 2021 due to increase in total equity due to further strengthening of capital through successive issue of fresh Equity shares during the financial year 2021-22 at premium through Qualified Institutional Placement of shares to Qualified Institutional Buyers (QIP Issue) and Preferential Issue of shares to promoters while the profit after tax has increased marginally.

HUMAN RESOURCES

The Company has a robust organisation structure with large network of 1,854 branches, 25,456 Employees including 19,475 business team. The Nomination and Remuneration Committee periodically reviews career growth plan of senior management personnel possessing ability to build teams and nurture leaderships for future growth plans of the Company.

As a part of their career planning and succession planning, the Board of Directors, on recommendation of Nomination and Remuneration Committee, promoted members of the core management team, namely Mr. Parag Sharma, Mr. S. Sunder, Mr. P. Sridharan, Mr. Sudarshan Holla and Mr. Nilesh Odedara as Joint Managing Directors and also designated them as Key Managerial Personnel. Mr. U. Balasundara Rao, Chief Information Officer and Mr. Hardeep Singh Tur, Chief Risk Officer have also been designated as Key Managerial Personnel.

There was a net addition of 416 employees during F.Y. 2021-22 and total strength of employees as on March 31, 2022 was 25,456. The average age of the employees is about 31 years. For further details, please refer to the Business Responsibility Report.

SWOT ANALYSIS

Strengths

- Pioneer in the pre-owned commercial vehicles financing sector
- Reputed Asset Financing Company with Pan-India presence across 1,854 branch offices and 775 rural centres for deeper penetration
- Unique relationship-based business model with extensive experience and expertise in credit appraisal and collection process
- The entire Loan portfolio is guaranteed either by an existing customer of the Company or by a customer from the CV industry
- Strong brand name
- Well-defined and scalable organizational structure based on product, territory and process knowledge
- Consistent financial track record with rapid growth in AUM
- Experienced senior management team
- Strong relationships with public, private as well as foreign banks, institutions and investors
- 2.11 million customers across India

Weakness

- Business and growth directly linked with the GDP growth of the country
- Company's Customers-SRTOs and FTBs are more vulnerable to negative effects of economic downturn

Opportunities

- Growth in the commercial vehicles, passenger vehicles and tractors market
- Meeting working capital needs of persons in commercial vehicles eco-system
- Partnerships with private financiers for enhancement of reach without significant investments
- Penetration into rural markets for financing cargo light commercial vehicles and Farm equipment
- On boarding customers on technology platform and effectively used for extending credit on their working capital needs and for also enhancing our digital footprint on recovery
- Higher budgetary allocation by the Government to give boost to infrastructure sector involving construction of roads, new airports, ports etc. creating huge demand for Commercial Vehicles
- Cross selling of insurance products, invoice discounting etc.
- Huge opportunity to finance as more and more customers are likely to go for Technology upgradation
- Opportunity to finance more number of vehicles due to implementation of Vehicle Scrappage Policy

Threats

- Inflation
- Geopolitical crisis
- Longer duration of COVID-19
- Competition from captive finance companies, small banks
- Increase in finance cost due to larger liquidity buffer maintained to face uncertainties of pandemic

RISK MANAGEMENT

The Company is exposed to various risks such as pandemic risk, credit risk, economic risk, interest rate risk, liquidity risk, cash management risk, technology risks, etc. The Company has an Enterprise Risk Management Framework that involves risk identification, risk assessment and risk mitigation planning.

The Board of Directors has constituted a Risk Management Committee consisting of the majority of Directors. The terms of reference of the Risk Management Committee include a periodical review of the risk management policy, risk management plan, implementing and monitoring the risk management plan and mitigation of the key risks. The Risk owners are accountable to the Risk Committee for identifying, assessing, aggregating, reporting and monitoring the risk related to their respective areas/functions. We have taken Directors and Officers insurance policy cover to mitigate legal risks to directors and senior management.

The Company has taken steps to mitigate the risk of the operation by use of Artificial Intelligence and Machine Learning for automated lending, customer-centric approach, upskilling and re-skilling of its human resources. Our expertise in credit appraisal and collections developed over the past three decades helps in mitigating credit risk. We lend on a relationship-based model applying advanced credit assessment procedures and maintain regular contact with customers. To reduce operation risk, we continuously monitor our internal processes and systems.

To mitigate liquidity risk, we ensure that the short-term and long-term fund resources are favourably matched with deployment. We resort to long-term funding instruments and securitization. We continue to enjoy the trust and support from our investors, security holders, depositors, banks and financial institutions, due to our impeccable record in servicing our debt obligations on time.

To mitigate interest rate risk, we have developed innovative resource mobilization techniques. To reduce liquidity risks, we have diversified the source of fund raising and widened the borrowing options to exploit opportunities and appetite in the international market for bonds of reputed Indian companies. We issued US Dollar senior secured notes in the global market, which are fully hedged. We have adopted prudent fund management practices.

The Company's Asset Liability Management Committee regularly reviews, among others, the interest rate and liquidity risks. We are diversifying our assets portfolio focusing on passenger vehicles and tractors segment. We have also started financing the working capital needs of petrol pumps, tyre dealers, vehicle body builders and workshops forming part of ecosystem of commercial vehicle operations

In order to mitigate cash management risk associated with collection of loan instalments, we have continued our focus on boarding our customers on technology platform. We continue to lay thrust on use of digitization. We have a robust cash management service network. We have started engaging with the customers actively with Digital mode of collections using our MyShriram Mobile Application. We have enabled various modes including BBPS (Wallets) through which the customer can make the payment against his/her loan accounts. We have also collected NACH mandates from some of the customers. During the Financial Year 2021-22, the digital Collection of Loan EMIs and Fixed Deposits were 27.09% and 11.02% respectively. We have adopted stringent checks and internal controls across all branches. At the regional level, the branch collections are monitored and reconciled on a daily basis. The Company intends to soon launch a Super-App where all its existing and new lending products would be offered under single umbrella. This would help the customer access the entire Shriram ecosystem at a single click and result in a seamless customer experience. The Company intends to gather more insights and analytics through this and continue on its path of innovation for future.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company believes that strong internal control system and processes play a critical role in the health of the Company. The Company's well-defined organizational structure, documented policy guidelines, defined authority matrix and internal controls ensure efficiency of operations, compliance with internal policies and applicable laws and regulations as well as protection of resources. Moreover, the Company continuously upgrades these processes and systems in line with the best available practices. 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 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. The Company's Internal Auditor performed regular reviews of business processes to assess the effectiveness of internal controls. Internal Audits were 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. Further, each area processes/sub-processes risks were properly identified with mitigating controls. 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.

COMPOSITE SCHEME OF ARRANGEMENT AND AMALGAMATION

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") involving amalgamation of Shriram Capital Limited (after de-merger of a few undertakings from the said Shriram Capital Limited) and Shriram City Union Finance Limited with the Company. The said Scheme will be effective after receiving approval of shareholders, creditors, Hon'ble National Company Law Tribunal, Reserve Bank of India and other regulatory and statutory approvals. The Appointed date of the Scheme is April 01, 2022. The Company has already initiated process for seeking various approvals to the Scheme.

FUTURE STRATEGY

The Board has determined the following medium-term and long term strategies to achieve its corporate goals over a period of next 3-5 years:

- Periodical review of pandemic risks, Business Continuity plan, liquidity management
- To focus on digital initiatives to effectively service customers and to educate customers on the digital payment of EMIs
- Effective use and implementation of data analytics in the process of loan disbursement and loan recovery
- Further strengthening the leadership position in financing vehicles
- Further enhancing quality of loan portfolio
- Maintaining customer loyalty through winning relationship and customer satisfaction

OUTLOOK

According to the long-range forecast for the monsoon season by the India Meteorological Department , the southwest monsoon rainfall over India in the current year is most likely to be normal and uniformly distributed.

RBI's Survey of Professional Forecasters (SPF) carried out during March 2022 provide a median GDP growth forecast of 7.5 per cent and inflation forecast of 5.5 per cent for Financial Year 2023.

The policies and schemes of the Indian government such as production-linked incentives and its push toward self-reliance, increased infrastructure spending will start kicking in from current Financial Year 2022-23, leading to a stronger multiplier effect on jobs and income, higher productivity and more efficiency—all leading to accelerated economic growth. The spill-over effects of geopolitical conflicts could enhance India's status as a preferred alternate investment destination. The large vaccinated population should help us contain the impact of subsequent infections waves, if any.

The inflation trajectory will depend upon the evolving geopolitical situation and its impact on global commodity prices and logistics. International crude oil prices may continue to remain volatile and elevated, with considerable uncertainties surrounding global supplies. With the broad-based surge in prices of key industrial inputs and global supply chain disruptions, input cost-push pressures may persist for longer period than expected earlier. This may slowdown India's growth momentum, being a net importer of crude oil.

The Company has built adequate liquidity buffer to pay all its liabilities over the period of next six months. The Company continues to focus on financing of pre-owned commercial and passenger vehicles. Upon coming into effect of the Scheme all its lending products – commercial vehicles, two-wheeler loans, gold loan, personal loan, auto loan and small enterprise finance offered by the companies involved in the Scheme would come under a single roof, thereby creating a financial powerhouse which would end up being a market leader in all the product and consumer segments that it operates in. With this stronger and larger customer franchise, there would also be a significant shift in the Company's pace of innovation. The Company will enhance its product basket with new products catering to a larger universe of both retail & SME customers.

CAUTIONARY STATEMENT

This report contains forward-looking statements extracted from reports of Government Authorities / Bodies, Industry Associations etc., available in the public domain, which may involve risks and uncertainties including, but not limited to, economic conditions, government policies, dependence on certain businesses, and other factors. Actual results, performance, or achievements could differ materially from those expressed or implied in such forward-looking statements. This report should be read in conjunction with the financial statements included herein and the notes thereto. The Company does not undertake to update these statements.

Directors' Report

To the Members,

Your Directors have pleasure in presenting their Forty-Third Annual Report and the Audited Statements of Accounts for the financial year ended March 31, 2022.

FINANCIAL HIGHLIGHTS

(Rs. in crores)

Particulars	2021-22	2020-21
Profit Before Depreciation And Taxation	3,684.62	3,415.37
Less: Depreciation, amortisation and impairment	135.37	137.36
Profit Before Tax	**3,549.25**	**3,278.01**
Less: Provision for taxation	841.32	790.75
Profit After Tax	**2,707.93**	**2,487.26**
Add: Balance brought forward from previous year	10,384.13	9,257.73
Balance available for appropriation	13,092.06	11,744.99
Appropriations		
General reserve	(270.80)	(248.73)
Statutory reserve	(541.59)	(497.46)
Debenture redemption reserve	614.13	(311.00)
Dividend on equity shares of Rs.10/- each	(699.88)	(303.67)
Balance carried to Balance Sheet	**12,193.92**	**10,384.13**

CREDIT RATING

The credit rating of the securities/instruments/loans, credit facilities and other borrowings of the Company as on March 31, 2022 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+r/Stable
	Non-Convertible Debentures	CRISIL AA+/ Stable
	Subordinated Debt	CRISIL AA+/Stable
	Commercial Paper	CRISIL A1+
	Fixed Deposit	CRISIL FAAA/Stable
India Ratings & Research Private Limited	Non-Convertible Debentures	IND AA+/ Stable
	Dual Recourse Bond	IND AAA (CE)/Stable
	Principal Protected Market Linked Debentures (Dual Recourse)	IND PP-MLD AAA(CE)emr'/ Stable
	Subordinated Debt	IND AA+ /Stable
	Commercial Paper	IND A1+
CARE	Non-Convertible Debentures	CARE AA+/Stable
	Subordinated Debt	CARE AA+/ Stable
	Commercial Paper	CARE A1+
ICRA	Fixed Deposit	MAA+ with Stable outlook
Standard & Poor's Ratings	Long-Term Issuer Credit Rating	BB-/ Stable
	Short-Term Issuer Credit Rating	B
	Senior Secured Notes	BB-
Fitch Ratings	Long-Term Issuer Default Rating	BB/ Stable Outlook
	Short-Term Issuer Default Rating	B
	Senior Secured Long Term Rating	BB
	Local Currency Long Term Issuer Default Rating	BB/ Stable Outlook

DIVIDEND

The Board of Directors approved payment of two interim dividends for the Financial Year 2021-22:- The first interim dividend of Rs. 8/- per equity share of Rs.10/- each on 268,783,613 equity shares of face value of Rs.10/- each fully paid-up aggregating to Rs. 2,150,268,904/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders for the Financial Year ended March 31, 2022, was declared on October 29, 2021 and the second interim dividend of Rs.12/- per equity share of face value of Rs.10/- each on 270,519,713 equity shares of face value of Rs.10/- each fully paid-up aggregating to Rs. 3,246,236,556 (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders for the Financial Year ended March 31, 2022 was declared on March 5, 2022. The first interim dividend and second interim dividend was paid to eligible Members on November 24, 2021 and March 24, 2022 respectively.

The Board of Directors have not recommended final dividend. Thus the total interim dividend aggregating to Rs. 20/-per share (i.e. 200 %) shall be the final dividend for the financial year 2021-22 as against the total dividend of Rs. 18/- per equity share of Rs. 10/- each fully paid-up (i.e. 180%) for the Financial Year 2020-21.

The Dividend Distribution Policy forms part of the Corporate Governance Report and is also available on the website of the Company at https://bit.ly/3PTulOP

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, 2022 stood at 22.97% as compared to 22.50% as on March 31, 2021 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 minimum of 15%. The CAR has substantially improved as result of further strengthening of capital through successive issue of fresh Equity shares during the financial year 2021-22 at premium through Qualified Institutional Placement of shares to Qualified Institutional Buyers (QIP Issue) and Preferential Issue of shares to promoters. The details of the said issue of fresh capital are given under the title Share Capital.

The Tier 1 ratio as on March 31, 2022 improved to 20.70% as against 19.94% as on March 31, 2021. The company's overall gearing (Debt/Tangible Net Worth) as on March 31, 2022 improved to 4.75x as against 5.20x as on March 31, 2021.

The Tier 2 ratio as on March 31, 2022 was 2.27% as against 2.56% as on March 31, 2021.

SCHEME OF ARRANGEMENT

The Board of Directors of the Company in its meeting held on December 13, 2021 have approved a Composite Scheme of Arrangement and Amalgamation ("Scheme"), inter-alia, involving amalgamation of Shriram Capital Limited (after de-merger of a few undertakings from the said Shriram Capital Limited) and Shriram City Union Finance Limited (SCUF) with the Company under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The said Scheme will be effective upon receipt of approval of shareholders, creditors, Hon'ble National Company Law Tribunal, Reserve Bank of India and other regulatory and statutory approvals as applicable with an appointed date of April 01, 2022. Your Company has initiated process for seeking the approval to the Scheme from various regulatory statutory authorities. The Company has received Observation letters under Regulation 37 of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") from stock exchanges. The Company has filed the application to National Company Law Tribunal, Chennai seeking directions for convening meeting of shareholders, secured creditors and unsecured creditors. All updates in this regard shall be posted on website of the Company from time to time for information of stakeholders.

OPERATIONS AND COMPANY'S PERFORMANCE

Your Company earned higher Profit Before Tax of Rs. 3,549.25 crores for the Financial Year ended March 31, 2022 as against Rs. 3,278.01 crores in the previous Financial Year ended March 31, 2021 on account of efficient mobilization of funds, reducing cost of finance, improvement of collection efficiency and reduction in costs and overheads. The Profit After Tax for the Financial Year ended March 31, 2022 was Rs. 2,707.93 crores as against Rs. 2,487.26 crores in the previous Financial Year. The total income for the year under consideration was Rs. 19,274.23 crores and total expenditure was Rs. 15,724.98 crores. The detailed analysis of income and expenditure and financial ratios is made in the Management Discussions and Analysis Report forming part of this Report.

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

(Rs. in crores)

Sr. No.	Particulars	2021-22	2020-21
1	Non-Convertible Debentures – Institutional	8,800.00	5,133.30
2	Term Loans from Banks – Secured	25,210.41	17,650.36
3	Term Loans from Financial Institutions/ Corporates – Secured	3,200.00	3,550.00
4	Commercial Papers	4,325.00	200.00
5	Fixed Deposit	11,273.18	6,927.36
6	Inter Corporate Deposits	99.43	176.90
7	External Commercial Borrowings (Loan)	187.35	-
8	Social Bonds (U.S. Dollar Senior Secured Notes)	3,512.86	5,302.85
9	Cash Credit	-	4,197.50

The mobilization of funds of the Company through fixed deposits was substantially higher during the Financial Year ended March 31, 2022 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.

The total Assets Under Management had increased to Rs. 127,040.86 crores from Rs. 117,242.82 crores due to continuous focus laid by the Company in financing of pre-owned commercial vehicles which are affordable as compared to new vehicles. During the Financial Year 2021-22, the Company securitized its assets worth Rs. 12,880.16 crores (accounting for 10.14 % of the total assets under management as on March 31, 2022) as against Rs. 13,082.18 crores during the Financial Year 2020-21. 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. 1,341.83 crores as on March 31, 2022.

Your Company's relationship based business model enabled it to continue maintaining the leadership position in the pre-owned commercial vehicles financing segment. The Company had 1,854 Branch and other offices across India as on March 31, 2022.

The Company's prudent liquidity management techniques and strategy of maintaining adequate liquidity buffer throughout the Financial Year 2021-22 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 program implemented during the year under review from domestic as well as international market.

ISSUE OF SECURITIES

Share Capital

Qualified Institutional Placement (QIP Issue)

The Members in its 41st Annual General Meeting held on August 19, 2020 accorded approval for the proposal of fund raising through issue of securities up to Rs. 2,500 crore to permitted investors through one or more permitted methods to strengthen the Company's capital base and balance sheet and to augment the long term resources for meeting funding requirements of its business activities, financing the future growth opportunities, general corporate purposes and other purposes including effectively facing challenges of the uncertainties and disruptions caused by COVID-19 pandemic and had constituted the Securities Issuance Committee for this purpose.

The Securities Issuance Committee in its meeting held on June 7, 2021, approved issuance of equity shares under Qualified Institutional Placement (QIP) up to Rs. 2,000 crore The QIP Issue was opened on June 7, 2021 and closed on June 11, 2021. The QIP Issue of Rs. 2,000 crore was over-subscribed by more than 6.3 times.

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/- under the QIP issue. The entire proceeds have been utilised as per the above mentioned objects of the QIP Issue.

Preferential issue of shares and warrants

As a part of their continued commitment and in order to minimise the dilution impact of the QIP on the Promoter's shareholding, Shriram Capital Limited, Promoter of the Company had expressed its desire to subscribe the further equity shares and warrants up to Rs. 500 crore through Preferential Issue. The Preferential Issue enabled the Company to further strengthen the Company's capital base and balance sheet and augmenting the long-term resources for meeting funding requirements of its business activities, financing the future growth opportunities, general corporate purposes.

The Board of Directors of the Company in its meeting held on June 7, 2021 considered the proposal of further fund raising and approved (i) issuance of 1,736,100 equity shares of face value of Rs. 10/- each of the Company ("Equity Share"), 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) 17,36,100 warrants, each convertible into, or exchangeable for 1 (one) fully paid-up Equity Share each at a price (including the warrant subscription price and the warrant exercise price) of Rs. 1,440/- each ("Warrants") payable in cash, aggregating up to Rs. 2,499,984,000/- to Shriram Capital Limited, Promoters of the Company.

Pursuant to the special resolution, the Members in its Extraordinary General Meeting held on July 7, 2021 approved the said proposal for Preferential Issue of Equity Shares and Warrants.

On July 8, 2021, the Company received from Shriram Capital Limited, Promoter, the subscription money @ Rs. 1,440/- per Equity Share of face value of Rs. 10 each (including a premium of Rs. 1,430/- per Equity Share) for allotment of 17,36,100 Equity Shares fully paid-up and warrant subscription price @ Rs. 360/- per Warrant, being 25% of the Issue price of Rs. 1,440/- per warrant, for allotment of 17,36,100 Warrants convertible in to fully paid-up Equity Shares. On July 8, 2021 the Company allotted to the Promoter on Preferential basis 17,36,100 Equity Shares fully paid-up aggregating to Rs. 249,99,84,000 for consideration paid in cash and 17,36,100 warrants. Each such warrant of Rs. 1440 (including the warrant subscription price and the warrant exercise price) was convertible into, or exchangeable for 1 fully paid-up Equity Share of the Company having face value of Rs. 10/- each.

On November 24, 2021, Shriram Capital Limited paid the exercise price being the balance amount of 75% of Issue Price of the said Warrants i.e. at Rs. 1,080/- per Warrant, aggregating to Rs. 1,874,988,000/- and submitted the application for allotment of 17,36,100 fully paid-up shares of face value of Rs. 10/- each issued at premium of Rs. 1,430/- per share for conversion of the warrants into equity shares.

Accordingly on November 25, 2021, the Company allotted 1,736,100 fully paid-up Equity shares of face value of Rs. 10/- each to Shriram Capital Limited. The entire proceeds have been utilised as per the above mentioned objects of the Preferential Issue.

Consequent upon allotment of the Equity Shares pursuant to above mentioned QIP Issue and Preferential Issue of shares, the paid-up share capital of the Company stood increased to Rs. 270,51,97,130.

Cancellation of 6,141 equity shares of face value of Rs.10/- each not taken or agreed to be taken by any person from the Issued Share Capital of the Company

Pursuant to the ordinary resolution passed by the shareholders on March 6, 2022 through Postal Ballot, 6,141 Equity shares of face value of Rs. 10 each not taken/agreed to be taken by any person in the Rights Issue of the Company made in the year 1995 were cancelled from the Issued Share Capital of the Company. Accordingly, the Issued, Subscribed and Paid up Equity Share Capital of the Company stood at Rs. 2,705,197,130/- consisting of 270,519,713 fully paid-up equity shares of face value of Rs.10/- each as on March 31, 2022.

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

Issue of Senior Secured Notes (Social Bonds)

Commitment towards socio-economic advancement is at the core of the Company's business. Your Company is primarily engaged in providing financial assistance to small road transport operators operating pre-owned/second hand commercial and passenger vehicles viz. goods carrying trucks, passenger taxis, etc. belonging to lower income group and vulnerable strata of the society who do not qualify for bank loans due to the lack of stable income. Considering the additional financing avenue of Social bonds, the Company had developed the Social Finance Framework in January 2020 for issuance of Social Bonds in the international market to finance or refinance a portfolio of new and/or existing Eligible Social Projects to promote sustainability. The Company was sanctioned loans by many international agencies including International Financial Corporation, Proparco, OeEB for the purpose of financing CNG and environment friendly vehicles. 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 2018 ("SBP"). More details in this regard are available in the ESG Report forming part of this Annual Report. The Social Finance Framework is available on the Company's website at: https://bit.ly/3M0rbFK

On January 4, 2022, the Company has upsized the existing Global Medium Term Note Programme from USD 3,000,000,000 to USD 3,500,000,000 Global Medium Term Note Programme ('Upsized GMTN Programme') through upsized and updated Offering Circular dated January 4, 2022 for issuance of bonds/notes in international markets by way of public/private issue, subject to market conditions.

On January 18, 2022, the Company issued USD 475,000,000 4.15 percent Senior Secured Notes due 2025 (Social Bonds) equivalent to Rs. 35,139,375,000/- under the USD 3,500,000,000 Global Medium Term Note Programme to the Qualified Institutional Buyers (QIBs) under the Rule 144A of the U.S. Securities Act 1933 and to the eligible investors outside United States under Regulation S of the U.S. Securities Act 1933. The Social Bonds issue received good response from investors with oversubscription by more than 2.5 times.

The proceeds of Senior Secured Notes issued have been utilized by the Company to finance investments in Eligible Social Projects in accordance with International Capital Market Association Social Bond Principles 2018 as permitted by the ECB Guidelines.

The said Social Bonds are listed on the Singapore Exchange Securities Trading Limited, India International Exchange (IFSC) Limited ('India INX') and NSE IFSC Limited. All Senior Secured Notes/Social Bonds issued under the USD 3,500,000,000 GMTN Programme are fully hedged to mitigate risk of exchange rate volatility.

FIXED DEPOSITS

During the Financial Year ended March 31, 2022, the Company mobilised substantially higher funds through fixed deposits of Rs. 11,273.18 crores as against Rs. 6,927.36 crores in the Financial Year ended March 31, 2021. As on March 31, 2022, there were 8,060 fixed deposits aggregating to Rs. 111.07 crores that have matured but remained unclaimed. The unclaimed deposits have since reduced to 4,534 deposits amounting to Rs. 52.06 crores. Appropriate steps are being taken continuously to obtain the depositors' instructions so as to ensure renewal/ repayment of the matured deposits in time. There were no deposits, which were claimed but not paid by the Company.

DIRECTORS

Appointment of Directors

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors in its meeting held on December 13, 2021 appointed, subject to approval of Members, the following person as directors:

1. Mr. Y. S. Chakravarti (DIN 00052308) as an Additional Director of the Company and
2. Mr. Parag Sharma (DIN 02916744) as an Additional Director and also as Whole-Time Director designated as Joint Managing Director and Chief Financial Officer of the Company with effect from December 13, 2021. His tenure of Whole-Time Directorship will be for a period of five years up to December 12, 2026.

Mr. Y. S. Chakravarti and Mr. Parag Sharma will hold office of Additional Director upto the date of the ensuing 43rd Annual General Meeting (AGM) pursuant to Section 152 of the Companies Act, 2013. The Company has received the notice pursuant to Section 160 of the Act signifying their intention to propose candidatures of Mr. Y. S. Chakravarti and Mr. Parag Sharma for their appointment as directors of the Company in the AGM.

Retirement of director by rotation

Mr. Ignatius Michael Viljoen (DIN 08452443), non-executive non–independent director of the Company will retire by rotation at the ensuing AGM and being eligible, offers himself for re-appointment. The Nomination and Remuneration Committee in its meeting held on April 19, 2022 has recommended to the Board of Directors and Members, re-appointment of Mr. Ignatius Michael Viljoen as director of the company retiring by rotation. Ignatius Michael Viljoen is a Head of Credit-Sanlam Pan Africa Portfolio Management, South Africa and is responsible for a range of credit risk and credit portfolio management aspects across the various entities owned by the Sanlam Group outside of the Republic of South Africa. His profile is given in the Notice of the ensuing AGM, forming part of this Annual Report.

All the above appointments/re-appointments by the Board of Directors are based on the recommendation of the Nomination and Remuneration Committee. The resolutions for aforementioned appointment/re-appointments and for payment of remuneration to Mr. Parag Sharma, Whole-Time Director designated as Joint Managing Director and Chief Financial Officer of the Company together with requisite disclosures are set out in the Notice of the AGM. The Board recommends the resolutions for appointment / re-appointment of aforementioned directors contained in the Notice of AGM for approval of Members.

Declaration by Independent Directors

Pursuant to the provisions of Section 149 of the Companies Act, 2013 ("the Act"), the independent directors have submitted declarations that each of them meet 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 SEBI 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 has laid down a framework for remuneration of Directors (Executive and Non-Executive), Key Managerial Personnel and Senior Management Personnel. These Policies are available on the Company's website at the weblink: https://bit.ly/3N1u1vI and https://bit.ly/3NMh3lB. 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. 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 April 28, 2022 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 2021-22 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 17, 2022 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 Chairman. They assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board. The minutes of the Independent Directors' meeting were placed before the Board Meeting held on April 28, 2022 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 company management 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. In addition to quarterly meetings held for review of unaudited financial results of the Company, the Audit Committee held additional meetings requiring detailed discussions and deliberations including for review of policies, approval of annual budget and special matters such as recommending to the Board the Composite Scheme of Arrangement and Amalgamation. The members of the Audit Committee also had separate meeting with the Joint Statutory Auditors which covered Audit issues in general and the framework and the process of Internal Audit in specific.

KEY MANAGERIAL PERSONNEL

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. As a part of the career planning of the core team of employees and for smooth succession planning the Board of Directors at its meeting held on October 29, 2021, on recommendation of Nomination and Remuneration Committee have promoted Mr. Parag Sharma, Mr. S. Sunder, Mr. P. Sridharan, Mr. Sudarshan Holla and Mr. Nilesh Odedara as Joint Managing Directors and designated them as Key Managerial Personnel. Mr. U. Balasundara Rao, Chief Information Officer and Mr. Hardeep Singh Tur, Chief Risk Officer have also been designated as Key Managerial Personnel.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3)(c) and Section 134(5) of the Companies Act, 2013, 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 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, 2022 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 Companies Act, 2013, 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.

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 all the requirements prescribed by the Reserve Bank of India (RBI) from time to time. The Company appointed Internal Ombudsman and Principal Nodal Officer as per the relevant notifications of RBI to carry out duties and discharge functions as laid down in the said notifications.

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 REPORT

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR Report for the Financial Year 2021-22 is annexed to this report as Annexure-I. The composition of CSR Committee and the details of the ongoing CSR projects/ programs/activities are included in the CSR report/section. The CSR Policy is uploaded on the Company's website at the web link: https://bit.ly/3wnTqHg.

ANNUAL RETURN

In accordance with the provisions of Section 92(3) of the Act, Annual Return of the Company is hosted on website of the Company at https://www.stfc.in/investors/annual-reports/

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 Companies Act, 2013 read with Companies (Accounts) Rules, 2014 is as follows:

a. The Company continues its initiatives for conservation of energy, the details of which are given in ESG report. The Company's business operations do not involve any activity or technology absorption.

b. The Company did not earn any Foreign Exchange Earnings.

c. Outgo under Foreign Exchange – Rs. 36.63 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 Reserve Bank of India are exempt from the applicability of 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 in ordinary course of business on an arm's length basis. Hence, no disclosure in Form AOC-2 are necessary and the same does not form part of this report. For details of the transactions with related party entered in ordinary course of business on an arm's length basis, refer to the 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://bit.ly/3vfdL1c.

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 relationships or transactions vis-à-vis the Company save and except the payment of sitting fees and commission paid to Independent Directors.

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://bit.ly/3uy3dZY

Financial summary/highlights

Income for the financial year 2021-22 increased by 10.54 % to Rs. 19,274.23 crores as compared to Rs. 17,436.40 crores in 2020-21;

Income from operations for the financial year 2021-22 was Rs.19,255.17 crores as compared to Rs. 17,420.45 crores in 2020-21, a growth of 10.53 %;

Profit before tax for the financial year 2021-22 was Rs. 3,549.25 crores as compared to Rs. 3,278.01 crores in 2020-21;

Profit after tax for the financial year 2021-22 was Rs. 2,707.93 crores as compared to Rs. 2,487.26 crores in 2020-21.

The overall disbursement during financial year 2021-22 stood at Rs. 60,073.44 crores as compared to Rs. 35,027.51 crores in the previous financial year 2020-21.

Our interest income increased by 8.86 % from Rs.17,128.14 crores for the year ended March 31, 2021 to Rs.18,646.26 crores for the year ended March 31, 2022.

Finance costs increased by 7.51% from Rs. 9,054.26 crores for the year ended March 31, 2021 to Rs. 9,734.31 crores for the year ended March 31, 2022.

Other expenses increased from Rs. 863.23 crores for the year ended March 31, 2021 to Rs. 905.61 crores for the year ended March 31, 2022.

Our fees and commission for the financial year 2021-22 was Rs.100.08 crores as compared to Rs. 115.86 crores in 2020-21.

Risk Management and Internal Financial Control System

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

The Company's well-defined organizational 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 comprised of following directors namely, Mr. S. Sridhar – Chairman, Mrs. Kishori Udeshi, Mr. Pradeep Kumar Panja, Mr. S. Lakshminarayanan and Mr. Y. S. Chakravarti.

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. The impact of pandemic has been dealt with in the Management Discussion and Analysis annexed to the Annual 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.
- No equity shares were issued with differential rights as to dividend, voting or otherwise.

- No equity shares (including sweat equity shares) were issued to employees of your company, under any scheme.
- The Company has not resorted to any buy back of its equity shares during the year under review.
- There was no change in the nature of business of the Company.
- There was no fraud reported by the 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 centres 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 are conducted by the external and internal auditors. Board represented IT strategy committee governs the security policies and its implementation as per the company 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 March 30, 2022, the Company had arranged 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 also added 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 Reserve Bank of India. The Company accepts deposits as per 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, Annual 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 2021-22 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

CONSOLIDATED FINANCIAL STATEMENTS

There was no entity which became or ceased to be subsidiary, joint venture or associate company of the Company during the financial year ended March 31, 2022.

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 97 Automalls located across the Country. As per the audited financial statements of SAMIL for the year ended March 31, 2022, its total income from operations and Net Profit was Rs. 191.18 crores and Rs. 29.56 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 associate company in Form AOC 1 forms part of this 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, this Annual Report is available on the website of the Company https://www.stfc.in/investors/annual-reports/.

PARTICULARS OF EMPLOYEES

The Company has not employed any individual whose remuneration falls within the purview of the limits prescribed under the provisions of Section 197 of the Act, read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Disclosure required as under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this report as **Annexure-II.**

AUDITORS

Reserve Bank of India ("RBI") issued 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"). Pursuant to RBI Guidelines, the Audit Firms completing tenure of three financial years in the NBFC were not eligible to continue to hold office as Statutory Auditors of the NBFC. Since the RBI Guidelines were being implemented for the first time for NBFCs from Financial Year 2021-22 and in order to ensure that there is no disruption, the RBI had given flexibility to NBFCs to appoint new Statutory Auditors in the second half of the financial year ending March 31, 2022.

In compliance with the aforesaid RBI Guidelines, the previous joint Statutory Auditors of the Company viz. M/s Haribhakti & Co. LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No. 103523W/ W-100048) and M/s Pijush Gupta & Co. Chartered Accountants, Gurugram (ICAI Firm Registration No. 309015E) vide their respective letters dated August 3, 2021 had communicated to the Company their inability to continue to hold office as joint Statutory Auditors of the Company as they had already completed the tenure of four financial years as on the date of coming into effect the RBI Guidelines and had communicated their intention to resign as the joint Statutory Auditors of the Company on conclusion of Extra-Ordinary General Meeting ("EGM") held by the Company on September 15, 2022 in compliance with the RBI Guidelines.

The Audit Committee and Board of Directors in their respective meetings held on August 3, 2021 took note of the said letters dated August 3, 2021 received from the previous joint Statutory Auditors and had passed resolutions to recommend to the Members of the Company for the approval of the appointment of M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai (ICAI Firm Registration No. 004207S) ("M/s. Sundaram & Srinivasan") and M/s. Khimji Kunverji & Co LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No. 105146W/ W-100621) ("M/s. Khimji Kunverji & Co LLP"), as new joint Statutory Auditors of the Company for three consecutive financial years ending March 31, 2022, March 31, 2023 and March 31, 2024 in compliance with the RBI Guidelines:

Accordingly and pursuant to Section 139(8)(i) of the Act, the Members of the Company appointed M/s. Sundaram & Srinivasan and M/s. Khimji Kunverji & Co LLP, as Joint Statutory Auditors of the Company at the Extra-Ordinary General Meeting held on September 15, 2021 to hold office from the conclusion of the EGM till the conclusion of this 43rd Annual General Meeting of the Company to conduct the audit of accounts of the Company for the Financial Year 2021-22.

Vide their respective letters dated April 18, 2022 and April 22, 2022, M/s. Sundaram & Srinivasan and M/s. Khimji Kunverji & Co LLP have confirmed that they continue to be eligible for appointment as joint Statutory Auditors for the Financial Years 2022-23 and 2023-24. They have also confirmed that they hold a valid peer review certificate as prescribed under Listing Regulations.

The Audit Committee and the Board of Directors recommends to the Members appointment of M/s. Sundaram & Srinivasan and M/s. Khimji Kunverji & Co LLP to continue as joint Statutory Auditors of the Company for a further term of two years in compliance with RBI guidelines to hold office from conclusion of this 43rd Annual General Meeting till the conclusion of 44th Annual General Meeting of the Company to conduct the audit of accounts of the Company for the Financial Year 2022-23 (Second Term) and from conclusion of 44th Annual General Meeting of the Company till the conclusion of 45th Annual General Meeting of the Company to conduct the audit of accounts of the Company for the Financial Year 2023-24 ("Third Term"). Approval of the Members is also being sought for fixation of remuneration of joint Statutory Auditors by Board of Directors of the

Company for the financial year 2022-23.

The Auditors' Report to the Members for the year under review does not contain any qualification, reservation or adverse remark.

SECRETARIAL AUDIT

Secretarial Audit Report pursuant to the provisions of Section 204 of the Companies Act, 2013 for the financial year 2021-22 issued by Mr. P. Sriram, Practicing Company Secretary (Certificate of Practice No.3310) (Membership No. FCS 4862) is annexed to this report as **Annexure-III.** 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 Vice Chairman & Managing Director and the Joint Managing Director & Chief Financial Officer on the Financial Statements of the Company for the year ended March 31, 2022 as submitted to the Board of Directors at their meeting held on April 28, 2022;
- the declaration by the Vice Chairman & Managing Director 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-IV.**

ACKNOWLEDGEMENT

The Board of Directors would like to place on record their gratitude for the guidance and co-operation extended by Reserve Bank of India and the other regulatory authorities. The Board takes this opportunity to express their 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

S. Lakshminarayanan

Mumbai | Chairman
April 28, 2022 | (DIN: 02808698)

ANNEXURE - I

REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2021 – 2022

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

   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').The Company's CSR policy is available on website of the company - https://bit.ly/3hgGqyW

   The details of the CSR activities undertaken can be accessed - https://bit.ly/3fbjkqx

2. The Composition of the CSR Committee:

Name of the Member	Category
Mr. Umesh Revankar - Chairman	Vice Chairman & Managing Director
Mr. S. Lakshminarayanan	Non Executive-Independent Director
Mr. Pradeep Kumar Panja	Non Executive-Independent Director

3. Average net profit of the company for last three financial years:- **Rs. 3,455.82 crores**
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): **Rs. 69.12 crores**
5. Details of CSR spent during the financial year 2021-22
   (a) Total amount spent in the financial year:- Rs. 69.72 crores
   (b) Amount unspent, if any:- Nil
   (c) Manner in which the amount spent during the financial year 2021-2022 is detailed below:-

Sr. No	Nature of Project	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1)Local area or other (2) Specify the State and district where projects or programs was undertaken		Amount outlay (budget) project or Programs Wise (Rs. in Crores)	Amount spent on the projects or Programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads: (Rs. in Crores)	Cumulative expenditure upto the reporting period (Rs. in Crores)	Amount spent: Direct or through implementing agency*
				State	District				
1	**Ongoing Project**	**Education**							
	Ongoing Project	Promoting Primary & Secondary education	Education	Pan India		17.30	17.47	17.47	Implementing Agency
	Ongoing Project	School Scholarship Scheme	Education	Pan India		10.00	11.83	11.83	Implementing Agency
	Ongoing Project	Higher Education Scholarship Scheme	Education	Pan India		1.00	1.18	1.18	Implementing Agency
	Ongoing Project	Promoting research in mathematics and computer science	Education	Tamilnadu	Chennai	5.00	5.00	5.00	Implementing Agency
	Ongoing Project	The Association of people with disability	Education	Karnataka	Bangalore	0.20	0.20	0.20	Implementing Agency

ANNEXURE - I

(Contd.)

Sr. No	Nature of Project	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1)Local area or other (2) Specify the State and district where projects or programs was undertaken		Amount outlay (budget) project or Programs Wise (Rs. in Crores)	Amount spent on the projects or Programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads: (Rs. in Crores)	Cumulative expenditure upto the reporting period (Rs. in Crores)	Amount spent: Direct or through implementing agency*
				State	District				
	Ongoing Project	Single Teacher School	Education	Tamilnadu	Chennai	1.00	1.00	1.00	Implementing Agency
2	**Ongoing Project**	**Training & Skill Development**							
	Ongoing Project	Drivers' Training Program	Training and skill development	Jharkhand, Madhya Pradesh, Tamil Nadu, Chhattisgarh, Gujarat & Maharashtra	Osmanabad, Jalna, Pune, Mumbai, Nashik, Ahmednagar, Chennai, Thanjavur, Raipur, Jamshedpur, Mahesana and Indore	10.00	10.23	10.23	Implementing Agency
3	**Ongoing Project**	**Preventive Health Care**							
	Ongoing Project	Mobile Medical Unit & Health Clinic	Preventive Health Care	Rajasthan, Maharashtra, Andhra Pradesh, Gujarat, Jharkhand Assam,West Bengal, Bihar,Odisha, Tamil Nadu, Karnataka	Jaipur, Mumbai, Visakhapatnam Nagpur, Vapi, Ranchi, Silchar, Guwahati Hooghly, Patna Bhubaneshwar, Chennai and Bangalore	7.25	7.26	7.26	Implementing Agency
	Ongoing Project	Blood donation -Indian Red Cross Society	Preventive Health Care	Maharashtra	Mumbai	0.21	0.22	0.22	Implementing Agency
	Ongoing Project	Covid-19	Preventive Health Care	Pan India		3.40	3.42	3.42	Direct
4	**Ongoing Project**	**Promotion & development of traditional arts**							
	Ongoing Project	Promotion of art & culture - The South India Club	Preservation of art,culture and heritage	New Delhi		10.00	10.00	10.00	Direct
	Other project	**Any Other Projects Permissable under CSR Rules**							

ANNEXURE - I

(Contd.)

Sr. No	Nature of Project	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1)Local area or other (2) Specify the State and district where projects or programs was undertaken		Amount outlay (budget) project or Programs Wise (Rs. in Crores)	Amount spent on the projects or Programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads: (Rs. in Crores)	Cumulative expenditure upto the reporting period (Rs. in Crores)	Amount spent: Direct or through implementing agency*
				State	District				
5	**Other project**	Miscellaneous expenses	Any Other Projects Permissable under CSR Rules	Maharashtra, Tamilnadu and Telangana	Mumbai, Chennai, Hyderabad	1.50	0.86	0.86	Direct
	Ongoing Project	Annai Charitable Trust	Education	Tamilnadu	Chennai	0.30	0.30	0.30	Direct
		Total				**67.16**	**68.97**	**68.97**	
		Overhead expenses				1.96	0.75	0.75	
		Grand Total				**69.12**	**69.72**	**69.72**	

*Shriram Seva Sankalp Foundation, Buddy4study, Chennai Mathematical Institute, Association of People with Disability, Single Teacher School, Terna Public Charitable Trust, DB Skills Foundation, Piramal Swasthya Management and Research Institute and Indian Red Cross Society were implementing agencies involved in the above projects.

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

   Not Applicable since the Company has spent Rs. 69.72 crores during the financial year 2021 -22 as against the prescribed CSR expenditure of Rs. 69.12 crores as per item 4 of this report.

7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company :

   The CSR Committee hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

For and on behalf of the Board of Directors
Umesh Revankar
Vice Chairman & Managing Director
(Chairman, CSR Committee)
(DIN :00141189)

Mumbai
April 28, 2022

REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2021 – 22

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	Vice Chairman & Managing Director	3	3
2	Mr. S. Lakshminarayanan	Non Executive-Independent Director	3	3
3	Mr. Pradeep Kumar Panja	Non Executive-Independent Director	3	3

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

   The Company's CSR policy is available on website of the Company **www.stfc.in**.

   https://cdn.stfc.in/common/List-of-Committees.pdf

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

   Not Applicable

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be setoff for the financial year, if any (in Rs)
1	2020-21	2.05 crores	Nil
2	2019-20	0.34 crores	Nil
	Total	2.39 crores	

6. Average net profit of the company as per section 135(5) :- **Rs. 3,455.82** crores

7. (a) Two percent of average net profit of the company as per section 135(5) :- **Rs. 69.12 crores**

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years :- **Nil**

   (c) Amount required to be set off for the financial year, if any :- **Nil**

   (d) Total CSR obligation for the financial year (7a+7b-7c) :- **Rs. 69.12 crores**

8. (a) 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 section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
69.72 crores	Nil	Not Applicable	Not Applicable	Nil	Not Applicable

8. (b) Details of CSR amount spent against ongoing projects for the financial year 2021-22

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 (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	No	Pan India		3years	17,30,00,000.00	17,46,97,991.00	Not Applicable	No	Shriram Seva Sankalp Foundation	CSR00001315
2	Ongoing project	School Scholarship Scheme	Education	No	Pan India		3years	10,00,00,000.00	11,82,96,890.00	Not Applicable	No	Shriram Seva Sankalp Foundation	CSR00001315
3	Ongoing project	Higher Education Scholarship Scheme	Education	No	Pan India		4years	1,00,00,000.00	1,18,26,922.00	Not Applicable	No	Buddy4Study Foundation	CSR00000121
4	Ongoing project	Promoting research in mathematics and computer science	Education	Yes	Tamilnadu	Chennai	3years	5,00,00,000.00	5,00,00,000.00	Not Applicable	No	Chennai Mathematical Institute	CSR00001760
5	On-going project	The Association of people with disability	Education	No	Karnataka	Bangalore	3years	20,00,000.00	20,18,987.00	Not Applicable	No	Association of People with Disability	CSR00001540
6	Ongoing project	Single Teacher School	Education	Yes	Tamilnadu	Chennai	3years	1,00,00,000.00	1,00,00,000.00	Not Applicable	No	Single Teacher School	CSR00001905
7	Ongoing project	Drivers' Training Program	Training and skill development/ Road Safety awareness Program	Yes	Jharkhand, Madhya Pradesh, Tamil Nadu, Chhattisgarh, Gujarat & Maharashtra	Osmanabad, Jalna, Pune, Mumbai, Nashik, Ahmednagar, Chennai, Thanjavur, Raipur, Jamshedpur, Mahesana and Indore	3years	10,00,00,000.00	10,23,43,155.00	Not Applicable	No	Terna DB Driver Training Institute DB Skills Foundation Shriram Seva Sankalp Foundation	CSR00001159 CSR00009307 CSR00001315
8	Ongoing project	Mobile Medical Unit & Health Clinic	Preventive Health Care	No	Rajasthan, Maharashtra, Andhra Pradesh, Gujarat, Jharkhand, Assam, West Bengal, Bihar, Odisha, TamilNadu, Karnataka	Jaipur, Mumbai, Visakhapatnam, Nagpur, Vapi, Ranchi, Silchar, Guwahati, Hooghly, Patna, Bhubaneshwar, Chennai and Bangalore	3years	7,25,00,000.00	7,25,76,193.00	Not Applicable	No	Piramal Swasthya Management & Research Institute & Shriram Seva Sankalp Foundation	CSR00000217 & CSR00001315
9	Ongoing project	Blood donation -Indian Red Cross Society	Preventive Health Care	No	Maharashtra	Mumbai	3years	21,00,000.00	21,71,722.00	Not Applicable	No	Indian Red Cross Society	CSR00002083
10	Ongoing project	Covid-19	Preventive Health Care	No	Pan India		2years	3,40,00,000	3,41,67,130	Not Applicable	Yes	Direct	Not Applicable
11	Ongoing project	Promotion of art & culture - The South India Club	Preservation of art,culture and heritage	No	New Delhi		3years	10,00,00,000	10,00,00,000.00	Not Applicable	Yes	Direct	Not Applicable
	Total (a)							**65,36,00,000**	**67,80,98,990.00**				

8. (c) **Details of CSR amount spent against other than ongoing projects for the financial year 2021-22**

Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project		Amount spent for the project (in Rs.)	Mode of Implementation -Direct (Yes/No)	Mode of Implementation -Through Implementing agency	
				State	District			Name	CSR Registration Number
1	Miscellaneous expenses	Any Other Projects Permissable under CSR Rules	Yes	Maharashtra, Tamilnadu and Telangana	Mumbai, Chennai, Hyderabad	80,87,386.00	Yes	Direct	Not Applicable
i	Annai Charitable Trust	Education	Yes	Tamilnadu	Chennai	30,00,000.00	Yes	Direct	Not Applicable
	Total (b)					**1,10,87,386.00**			
	Total (a+b)					**68,91,86,376.00**			

(d) Amount spent in Administrative Overheads Rs. 74,63,223.00

(e) Amount spent on Impact Assessment, if applicable Rs. 5,62,500.00

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) Rs. 69,72,12,099.00

(g) 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 Section 135(5)	69.12 crores
ii)	Total amount spent for the Financial Year	69.72 crores
iii)	Excess amount spent for the financial year [(ii)-(i)]	0.60 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)]	0.60 crores

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

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (in Rs.)	Amount spent in the reporting Financial Year (Rs. in crores)	Amount transferred to any fund specified under Schedule VII as per section 135(6) , if any			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the fund	Amount (in Rs.)	Date of transfer	
1	2020 - 21	Nil	64.96	Not Applicable	Nil	Not Applicable	Nil
2	2019 - 20	Nil	53.16	Not Applicable	Nil	Not Applicable	Nil
3	2018 - 19	Nil	40.05	Not Applicable	Nil	Not Applicable	Nil
	Total		158.17				

ANNEXURE - I

(Contd.)

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

1	2	3	4	5	6	7	8	9
Sr. No.	**Project ID**	**Name of the Project**	**Financial Year in which the project was commenced**	**Project duration**	**Total amount allocated for the project (Rs. in crores)**	**Amount spent on the project in the reporting Financial year (Rs. in crores)**	**Cumulative amount spent at the end of the reporting financial year (Rs. in crores)**	**Status of the project (Completed/ Ongoing)**
1	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
2	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
3	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

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

(a)	Date of creation or acquisition of the capital asset(s).	Not Applicable
(b)	Amount of CSR spent for creation or acquisition of capital asset.	Not Applicable
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Not Applicable
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	Not Applicable

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

Not Applicable since the Company has spent Rs. 69.72 crores during the financial year 2021 -22 as against the prescribed CSR expenditure of Rs. 69.12 crores.

For and on behalf of the Board of Directors
Umesh Revankar
Vice Chairman & Managing Director
(Chairman, CSR Committee)
(DIN :00141189)

Mumbai
April 28, 2022

Details Pertaining to Remuneration as required under section 197(12) of the Companies Act 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) **(a) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company and the percentage increase in remuneration of each Director for the Financial year 2021-22:-**

Name of Independent Directors	Category	*Remuneration for FY 2020-21 (Rs. in crs)	*Remuneration for FY 2021-22 (Rs. in crs)	% Increase in Remuneration in FY 2021-22	Ratio of Remuneration of each Director to Median Remuneration of Employees
(i)	(ii)	(iii)	(iv)	(v)= (iv)- (iii)	(vi)
Mr. S. Lakshminarayanan Chairman	Non-Executive	0.10	0.20	100	5.85x
Mrs. Kishori Udeshi	Non-Executive	0.10	0.20	100	5.85x
Mr. S. Sridhar	Non-Executive	0.10	0.20	100	5.85x
Mr. Pradeep Kumar Panja	Non-Executive	0.10	0.20	100	5.85x

*Excludes Sitting fees. The Independent directors are entitled to Sitting fees and commission 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.

(b) The percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and Company Secretary in the Financial year 2021-22:-

Name of KMP	Category	Remuneration for FY 2020-21 (Rs. in crs)	Remuneration for FY 2021-22 (Rs. in crs)	% Increase in Remuneration in FY 2021-22	Ratio of Remuneration of each Director to Median Remuneration of Employees
*Mr. Umesh Revankar	Vice Chairman & Managing Director	0.97	1.36	41.18	39.91
Mr. Parag Sharma	Joint Managing Director & Chief Financial Officer	0.57	0.72	27.43	Not Applicable
Mr. Vivek Achwal	Company Secretary	0.48	0.57	17.84	Not Applicable

* (The above figures do not include post-retirement benefits.)

I. In the Financial year 2021-22, there was an increase of 16.45 % in the median remuneration of the employees

II. There were 24,637 permanent employees on the role of Company as on March 31, 2022.

III. For employees other than Managerial Personnel who were in employment for whole of the Financial Year 2020-21 and Financial Year 2021-22, the average increase in the remuneration was 19.99 %.The average increase in remuneration for Managerial Personnel in Financial year 2021-22 was 10.43% .

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.

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FINANCIAL YEAR ENDED 31ST MARCH, 2022

[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 Transport Finance Company 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 Transport Finance Company 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 authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has during the audit period covering the financial year ended on 31st March 2022, 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 31st March 2022 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 Debt Securities) Regulations, 2008;
    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.

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

10) Lending in Foreign Currency by Authorised Dealers and Persons other than Authorised Dealers as amended.

11) Master Direction - Information Technology Framework for the NBFC Sector

12) Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016.

13) 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 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) Issuance and allotment of Equity shares for an aggregate amount of Rs. 1999.998 crores to the Qualified Institutional Buyers (QIBs) on 12 June, 2021.

(ii) Issuance and allotment of 17,36,100 Equity Shares for an aggregate amount of Rs. 249.998 crores on a Preferential Basis to the promoter of the company on 08 July, 2021.

(iii) Issuance and allotment of Warrants Convertible into Equity Shares for an aggregate amount of Rs. 249.998 crores on a Preferential Basis to the promoter of the company on 25 November, 2021.

(iv) During the period under review, the Board of Directors of the company in its meeting held on December 13, 2021 has approved the Composite scheme of Arrangement and Amalgamations ("Scheme") involving amalgamation of Shriram Capital Limited (SCL) (with its remaining Undertaking) and Shriram City Union Finance Limited (SCUF) subject to the approval of regulatory authorities, shareholders and creditors. The Scheme provides for:

i. The amalgamation of Shrilekha Business Consultancy Private Limited (SBCPL) into Shriram Capital Limited (SCL);

ii. The demerger of Financial services undertaking, Life Insurance Undertakings and General Insurance Undertakings of Shriram Capital Limited (SCL) and amalgamation of Shriram Capital Limited (SCL) (with its remaining undertaking and investments) with the Company. The amalgamation of Shriram City Union Finance Limited (SCUF) with the Company.

(v) During the period under review, the Board of Directors of the company in its meeting held on December 13, 2021 has approved the change of name and main object clause of the memorandum of association of the company subject to the approval of the scheme by the Hon'ble Tribunals.

(vi) 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 04 March 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 Lakh) 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 4, 2020 before the High Court of Madras, requesting, interalia, for a stay of the order dated March 4, 2020. On July 1, 2020, the Hon'ble High Court of Madras has admitted the Company's writ petition challenging the order dated March 04, 2020 of the Directorate of Enforcement (ED) and granted conditional stay order with the direction to the Company to deposit 25% of the penalty amount in the Court and the three directors to deposit 10% of their respective penalty amounts. The Company & three directors has deposited the amount with the Hon'ble Madras High Court.

(a) The Deputy Legal Adviser, Enforcement Directorate had filed an appeal dated October 6, 2020 before the Hon'ble Appellate Tribunal for Foreign Exchange, New Delhi ("Appellate Tribunal") against the said order dated March 4, 2020 of the Special Director of Enforcement to seek appropriate legal remedy.

(b) The company and three Directors on March 6, 2021 had received demand notices issued by Enforcement Directorate dated February 24, 2021, referring to its order of March 4, 2020 stating that payment has not been made as per the terms of the said order. The Company and three directors had provided their response on March 11, 2021 to the said demand notice pointing out that the said Order has already been stayed by the Hon'ble Madras High Court. The Company requested the Deputy Legal Advisor, Enforcement Directorate to withdraw his Demand Notice.

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.

P. Sriram
P. Sriram & Associates
FCS No. 4862/C P No: 3310
UDIN: F004862D000212993
PEER REVIEW NO: S2011TN155200

Place: Chennai
Date: 28.04.2022

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 Transport Finance Company 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.

(P.Sriram)
P. Sriram & Associates
FCS No. 4862/C P No: 3310
UDIN: F004862D000212993
PEER REVIEW NO: S2011TN155200

Place: Chennai
Date: 28.04.2022

ANNEXURE - IV

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

To
The Members
Shriram Transport Finance Company Limited

1. This Certificate is issued in accordance with the terms of our engagement letter dated September 27, 2021.
2. We have examined the compliance of conditions of Corporate Governance by Shriram Transport Finance Company Limited ('the Company'), for the year ended March 31, 2022, 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, 2022.
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
Partner
Membership Number: 217914
UDIN: 22217914AIUHQP2656

Place: Mumbai
Date: April 28, 2022

Report on Corporate Governance

The Report for the financial year ended March 31, 2022 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 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 Vice Chairman and Managing Director, who functions 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, Vice Chairman & Managing Director 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. During the year under review, no Independent Director of the Company resigned before the expiry of their tenure.

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. The financial results were generally tabled at the Board meeting held as and when necessary. The Board reviews and approves quarterly/ half-yearly unaudited financial results and the audited annual 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 Board Meeting. In view of COVID-19 pandemic and need for adherence of social distancing norms, majority of the Board and Committee meetings and 42nd Annual General Meeting of the Company were held during the financial year through video conferencing ("VC") or other audio-visual means ("OAVM") as permitted by the Ministry of Corporate Affairs and SEBI. The calendar of the Board meetings was finalized in advance.

During the year under review, ten meetings of the Board of Directors were held on April 29, 2021, June 07, 2021, June 12, 2021,June 24, 2021, July 30, 2021, August 03, 2021, October 29, 2021, December 13, 2021, January 24, 2022 and March 05, 2022. During the financial year the Board of Directors also passed some resolutions by circulation on May 25, 2021 and January 28, 2022. The necessary quorum was present for all the meetings.

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, 2022, 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	Whether attended the last AGM held on June 24, 2021	Total no. of Directorships	Member-ships in Audit / Stakeholders Relationship Committee	Chairmanships in Audit / Stakeholders Relationship Committee	Category of directorship and Names of listed entities where person is a director
Mr. S Lakshminarayanan Chairman Non-Executive Independent Director DIN: 02808698	10	Yes	4	3	2	Chairman Non-Executive Independent Director Cartrade Tech Limited
Mr. Umesh Revankar, Executive, Vice Chairman and Managing Director DIN: 00141189	10	Yes	6	3	0	Non-Executive and Non-Independent Director Shriram City Union Finance Limited
Mrs. Kishori Jayendra Udeshi Non-Executive Independent Director DIN: 01344073	9	Yes	8	4	2	Non-Executive Independent Director 1. ION Exchange (India) Limited; 2. HALDYN Glass Limited; 3. Thomas Cook (India) Limited; 4. ELANTA S Beck India Limited; 5. Kalyan Jewellers India Limited; and 6. Cartrade Tech Limited

Name of the Director and Category of Directorship	No. of Board Meetings attended during the F.Y. 2022	Whether attended the last AGM held on June 24, 2021	Total no. of Directorships	Member-ships in Audit / Stakeholders Relationship Committee	Chairmanships in Audit / Stakeholders Relationship Committee	Category of directorship and Names of listed entities where person is a director
Mr. Ignatius Michael Viljoen Non-Executive and Non-Independent Director DIN: 08452443	10	Yes	1	0	0	Non-Executive and Non-Independent Director Shriram City Union Finance Limited
Mr. Sridhar Srinivasan Non-Executive Independent Director DIN: 00004272	10	Yes	9	1	4	Non-Executive and Independent Director 1. Jubilant Pharmova Limited; 2. Strides Pharma Science Limited; and 3. Go Fashion (India) Limited.
Mr. D. V. Ravi Non-Executive Non-Independent Director DIN:00171603	8	Yes	2	0	0	Nil
Mr. Pradeep Kumar Panja Non-Executive Independent Director DIN: 03614568	10	Yes	4	2	1	Non-Executive Independent Director 1. Brigade Enterprises Limited; and 2. The Karnataka Bank Limited.
Mr. Y. S. Chakravarti Non-Executive and Non-Independent Director (DIN 00052308) (#)	2	No	2	1	0	Managing Director & CEO Shriram City Union Finance Limited
Mr. Parag Sharma Executive,(whole-time director) designated as Joint Managing Director and Chief Financial Officer (DIN 02916744) ($)	3	No	0	0	0	NIL

Notes:

1. In the above table, the total number of Directorships of a Director excludes his/her Directorships in the Company, Section 8 Company, Private Limited Companies and Foreign Companies
2. The Memberships and Chairmanships of Directors in Committees do not include their Memberships and Chairmanships in the Company.
3. None of the above Directors are related inter- se.
4. Non-Executive Directors of the Company do not hold any shares and convertible instruments in the Company.
5. (#) Mr. Y. S. Chakravarti is appointed as an Additional director with effect from December 13, 2021, subject to approval of shareholders in the ensuing AGM.
6. ($) Mr. Parag Sharma, Joint Managing Director and Chief Financial Officer of the Company, has been appointed as an Additional Director and also as Whole-Time Director designated as Joint Managing Director and Chief Financial Officer of the Company with effect from December 13, 2021. His tenure of Whole-Time Directorship will be for a period of five years up to December 12, 2026, subject to approval of shareholders in the ensuing AGM.

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 give 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. S Lakshminarayanan Chairman, Independent Director	✓	✓	✓	✓	✓	✓	✓
Mr. Umesh Revankar Vice Chairman & Managing Director	✓	✓	✓	✓	✓	✓	✓
Mrs. Kishori Jayendra Udeshi Independent Director	✓	✓	✓	✓	✓	✓	
Mr. Sridhar Srinivasan Independent Director	✓	✓	✓	✓	✓	✓	✓
Mr. Pradeep Kumar Panja Independent Director	✓	✓	✓	✓		✓	✓
Mr. D. V. Ravi Non-Executive and Non-Independent Director	✓	✓	✓	✓	✓	✓	✓
Mr. Ignatius Michael Viljoen Non-Executive and Non-Independent	✓	✓		✓	✓		
Mr. Parag Sharma Joint Managing Director And Chief Financial Officer	✓	✓	✓	✓	✓	✓	✓
Mr. Y. S. Chakravarti Non-Executive and Non-Independent Director	✓	✓	✓	✓	✓	✓	✓

The brief profiles of Directors are also available on the website of the Company https://www.stfc.in/about-us/board-of-director/

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 December 13, 2021 and March 17, 2022 without the presence of non-independent directors and members of senior management. The independent directors reviewed the draft Composite Scheme of Arrangement and Amalgamation between Companies in Shriram Group in its meeting held on December 13, 2021 and recommended to the Board.In its meeting held on March 17, 2022, the independent directors reviewed performance of non- independent directors, performance of Board as a whole, performance of Chairman and every individual director. 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.

FAMILIARIZATION PROGRAMME

Pursuant to Regulation 25(7) of the Listing Regulations, the Company has put in place a system to familiarize its Independent Directors about the Company, its financial products, the industry and business model of the Company. During the Financial Year 2021-22, the independent directors were updated from time to time on continuous basis on the significant changes in the regulations, duties and responsibilities of Independent Directors under the Companies Act 2013 and SEBI regulations. The Company conducted 14 programs/meetings during the financial year 2021-22 and the time spent by Independent Directors was in the range of 10.25 hours. The cumulative programs / meetings conducted till date were 58 and the time spent by Independent Directors was in the range of 48-50 hours. Pursuant to Regulation 46 of Listing Regulations the details of Familiarization Programme is uploaded on the Company's website at the web link: https://bit.ly/3m1U0XP.

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.

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

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 to review and approve such transactions.
12. Scrutiny of inter-corporate loans and investments.
13. Valuation 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. Carrying 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, eight meetings were held on April 29, 2021, July 14, 2021, July 30, 2021, August 03, 2021, October 29, 2021, December 13, 2021,Janurary 24,2022 and March 5,2022. 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

Name of the Member	Status	No. of Meetings Attended
Mr. S. Sridhar	Chairman	8
Mrs. Kishori Udeshi	Member	7
Mr. Pradeep Kumar Panja	Member	8
Mr. S Lakshminarayanan	Member	8
Mr. Y S Chakravarti (*)	Member	0

(*) Mr. Y S Chakravarti, has been appointed as Non-Executive and Non-Independent Director by the Board of Directors in its meeting held on December 13,2021 and as a member of Audit Committee from March 05, 2022.

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

On March 05, 2022 the Committee held separate one-to-one meeting with the Joint Statutory Auditors but without the presence of other 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:

1. 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, Key Managerial Personnel 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 incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
2. 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 and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors.
3. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
4. To determine whether to extend or continue the term of appointment of the Independent Director, Managing Director and Key Managerial Personnel 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 thereto.
5. To recommend to the Board, all remuneration, in whatever form, payable to Senior Management Personnel.
6. 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.
7. Formulation of Succession policy and Succession plan for Vice Chairman and Managing Director, Key Managerial personnel and Senior Management Personnel.

During the year, the Committee met three times on April 28, 2021, October 26, 2021 and December 13, 2021. During the financial year the NRC Committee also passed a resolution by circulation on October 27, 2021 recommended to the Board appointment of certain senior management personnel designated as key managerial personnel.

The necessary quorum was present for all the meetings.

Composition

Name of the Member	Status	No. of Meetings Attended
Mrs. Kishori Udeshi	Chairperson	2
Mr. S. Lakshminarayanan	Member	3
Mr. Pradeep Kumar Panja	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 INDEPENDENT DIRECTORS

Independent Directors of the Company were paid sitting fees Rs. 1,00,000/-for every meeting of Board, Rs. 50,000/-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.

No sitting fees are paid to Non-Independent Directors. Equal commission is being paid to all Independent Directors. The shareholders of the Company in their 38th Annual General Meeting held on June 29, 2017 have approved payment of commission to Independent Directors subject to the statutory limits. The Board on April 28, 2022 had approved Rs 20,00,000-/- (Rupees Twenty lacs only) as commission to be paid to each Independent Directors for the financial year ended March 31, 2022.

REMUNERATION OF VICE CHAIRMAN & MANAGING DIRECTOR:

Refer Remuneration Policy uploaded on the Company's website **https://bit.ly/3rsADup .**

The details of sitting fees/remuneration paid to the Directors during the year 2021- 2022 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. S. Lakshminarayanan (Chairman)	21,00,000	-	20,00,000	**41,00,000**
2	Mr. Umesh Revankar (Vice Chairman & Managing Director)		1,36,37,016	-	**1,36,37,016**
3	Mrs. Kishori Udeshi	16,35,000	-	20,00,000	**36,35,000**
4	Mr. Pradeep Kumar Panja	17,50,000	-	20,00,000	**37,50,000**
5	Mr. Ignatius Michael Viljoen	-	-	-	-
6	Mr. Sridhar Srinivasan	19,70,000	-	20,00,000	**39,70,000**
7	Mr. D. V. Ravi	-	-	-	-
8	Mr. Parag Sharma (*) w.e.f December 13, 2021	-	72,36,154	-	**72,36,154**
9	Mr. Y. S. Chakravarti (*)w.e.f December 13, 2021	-	-	-	-
GST on sitting fees paid to the Directors		6,70,950		-	**6,70,950**

Notes:

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

Mr. Umesh Revankar, Vice Chairman & Managing Director is appointed for a period of 5 years with effect from October 26, 2019. His remuneration includes salary of Rs. 1,21,85,016/-, contribution to Provident Fund and NPS is Rs. 7,92,000/- and Rs. 6,60,000/- respectively. The appointment may be terminated by giving three months' notice in writing or salary in lieu thereof. No severance fees are payable on termination of employment.

Mr. Parag Sharma, Joint Managing Director and Chief Financial Officer of the Company, has been appointed as an Additional Director and also as Whole-Time Director designated as Joint Managing Director and Chief Financial Officer of the Company with effect from December 13, 2021. His tenure of Whole-Time Directorship will be for a period of five years upto December 12, 2026, subject to approval of shareholders in the ensuing 43rd AGM. His total remuneration for financial year 2021-22 was Rs. 72,36,154/- out of which Rs. 24,34,983/- remuneration was paid for his appointment as Whole Time Director during the period December 13, 2021 to March 31, 2022.

The annual increment of Mr. Umesh Revankar, Vice Chairman & Managing Director and Mr. Parag Sharma, Joint Managing Director and Chief Financial Officer is decided by the NRC Committee and the Board of Directors based on their performance evaluation.

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:

1. 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.
2. 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.
3. Attending to complaints of security holders routed by SEBI (SCORES)/Stock Exchanges/RBI or any other Regulatory Authorities.
4. 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.
5. To monitor transfer of the amounts/shares transferable to Investor Education and Protection Fund.
6. To list the securities of the Company on Stock Exchanges.
7. Review of measures taken for effective exercise of voting rights by shareholders.
8. 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.
9. 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.
10. Any other matters that can facilitate better investor services and relations.

During the year, the Committee met two times on October 27, 2021 and January 13, 2022. The necessary quorum was present for the meetings.

Composition

Name of the Member	Status	No. of Meetings Attended
Mr. S. Lakshminarayanan	Chairman	2
Mr. Umesh Revankar	Member	2
Mr. Pradeep Kumar Panja	Member	2
Mrs. Kishori Udeshi	Member	2

Note: Mr. Vivek Achwal, 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	Non-Convertible Debentures
Complaints pending as on April 1, 2021	Nil	Nil
Complaints received during the period April 01, 2021 to March 31,2022.	6	2
Complaints identified and reported under Regulation 13(3) of SEBI (LODR) Reg. 2015.	6	2
Complaints disposed of during the year ended March 31, 2022.	6	2
Complaints unresolved as of March 31, 2022.	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. CSR Committee will monitor the spend on CSR activities by the Company as well as ensure that the Company spends at least 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.

During the year under review, the Committee met three times on April 28,2021, October 27, 2021 and March 17, 2022. The necessary quorum was present for all the meetings.

Composition

Name of the Member	Status	No. of Meetings Attended
Mr. Umesh Revankar	Chairman	3
Mr. S. Lakshminarayanan	Member	3
Mr. Pradeep Kumar Panja	Member	3

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. Review of 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 three times on June 01,2021, October 27, 2021 and March 17, 2022. The necessary quorum was present for all the meetings.

Composition

Name of the Member	Status	No. of Meetings Attended
Mr. Umesh Revankar	Chairman	3
Mr. S. Sridhar	Member	3
Mr. D. V. Ravi	Member	3
Mr. S. Sunder	Member	3

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 30, 2021, August 03, 2021, October 30, 2021 and January 27, 2022. The necessary quorum was present for all the meetings.

Composition

Name of the Member	Status	No. of Meetings Attended
Mr. Umesh Revankar	Chairman	4
Mrs. Kishori Udeshi	Member	4
Mr. S. Lakshminarayanan	Member	4
Mr. Parag Sharma	Member	4
Mr. Hardeep Singh (*)	Member	1

(*) Mr. Hardeep Singh, Chief Risk Officer, has been appointed as a member of the Committee with effect from January 24, 2022.

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 etc. and proving Bank Guarantee.
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.
9. Monitoring asset coverage of the loan and issuance of NOC and release of security.
10. Give confirmation to Bank in respect of loans availed through Acknowledgement of Debt.
11. Apply for any license/Affiliation for business purpose.
12. Entering into Service Provider Agreement for Electronic Toll collection programme.
13. To authorise 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 submit documents undertaking, affidavits, papers etc.
14. To authorize official 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 Scheme;
17. Availing 'Corporate Internet Banking', Payment & Collection Services, online viewing facility, E-commerce–payment gateway Merchant Account from Banks.
18. Authorization to procure Digital Signature Certificates from eMudhra Limited/NSEIT Limited.
19. Authorization to create the Login ID with CERSAI (Central Registry of Securitisation 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.

The Committee meets regularly to discharge its functions. During the year under review, the Committee met 99 times. The necessary quorum was present for all the meetings

Composition

Name of the Member	Status	No. of Meetings Attended
Mr. Umesh Revankar	Chairman	98
Mr. Parag Sharma	Member	99
Mr. S. Sunder	Member	98

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 11, 2021 and December 8, 2021 . The necessary quorum was present for the meeting.

Composition

Name of the Member	Status	No. of Meetings Attended
Mr. S. Sridhar	Chairman	2
Mr. Umesh Revankar	Member	2
Mr. Gayadhar Behera	Member	2
Mr. Balasundara Rao	Member	2
Mr. Prashant Deshpande	Member	2

ENVIRONMENTAL AND SOCIAL GOVERNANCE COMMITTEE

Terms of reference

The terms of reference of the Environmental and Social Governance Committee (ESG) 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 28, 2021 and January 13, 2022.

The necessary quorum was present for the meeting.

Composition

Name of the Member	Status	No. of Meetings Attended
Mr. S. Lakshminarayanan	Chairman	2
Mrs. Kishori Udeshi	Member	2
Mr. Umesh Revankar	Member	2
Mr. Parag Sharma	Member	2
Mr. S.Sunder	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
2018-19	40th AGM	Narada Gana Sabha (Main Hall), No.314, TTK Road, Alwarpet, Chennai - 600 018	June 27, 2019 at 10.30 A.M	(i) To re-appoint Mr. S. Lakshminarayanan (DIN 02808698) as an Independent Director of the Company for a second term of five consecutive years commencing from January 24, 2020 to January 23, 2025 and (ii) To re-appoint Mr. S. Sridhar (DIN 00004272) as an Independent Director of the Company for a second term of five consecutive years commencing from October 20, 2019 to October 19, 2024.
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/ securitize receivables, (ii) To approve conversion of loan into equity or other capital of the Company in case of Event of Default and (iii) To authorize capital raising through issuance of Equity Shares and/or other Eligible Securities.
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	To renew authorization for raising capital through issuance of Equity Shares and/or other Eligible Securities with an enhanced limit upto Rs.4,000 crores

There is no proposal to pass any special resolution, at the ensuing 43rd AGM to be held on June 23, 2022

(ii) Extraordinary General Meeting (EGM):

During the Financial year ended March 31,2022 two EGM of the shareholders of the Company were held on July 7,2021 and September 15,2021 to transact the following business:

Year	Location	Date & Time	Details of Resolutions passed
2021-22	The Company conducted the EGM through video conferencing(VC) /other Audio visual means (OAVM) pursuant to the MCA and SEBI circulars.	July 07, 2021 at 2.00 P.M	(i) Special Resolution - To Issue of Equity Shares on a Preferential Basis to the Promoter of the Company. (ii) Special Resolution - To Issue Warrants convertible into Equity Shares to Shriram Capital Limited (Promoter of the Company) on a Preferential Basis.
2021-22	The Company conducted the EGM through video conferencing(VC) /other Audio visual means (OAVM) pursuant to the MCA and SEBI circulars.	September 15, 2021 at 2.00 P.M	(i) Ordinary Resolution - To Change in joint Statutory Auditors and payment of remuneration to them for the financial year ending March 31, 2022.

The procedure for Postal Ballot /electronic voting (e-voting) for aforesaid special resolution is mentioned in the said postal ballot notice.

2. Renewal of limit to issue debentures on private placement basis by the Board - January 28, 2021

The details of voting pattern of the Special Resolution passed through Postal Ballot - 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	21,28,63,046	20,97,77,724	98.55	30,85,322	1.45
Votes cast through Physical Mode	0	0	0	0	0
Total	**21,28,63,046**	**20,97,77,724**	**98.55**	**30,85,322**	**1.45**

All the Resolutions were passed by the shareholders with requisite majority

(iii) Postal Ballot

1. Pursuant to the special resolution passed by shareholders with requisite majority on March 6,2022 through postal ballot notice dated January 24, 2022 for: Renewal of limit to issue debentures on private placement basis by the Board pursuant to Section 42, Section 71 and other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities)Rules ,2014. The Board of Directors on January 24, 2022 had appointed Mr. P. Sriram (Membership No. FCS 4862), Practising Company Secretary (PCS No. 3310) and failing him Ms. Nithya Pasupathy (Membership No. FCS 10601), Practising Company Secretary (PCS No. 22562) of SPNP & Associates, Chennai as the scrutinizer to scrutinize the E-voting/Postal Ballot process in a fair and transparent manner. The postal ballot results were declared on March 8, 2022.

The details of voting pattern of the Special Resolution passed through Postal Ballot - 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	238997188	235960517	98.73	3036671	1.27
Votes cast through Physical Mode	0	0	0	0	0
Total	**238997188**	**235960517**	**98.73**	**3036671**	**1.27**

Special Resolution was passed by shareholders with requisite majority.

2. Cancellation of 6,141 equity shares of face value of Rs.10/- each not taken or agreed to be taken by any person from the Issued Share Capital of the Company

Pursuant to the ordinary resolution passed by the shareholders with requisite majority on March 6, 2022 through Postal Ballot Notice dated January 24, 2022, 6,141 Equity shares of face value of Rs. 10/- each not taken/agreed to be taken by any person in the Rights Issue of the Company made in the year 1995 were cancelled from the Issued Share Capital of the Company. Accordingly, the Issued, Subscribed and Paid up Equity Share Capital of the Company stood at Rs. 2,705,197,130 consisting of 270,519,713 fully paid-up equity shares of face value of Rs.10/- each as on March 31, 2022.

The procedure for Postal Ballot /electronic voting (e-voting) for aforesaid special resolution is 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. D&CC/FITT C/Cir-16/2002 dated December 31, 2002 and SEBI Circular No. CIR/MRD/DP/30/2010, 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 VICE CHAIRMAN & MANAGING DIRECTOR AND JOINT MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER

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

MEANS OF COMMUNICATION

The Board recognizes 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 (Business Standard, Financial Express) and Tamil newspaper (Makkal Kural). 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://bit.ly/39mGsPO

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, who have registered their email ids. Our Company does online filing with National Stock Exchange of India Ltd (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 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.

GENERAL SHAREHOLDER INFORMATION

43RD Annual General Meeting

Particulars		As on March 31, 2022
a.	Day and Date	Thursday, June 23, 2022
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 43RD AGM.
d.	Financial Year	2021-2022
e.	Dividend Payment Date	The Board of Directors had declared two interim dividends for the Financial Year 2021-22 first interim dividend of Rs.8/- per equity share of Rs.10/- each fully paid-up (80%) at its meeting held on October 29, 2021 and second interim dividend of Rs.12/- per equity share of Rs.10/- each fully paid up (120%) at its meeting held on March 5, 2022. The Board of Directors have not recommended final dividend. The interim dividend shall be the final dividend for the financial year 2021-22. The total dividend for the financial year 2021-22 is Rs.20/- per share (i.e.200%) already paid to the eligible members on Record dates.

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 2022 – 2023 to the Stock Exchanges and Depositories.
g.	Stock Code	
	BSE Limited	511218
	National Stock Exchange of India Limited	SRTRANSFIN
	Singapore Exchange Securities Trading Limited,	**USD Bonds :-** XS1953982086, US825547AA08 USY7758EEC13.
	India International Exchange (IFSC) Limited	**Social Bonds :-** US825547AC63 USY7758EEF44
	NSE IFSC Limited	US825547AD47 USY7758EEG27
	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 8, 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 NSE and BSE. The ISIN details for 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	12/07/2018	12/07/2023
Secured NCDs (Series II)	INE721A07NU1	BSE - 936230 NSE – YI	(**) (AI##) 9.03% p. a.	MONTHLY	12/07/2018	12/07/2028
Secured NCDs (Series IV)	INE721A07NW7	BSE - 936234 NSE – YK	(**) (AI##) 9.30% p. a.	ANNUAL	12/07/2018	12/07/2023
Secured NCDs (Series V)	INE721A07NX5	BSE - 936236 NSE – YL	(**) (AI##) 9.40% p. a.	ANNUAL	12/07/2018	12/07/2028
Secured NCDs (Series VII)	INE721A07NZ0	BSE - 936240 NSE – YN	NA Cumulative	(*@##)	12/07/2018	12/07/2023
NCD 8 - Tranche 2 (October 2018)						
Secured NCDs (Series I)	INE721A07OB9	BSE - 936324 NSE - YO	(**) 9.12% p. a.	MONTHLY	02/11/2018	02/11/2023
Secured NCDs (Series II)	INE721A07OC7	BSE - 936326 NSE - YP	(**) 9.30% p. a	MONTHLY	02/11/2018	02/11/2028
Secured NCDs (Series IV)	INE721A07OE3	BSE - 936330 NSE - YR	(**) 9.50% p. a	ANNUAL	02/11/2018	02/11/2023
Secured NCDs (Series V)	INE721A07OF0	BSE - 936332 NSE - YS	(**) 9.70% p. a	ANNUAL	02/11/2018	02/11/2028
Secured NCDs (Series VII)	INE721A07OH6	BSE - 936336 NSE - YU	NA Cumulative	(RM##) (SC****)	02/11/2018	02/11/2023

Security Description	ISIN	Codes in Stock Exchanges	Coupon (%) p.a.	Coupon Duration and Interest Payable	Date of Allotment	Maturity Dates
NCD 8 - Tranche 3 (December 2018)						
Secured NCDs (Series I)	INE721A07OM6	BSE - 936452 NSE – YV	(**) 9.12% p.a.	MONTHLY	06/02/2019	06/02/2024
Secured NCDs (Series II)	INE721A07ON4	BSE - 936454 NSE – YW	(**) 9.30% p.a.	MONTHLY	06/02/2019	06/02/2029
Secured NCDs (Series IV)	INE721A07OP9	BSE - 936458 NSE – YY	(**) 9.50% p. a.	ANNUAL	06/02/2019	06/02/2024
Secured NCDs (Series V)	INE721A07OQ7	BSE - 936460 NSE – YZ	(**) 9.70% p. a.	ANNUAL	06/02/2019	06/02/2029
Secured NCDs (Series VII)	INE721A07OS3	BSE - 936464 NSE - Z2	NA Cumulative	(RM##) (SC****)	06/02/2019	06/02/2024
NCD 9 - Tranche 1 (July 2019)						
Secured NCDs (Series I)	INE721A07OY1	BSE – 936780 NSE - Z3	(**) 9.12% p. a.	MONTHLY	22/08/2019	22/02/2023
Secured NCDs (Series II)	INE721A07OZ8	BSE – 936782 NSE – Z4	(**) 9.22% p.a.	MONTHLY	22/08/2019	22/08/2024
Secured NCDs (Series III)	INE721A07PA8	BSE – 936784 NSE – Z5	(**) 9.31% p.a.	MONTHLY	22/08/2019	22/08/2026
Secured NCDs (Series V)	INE721A07PC4	BSE – 936788 NSE – Z7	(**) 9.50% p.a.	ANNUAL	22/08/2019	22/02/2023
Secured NCDs (Series VI)	INE721A07PD2	BSE – 936790 NSE – Z8	(**) 9.60% p.a.	ANNUAL	22/08/2019	22/08/2024
Secured NCDs (Series VII)	INE721A07PE0	BSE - 936792 NSE – Z9	(**) 9.70% p.a.	ANNUAL	22/08/2019	22/08/2026
Secured NCDs (Series VIII)	INE721A07PF7	BSE - 936794 NSE - ZA	NA Cumulative	(RM%) (SC%)	22/08/2019	22/02/2023
Secured NCDs (Series IX)	INE721A07PG5	BSE – 936796 NSE – ZB	NA Cumulative	(RM%) (SC%)	22/08/2019	22/08/2024
Secured NCDs (Series X)	INE721A07PH3	BSE – 936798 NSE – ZC	NA Cumulative	(RM%) (SC%)	22/08/2019	22/08/2026
NCD 9 - Tranche 2 (December 2019)						
Secured NCDs (Series I)	INE721A07PI1	BSE – 937061 NSE – ZD	(**) 8.52% p. a.	MONTHLY	28/01/2020	28/01/2023
Secured NCDs (Series II)	INE721A07PJ9	BSE – 937063 NSE – ZE	(**) 8.66% p.a.	MONTHLY	28/01/2020	28/01/2025
Secured NCDs (Series III)	INE721A07PK7	BSE – 937065 NSE – ZF	(**) 8.75% p.a.	MONTHLY	28/01/2020	28/01/2027
Secured NCDs (Series IV)	INE721A07PL5	BSE – 937067 NSE – ZG	(**) 8.85% p.a.	ANNUAL	28/01/2020	28/01/2023
Secured NCDs (Series V)	INE721A07PM3	BSE – 937069 NSE – ZH	(**) 9.00% p.a.	ANNUAL	28/01/2020	28/01/2025
Secured NCDs (Series VI)	INE721A07PN1	BSE – 937071 NSE – ZI	(**) 9.10% p.a.	ANNUAL	28/01/2020	28/01/2027
Secured NCDs (Series VII)	INE721A07PO9	BSE – 937073 NSE – ZJ	NA Cumulative	(RM%%) (SC%%)	28/01/2020	28/01/2023
Secured NCDs (Series VIII)	INE721A07PP6	BSE – 937075 NSE – ZK	NA Cumulative	(RM%%) (SC%%)	28/01/2020	28/01/2025

Note:

1. Subject to applicable tax deducted at source,if any
2. (**) - Senior Citizens (only First Allottee) shall be entitled to an additional yield at the rate of 0.25 % per annum.
3. (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.
4. (*@##)- 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.
5. (SC****) - The amount payable on redemption to such Senior Citizens for NCDs under Series VI and Series VII is Rs. 1,318.67 and Rs. 1,592.70 per NCD respectively provided the NCDs issued under the NCD 8 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 VI and Series VII.
6. (RM%) - The amount payable on redemption for NCDs under Series - VIII , Series IX and Series X are Rs. 1,374.75 per NCD, 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 VIII, Series IX and Series X.
7. (SC%) - The amount payable on redemption to such Senior Citizens for NCDs under Series VIII, Series IX and Series X is Rs. 1,385.80 per NCD, 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 the Series VIII, Series IX and Series X.
8. (RM%%) - The amount payable on redemption for NCDs under Series – VII and Series VII are Rs. 1289.99 per NCD and Rs. 1,539.35 per NCD respectively on the relevant Record Date for the relevant Redemption Payment date for Series VII and Series VIII.
9. (SC%%) - The amount payable on redemption to such Senior Citizens for NCDs under Series VII and Series VIII is Rs. 1,298.91 and Rs. 1,557.11 per NCD respectively 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 VII and Series VIII.
10. (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.
11. (RM##) - The amount payable on redemption for NCDs under Series - VII is Rs.1,574.63 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, 2022, there were 7 Eligible shareholders holding 921 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://bit.ly/2NLsKzu**

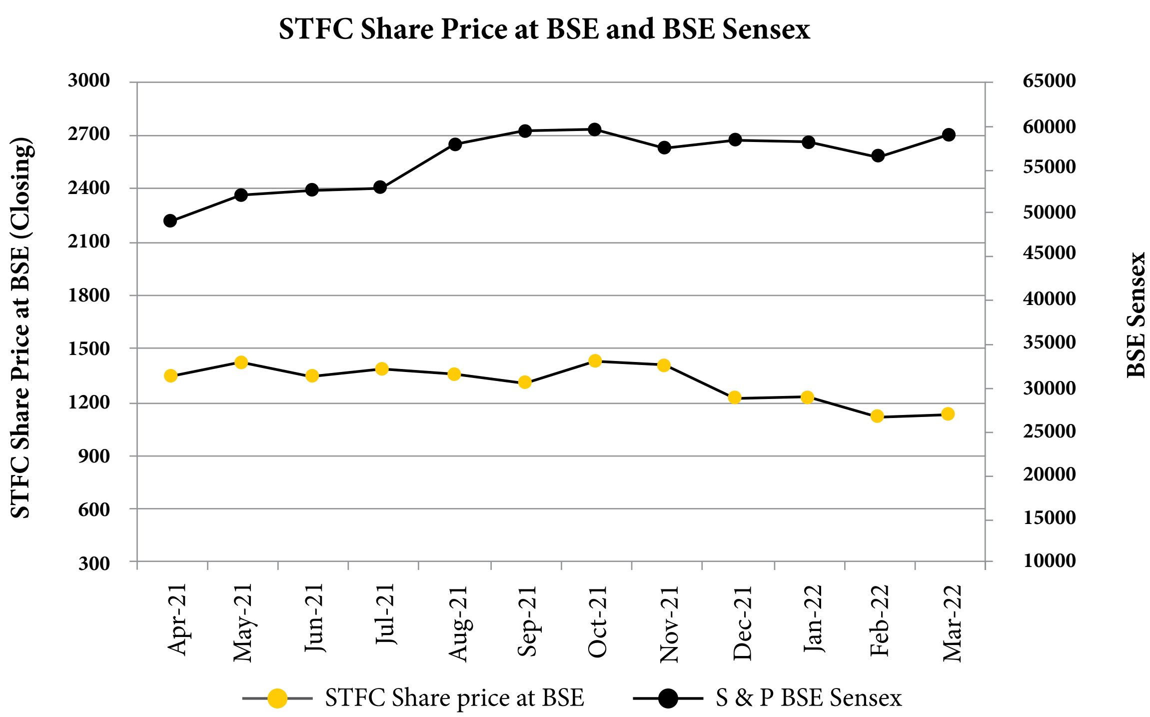
GENERAL SHAREHOLDER INFORMATION

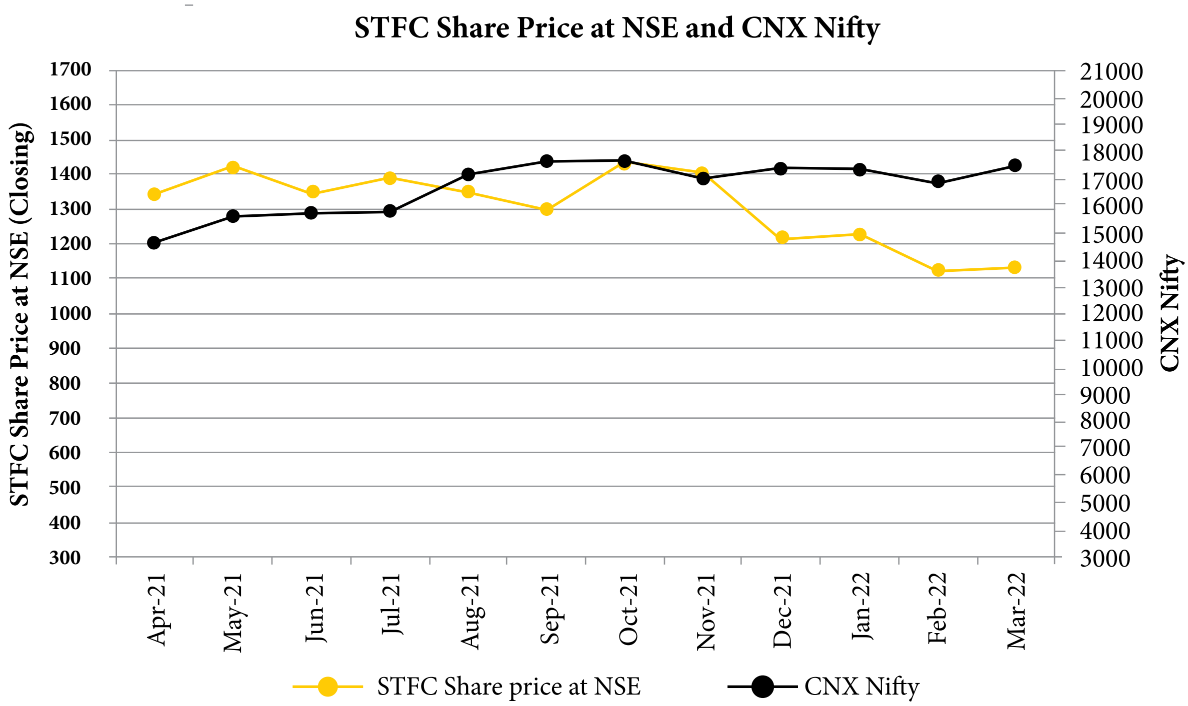
h. Stock Market

The high and low market price and volume of shares traded during each month of the financial year ended March 31, 2022 are given below:

Months	BSE Limited			National Stock Exchange of India Ltd.		
	Share Prices		Volume (No. of Shares)	Share Prices		Volume (No. of Shares)
	High (Rs.)	Low (Rs.)		High (Rs.)	Low (Rs.)	
April 2021	1509.95	1290.00	2146421	1510.00	1287.30	56244852
May 2021	1514.50	1272.70	1973054	1514.40	1272.10	38782104
June 2021	1528.25	1337.75	2181788	1529.60	1336.95	42428377
July 2021	1471.00	1326.35	2111225	1470.50	1325.75	26175400
August 2021	1428.55	1216.25	1647021	1430.00	1216.00	28262138
September 2021	1424.00	1286.00	1979024	1425.90	1285.75	23724265
October 2021	1587.85	1274.00	1864649	1588.00	1273.30	28999249
November 2021	1696.15	1387.80	1724706	1696.40	1388.55	26666783
December 2021	1531.45	1158.00	1024916	1531.75	1157.20	24341090
January 2022	1299.60	1104.05	1411769	1299.85	1103.20	24029920
February 2022	1303.65	1060.10	883431	1304.35	1060.00	20901438
March 2022	1146.50	1002.50	1113602	1147.30	1002.00	26182904

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





i. No equity shares are suspended from trading during the Financial Year 2021 - 2022.

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: anusha@integratedindia.in Website :www.integratedindia.in

k. Note Trustee for Masala Bonds

(a) The Hongkong and Shanghai Banking Corporation Limited, Level 30, 1 Queen's Road Central, Hong Kong and
(b) 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, interalia 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 the Listing Regulations, equity shares of the Company can only be transferred in dematerialised form. Requests for dematerialisation of shares are processed and confirmation thereof is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL), within the statutory time limit from the date of receipt of share certificates/ letter of confirmation after due verification.Shareholders 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.

m. Distribution of shareholding as on March 31, 2022

Sr. No	No. of Equity Shares	No of Shareholders	% of Shareholders	No of Shares held	% of Shareholding
1	1 – 500	98,239	94.27	54,56,686	2.02
2	501 – 1000	3,272	3.14	23,78,196	0.88
3	1001 – 2000	1,277	1.23	17,81,236	0.66
4	2001 – 3000	349	0.33	8,56,855	0.32
5	3001 – 4000	123	0.12	4,28,768	0.16
6	4001 – 5000	108	0.10	4,89,121	0.18
7	5001 – 10000	192	0.18	13,45,363	0.50
8	10001 and above	645	0.62	25,77,83,488	95.29
	Total	**1,04,205**	**100.00**	**27,05,19,713**	**100.00**

n. Categories of shareholders as on March 31,2022

Sr. No.	Category	Total	
		No. of Shares held	% of shareholding
1	Promoter and Promoter Group	71550432	26.45%
2	Foreign Portfolio Investors 1&2	145746541	53.88%
3	Insurance Company	22335894	8.26%
4	Mutual Fund	14337965	5.30%
5	Resident Indian	12575703	4.65%
6	IEPF	1058497	0.39%
7	Bank	584113	0.22%
8	Bodies Corporate	526564	0.19%
9	Alternative investment fund	475600	0.18%
10	N R I	348034	0.13%
11	Clearing Member	310735	0.11%
12	Trusts	276119	0.10%
13	HUF	186388	0.07%
14	FI-Others	115855	0.04%
15	Unclaimed securities suspense Account	59998	0.02%
16	FII	19092	0.01%
17	Limited liability partnership	9653	0.00%
18	NBFC	1609	0.00%
19	Rights Allotment Demat Suspense Account	921	0.00%
	Grand Total	**270519713**	**100.00%**

o. Dematerialization 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, 2022, the total of 26,84,12,830 equity shares constituting 99.22% of the paid up capital, have been dematerialized.

p. The Company has not issued any Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date that would impact on equity.

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 Program and Loans through various dervivaties/hedging products.

r. Locations

List of branches are mentioned in the "Our Reach" Section on page no. 6 in the Annual Report.

s. Address for correspondence & Registered Office:

Registered Office: Sri Towers, 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, Maharashtra. Phone: 91-22 - 40959595, Fax: 91-22 - 40959597, Website: **www.stfc.in**

Email ID for Investor Grievance:

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

- For Equity Shares related queries/complaints: secretarial@stfc.in
- For Public Issue of Non-Convertible Debentures 2018 Shelf and Tranche 1 Prospectus- related queries/complaints: stfcncd8comp@stfc.in
- For Public Issue of Non-Convertible Debentures 2018 Tranche II Prospectus - related queries/complaints: stfcncd8t2comp@stfc.in
- For Public Issue of Non-Convertible Debentures 2018 Tranche III Prospectus- related queries/complaints: stfcncd8t3comp@stfc.in

- For Public Issue of Non-Convertible Debentures 2019 Tranche I Prospectus- related queries/complaints: stfcncd9t1comp@stfc.in
- For Public Issue of Non-Convertible Debentures 2019 Tranche II Prospectus- related queries/complaints: stfcncd9t2comp@stfc.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 page no. 23 in the Directors' Report.

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, 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/36bTzpF. 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. The details of the transactions with Related Party 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 behavior. 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 behavior. The Whistle Blower Policy/Vigil Mechanism is uploaded on the Company's website at the web link of **https://bit.ly/3rro6XV** .

D. Details of compliance with Mandatory requirements and adoption of non-mandatory requirements

1. The Company has complied with all the applicable mandatory requirements of the Listing Regulations.
2. The Company has also adopted the non-mandatory requirement as specified in the Listing Regulations regarding –
   - The Board - The Company does not maintain a separate office for the Non–executive Chairman. The independent directors have requisite qualification and experience to act as a Director on the Board.
   - 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/3M2DYId), BSE Limited and National Stock Exchange of India Ltd
   - Unmodified Financial Statements and Reporting of Internal Auditor.

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 framed the Policy on Material Subsidiaries and the same is uploaded on the Company's website at the web link: https://bit.ly/3OddWEj

F. The policy on dealing with related party disclosures is uploaded on the Company's website at the web link of https://bit.ly/3O4MHf3

G. The disclosure of commodity price risks and commodity hedging activities: Not applicable.

H. In the 41st AGM, the Company had passed a special resolution authorising to raise capital through issuance of Equity Shares and/or other Eligible Securities defined under Regulation 171(a) of SEBI ICDR Regulations, including Foreign Currency Convertible Bonds (FCCBs), fully convertible debentures/partly convertible debentures, non-convertible debentures with warrants convertible into Equity Shares, preference shares convertible into Equity Shares, and/or any other financial instruments convertible into Equity Shares (including warrants, or otherwise, in registered or bearer form) and/or any security convertible into Equity Shares and/or securities linked to Equity Shares and/or securities with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to Equity Shares (other "Eligible Securities"). During the financial year 2021-22, the Company has raised funds through preferential allotment and qualified institutions placement under Regulation 32(7A) and the entire net proceeds have been fully utilized for details refer Directors' Report page no. 25 and 26.

I. Pursuant to Schedule V Para C clause (10)(i) of the Listing Regulations, the Company has obtained certificate from SPNP & Associates practicing company secretary confirming that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority is annexed to this report as Annexure A

J. In the financial year 2021 - 2022 the board has accepted all recommendations of its committees.

K. The Company has paid all 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	0.99
Tax Audit Fees	0.09
Others	0.96
Total	**2.04**

L. The disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act,2013, for details refer Directors' Report.

M. 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.

N. 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 Vice Chairman & Managing Director. 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://bit.ly/3t4qncA**

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, 2022 there were 59,998 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, 2021.	213	68233
Number of Shareholders / legal heirs who approached the Company for transfer of shares from the Unclaimed Suspense Account, for the period from April 01, 2021 to March 31, 2022.	14	2,510
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, 2021 to March 31, 2022.	14	2,510
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, 2021 to March 31, 2022.	15	5,725
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on March 31, 2022.	184	59,998

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 finalization 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: • Minimum capital ratio consisting of Tier I and Tier II capital of not less than 15 percent 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/ Modernization 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 percent 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 utilization 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. out range, whenever considered appropriate by it, keeping in mind the aforesaid factors having a bearing on the dividend pay-out decision.

Review

This policy is in accordance with SEBI Circular No. SEBI/ LAD-NRO/GN/2016-17/008 dated July 8, 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 Transport Finance Company 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 Transport Finance Company 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 2022 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 Directors	DIN	Date of appointment in Company
1	Mr. Lakshminarayanan Subramanian	02808698	22/09/2009
2	Mr. Umesh Govind Revankar	00141189	25/10/2016
3	Mrs. Kishori Jayendra Udeshi	01344073	30/10/2012
4	Mr. Srinivasan Sridhar	00004272	20/10/2014
5	Mr. Ravi Devaki Venkataraman	00171603	18/06/2015
6	Mr. Panja Pradeep Kumar	03614568	25/10/2018
7	Mr. Ignatius Michael Viljoen	08452443	14/05/2019(*)
8	Mr. Parag Sharma	02916744	13/12/2021
9	Mr. Srinivasa Chakravarti Yalamati	00052308	13/12/2021

*Appointed in the Board Meeting held on 8th May, 2019. The appointment was effective from the date of allotment of the Directors Identification Number

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

Nithya Pasupathy
F.C.S. No. **10601**
C.P. No.**22562**
UDIN: **F010601D000138621**

Place : Chennai
Date: 16/04/2022

CEO/CFO CERTIFICATION

To,

The Board of Directors of Shriram Transport Finance Company 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, 2022 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.

UMESH REVANKAR
Vice Chairman & Managing Director

PARAG SHARMA
Joint Managing Director & CFO

Mumbai
April 28, 2022

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

The Board of Directors of Shriram Transport Finance Company Limited at its Meeting held on January 29, 2005 adopted Code of Conduct as amended on October 27, 2010 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, 2022.

UMESH REVANKAR
Vice Chairman & Managing Director

Mumbai
April 28, 2022

BUSINESS RESPONSIBILITY REPORT (BRR)

FY 2021-22

BUSINESS RESPONSIBILTY PARAMETER INDEX

Principle-Wise Performance

	Principle 1	
1)	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?	Yes, the policy covers only the Company
2)	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	Nil
	Principle 2	
1)	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	The Company provides financing solutions for pre-owned and new vehicles.
2)	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional): a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	The company has taken various Initiatives for energy and water conservation.
3)	Does the company have procedures in place for sustainable sourcing (including transportation)? a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	Not Applicable
4)	Has the company taken any steps to procure goods and services from local & small producers (including communities surrounding their place of Work)? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	The Company gives preference to services relating to vehicle financing from local and small service centres.
5)	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so	Not Applicable
	Principle 3	
1)	Please indicate the Total number of employees.	25,456
2)	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	817
3)	Please indicate the Number of permanent women employees	1398
4)	Please indicate the Number of permanent employees with disabilities	27
5)	Do you have an employee association that is recognized by management	Not Applicable
6)	What percentage of your permanent employees are members of this recognized employee association?	Not Applicable

7)	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	
	a) Child labour/forced labour/involuntary labour	a) Nil
	b) Sexual harassment	b) Nil
	c) Discriminatory employment	c) Nil
8)	What percentage of your, under mentioned, employees were given safety & skill up-gradation training in the last year?	51% employees were given safety and skill training programmes in the last year
a)	Permanent Employees	a) 48%
b)	Permanent Women Employees	b) 3%
c)	Casual/Temporary/Contractual Employees	c) Nil
d)	Employees with Disabilities	d) Nil

Principle 4

1)	Has the company mapped its internal and external stakeholders? Yes/No	Yes
2)	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?	Yes
3)	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	Yes, please refer to the Principle 4 of Section E of the Report

Principle 5

1)	Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?	No
2)	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	No complaint was received for human rights violation during the last financial year.

Principle 6

1)	Does the policy, related to Principle 6, cover only the company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others.	Yes, the policy extends only to the Company
2)	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Yes, we have environment policy in place. We have undertaken initiatives to transform our office into a paperless one.
3)	Does the company identify and assess potential environmental risks? Y/N	No
4)	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	No
5)	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	Yes

6)	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/ SPCB for the financial year being reported?	Not Applicable
7)	Number of show cause/legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Not Applicable
	Principle 7	
1)	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Yes, we are member of Finance Industry Development Council (FIDC), Confederation of Indian Industries (CII) and Federation of Indian Chambers of Commerce and Industry (FICCI) and various other state/ city level associations.
2)	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes, Governance and Administration
	Principle 8	
1)	Does the company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes, please refer to the Principle 8 of Section E of the Report
2)	Are the programmes/projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organization?	Yes, the projects are undertaken in consultation with the in-house team and external NGOs.
3)	Have you done any impact assessment of your initiative	Yes
4)	What is your Company's Direct contribution to community development projects - Amount in INR and the details of the projects undertaken?	Yes, please refer to the Section B of the Report
5)	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so	Yes, we encourage our stakeholders to participate in the initiatives.
	Principle 9	
1)	What percentages of customer complaints/ consumer cases are pending as on the end of financial year?	1.77%
2)	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/ N.A. /Remarks (additional information)	Not Applicable
3)	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so	No
4)	4) Did your company carry out any consumer survey/ consumer satisfaction trends?	Yes

Preface

As mandated by the Securities and Exchange Board of India (SEBI), India's top 1000 listed entities based on market capitalisation on the BSE and NSE, are required to submit a 'Business Responsibility Report' (BRR) along with their Annual Report for FY 2021-22. This report is required to be in line with 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' (NVGs), as released by the Ministry of Corporate Affairs in July 2011.

As one of the pioneering companies in the financing of pre-owned and new commercial vehicles in India, we have adopted the NVG and BRR requirements both in letter and spirit. Our commitments, business decisions and activities are all aligned to the principles and to ensure strong governance around this, the business responsibility performance is assessed annually by the Board of Directors.

Section A	**General information about the Company**	
1	Corporate identification number	L65191TN1979PLC007874
2	Name of the Company	Shriram Transport Finance Company Limited ("the Company")
3	Registered address	Sri Towers, Plot No.14A, South Phase, Industrial Estate, Guindy, Chennai, Tamil Nadu – 600 032
4	Website	www.stfc.in
5	Email address	secretarial@stfc.in
6	Financial year reported	1 April 2021 – 31 March 2022
7	Sector(s) that the Company is engaged in	Financial Services (64920 – Other Credit Granting)
8	Three key products/services manufactured/ provided by the Company	The Company is engaged in financing pre-owned and new commercial, passenger vehicles, tractors, 3 wheelers, multi-utility vehicles, etc. and ancillary services such as finance for working capital, engine replacement, small business finance loans, tyre-loans and fuel loans.
9	Total number of locations where business activity is undertaken by the Company	(i) International: Nil (ii) National: 1,854 Branches
10	Markets served by the Company	India

Section B	**Financial details of the Company**	
1	Paid up capital (INR)	270.52 crores
2	Total turnover (INR)	19,274.23 crores
3	Total profit after tax (INR)	2,707.93 crores
4	Total spending on CSR as percentage of profit after tax (%)	2.57 %
5	List of the activities in which expenditure in 4 above has been incurred	Refer Pages from 34 to 40 of our Annual Report for FY 2021-22 for a detailed disclosure of our CSR activities.

Section C	**Other details**	
1	Does the Company have any Subsidiary Company/ Companies?	No
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the Parent Company? If yes, then indicate the number of such Subsidiary Company(s)	Not Applicable
3	Do any other entity/entities (e.g., suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]	Not Applicable

Section D	BR information	
1a	Details of Director(s) responsible for BR	DIN 0141189
		Mr. Umesh Revankar
		Vice Chairman & Managing Director
1b	Details of BR Head	Name: Mr. S. Sunder
		Designation: Joint Managing Director
		91-022-40959595
		secretarial@stfc.in
2	Principle-wise BR policy/policies	Included in this report
3	Governance related to BR	Included in this report

Section E	Principle-wise performance	
1	Principle-wise performance	Included in this report

1) Principle-wise (as per NVGs) BR Policy/Policies (Reply in Y/N)

(a) Details of Compliance (Reply in Y/N)

Sr. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	N	Y	Y	N	Y	N	Y	Y
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	**Indicate the link for the policy to be viewed online?**	i. The Code of Conduct of the Company - **https://cdn.stfc.in/common/codeofconduct.pdf** ii. The Whistle Blower Policy / Vigil Mechanism - **https://bit.ly/3wYSf41** iii. The Fair Practice Code of the Company is available at - **https://www.stfc.in/investors/fair-practice-code-fpc/** iv. Corporate Social Responsibility Policy – **https://bit.ly/3PPx6AR** v. Business Responsibility Policy – **https://bit.ly/3lS49Xg** vi. Note: The remaining policies of the Company are internal documents and are not accessible to the public.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	N	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	N	N	N	N	N	N	N	N

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

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the principles	--	--	--	--	--	--	--	--	--
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	--	--	--	--	--	--	--	--	--
3	The company does not have financial or manpower resources available for the task	--	--	--	--	--	--	--	--	--
4	It is planned to be done within next 6 months	--	--	--	--	--	--	--	--	--
5	It is planned to be done within the next 1 year	--	--	--	--	--	--	--	--	--
6	Any other reason (please specify)	--	--	--	--	--	--	--	--	--

Note:

- The Principle-2 does not apply to us because our industry is financial services and we do not manufacture any physical products. We do, however, have a Business Responsibility Policy that covers the essential parts of this principle in general.
- While STFC provides financial services for various financial products, it does not manufacture or supply any product and is not subjected to product safety norms under applicable law. As an NBFC, the company is regulated by Reserve Bank of India for the financial services provided by it to customers. As such the aspects such as product safety and product-related natural resource are not applicable.

2) Governance related to BR

The Business Responsibility Performance is being monitored by the Board of Directors of the Company. The Company publishes business responsibility report on annual basis. The Business responsibility report is available on company website https://www.stfc.in/investors/annual-reports/ . The company also publishes its ESG Report Annually which covers Business Responsibility report and is accessible on company website https://www.stfc.in/investors/annual-reports/.

SECTION E

Principle - Wise Performance

Ethics of The Company

Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability:

The Company has adopted the Business Responsibility policy, for maintaining constant vigilance and ensuring that its operations are conducted ethically. The employees of the Company's are mandated to deal with the Company's internal and external stakeholders within the boundaries of this policy. All the company's stakeholders internal and external stakeholders are expected to work within the boundaries of this policy. During the fiscal year under review, the Company received no stakeholder complaints regarding adherence to the Code of Conduct.

The Reserve Bank of India has formulated and notified to all Non-Banking Financial Companies for implementation of Fair Practices Code (FPC) for dealing with customers. This guideline addresses, among other things, loan disclosures and the use of a non-coercive recovery technique. As part of the FPC, we also have a Grievances Redressal Mechanism and a Whistle Blower Policy/Vigil Mechanism. While Grievances Redressal Mechanism is aimed at ensuring excellent customer service, Whistle Blower Policy/Vigil Mechanism gives liberty to our employees to raise concerns, via mobile application, regarding any violations of the values and Code of Conduct Our FPC is accessible viz link https://www.stfc.in/investors/fair-practice-code-fpc/. During FY 2021-22, no breach of the code of conduct were reported.

Trust, Integrity, Reliability, Credibility and continuity are essential features of the Company's governance system, which guides the organisation. The Corporate codes and policies prohibit /discourage unethical dealings such as accepting bribes/showing undue favours, Conflict of interest, financial misappropriation and fraud, , Insider trading, sharing of confidential information, prevention of sexual harassment at the workplace, etc. Our company follows the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI). This Code of Conduct applies to concerned persons in order to regulate trades by designated persons in accordance with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2019. Any non-compliance with these policies is viewed seriously by the Boards and actions commensurate with proven violations are initiated as required. All of the company's guidelines and policies are examined, updated, and upgraded on a regular basis to ensure that they conform with all applicable local, national, and international laws and changes .It is mandatory for all our employees to adhere to the Company guidelines and policies in order to promote integrity within the organisation and a healthy work environment.

The company also has a separate Code of Conduct (Coc) that applies to all members of the Board of Directors and Senior Management. The guidelines are designed to endorse the highest standards of ethical conduct and integrity and all Directors and Senior Management personnel have affirmed compliance with this Code of Conduct. The Annual Report contains a declaration to this effect that is signed by the Vice Chairman & Managing Director.

Contribution to Sustainability

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

STFC is a Non-Banking Finance Company primarily engaged in the business of financing pre-owned and new commercial vehicles. Our product portfolio comprises providing financing solutions primarily for individuals who are first time buyers / business owners and are engaged in micro, small and medium enterprises across the country. The products have been designed to ensure that the customers can meet their financial goals and are able to achieve financial independence. Apart from providing loans to first time buyers and small road transport operators at affordable interest rates, we have financing solutions covering all the aspects of a road transportation business, other financing solutions for working capitals, vehicle tyre and engine parts replacement expenses, toll expenses, etc. We predominantly provide services to the unorganized sector and economically weaker classes, which are otherwise deprived of the benefits of financial inclusion. About 70-75% of our operations are based in the rural areas. We do not have a manufacturing unit, and hence we do not procure any raw material or natural resources.

Our primary goal at STFC is to be environment friendly in all our approaches. Since we are engaged in financing of pre-owned vehicles, we have drafted a checklist of eligibility criteria to ascertain whether the vehicle is environmentally sound, compliant to emission standards and fit for usage by our customers. Pollution Under Control (PUC) certificates and fitness certificates are mandatory for all along with insurance that needs regular renewal. Furthermore, we always encourage our employees and customers to use vehicles which run on cleaner fuels.

Employee Well-Being

Principle 3: Business should promote wellbeing of all employees.

Human resources are the most precious assets of our Company. We have employees from all cultures and regions. We value our employees' well-being and general development. Employees are a critical component of our success, and we invest in their long-term development and advancement. Robust people practices, best-in-class work environment and learning initiatives are the prime drivers behind the achievements.

We provide equality in opportunities to everyone, the value we have created so far for our stakeholders is the result of the hard work and dedication of our employees. Our employees play a critical role when understanding the requirements of customers. Our Talent acquisition has always been with the approach of entrepreneurship attitude who can understand the end-to-end requirements of the customer and provide customized solution. We have in-house facilities designed to identify the local talent and build their capabilities via training, nurturing and leadership development initiatives. Hiring local talent enables us to break language barriers and have a better understanding of the geographic demography required to connect with our diverse customer base.

Young employees performing exceptionally are selected for Future Leadership training based on various performance parameters and such employees are being trained at a regular interval to prepare themselves for leadership roles in future. Employees can enrol for management learning programmes, which are at par with the courses offered at various management education institutes in India, to work upon and build managerial skills. Apart from these, at periodic intervals, we impart induction trainings focusing on products, processes, and policies to our new employees while for existing employees we conduct refreshers trainings to communicate recent upgradations in products, processes and policies

There are 25,456 people working for us out of those 1,398 permanent female employees and 27 permanent disabled employees. We have one women Director, and three women hold position in key management roles. Our all employees are being provided with various benefits for their well-being like they have health insurance, accident insurance, Maternity benefits etc. Moreover, our lowest attrition rate shows our commitment towards the growth and wellbeing of our employees.

The yearly health check-up has been extended to all STFC employees in keeping with the company's commitments to employee health and well-being. The Company is conducting frequent medical check up to its employees through local hospitals. A term life insurance coverage for employees is also provided by the company. In light of the COVID-19 pandemic, Company has taken several steps to minimize its impact on operations and ensure the well-being of its employees. All the employees of the Company are vaccinated with both the doses of Covid-19 vaccine.

STFC has Death compensation for employees, which pertains to providing benefits to the family member of the deceased employee in case of natural death. Employees who had worked with STFC for a minimum continuous period of five years would be eligible for the above-mentioned benefit. Also, the EDLI (Employee's deposit linked insurance) scheme is in place as per which the nominee of an employee on account of natural or accidental death is eligible for compensation, irrespective of his/her basic salary.

Employees who do not have ESIC coverage are covered with the Group Mediclaim policy. This policy covers an employee, his or her spouse, and two children for an amount of Rs. 5 lakhs. An employee can avail the facility in case of hospitalisation for more than 24 hours. We endorse a high-performance culture and periodically organize training programmes for enhancement of skills of employees.

STFC is devoted to investing in its employee's skill and competency development, as well as their general progress and well-being, in order to foster a culture of performance excellence inside the company. 48% of permanent employees including 3% of women are being imparted training on safety and skill upgradation.

Communication at regular intervals with its employees is offering opportunities to them for skill development so that they can broaden their professional horizons. This includes Mycoach E-Learning Platform, which covers all of our products and processes along with the Mybook and Quiz Platforms, which serve as supplementary learning aids.

In addition to My coach E-learning platform, Company also prioritise its employees, ongoing education and provide opportunities for academic and professional development through the Management Education Scheme, which allows our front-line executives to enrol in a distance MBA course that is comparable to those offered by other management institutes in the country. Employees who have benefited from this programme and completed it successfully serve as mentors during on-the-job trainings and provide help to their co- employees as needed.

Besides training, management communicates with employees through quarterly evaluations, in which key stakeholders ensure that the employee is well-directed and oriented towards the intended learning and performance goals.

'ShriConnect' company's monthly newsletter is designed to keep employees informed about new ventures and developments. We have an Employee Rewards Program in place to recognise and formally thank individual employees for their contributions. Each employee's account is credited with reward points depending on a set of pre-determined criteria. We owe our gratitude to our leadership team for their continuous efforts in this regard. Our relationship executives are our "Feet on the Street," the vital contact between us and our clients.

STFC prohibits discrimination based on race, caste, religion, colour, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin or disability, harassment, whether sexual, verbal, physical or psychological against any employee. Our business model and field level operations are mainly male dominated, however, as a policy we are constantly trying to increase the women workforce in support functions of the organisation. The Policy on Prevention of Sexual Harassment at Workplace (POSH)ensures the safety and security of female employees. Each complaint of sexual harassment is investigated by an independent Committee chaired by women employee and consisting of various internal and external female members, providing full anonymity to the complainant and in cases where evidence of harassment is found, strict disciplinary action is initiated. All sexual harassment cases are reviewed and followed up by the Audit Committees. The premises are also equipped with CCTV cameras for security monitoring to ensure employees have a safe place to work. The Company also conducted an exhaustive video-based learning module for all employees for an awareness and compliance perspective on POSH. There were no complaints related to child labour, forced labour, involuntary labour or sexual harassment as at the end of Financial year 2021-22.

Stakeholder Engagement

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

We are an equal opportunity employer, and our remuneration practices are based on merit, irrespective of the person's ethnic background, gender or other personal considerations.

The Company strongly believes in 'Enriching lives' of the communities in which it operates. STFC identified vulnerable and disadvantaged sections amongst key stakeholders. For upliftment of commercial driver community various initiatives have been taken. In addition to this Company's CSR programmes and projects are designed to help the needy, worthy, socioeconomically backward, and disadvantaged populations improve the quality of their life.

Driving basics, classroom sessions, and on-road practise, safety precautions, sanitation, and hygiene aspects, as well as soft upskilling efforts such as English language classes, daily Yoga sessions, grooming etiquettes, and regular health check-ups, are all part of the 280-hour training programme for new drivers. For senior drivers advanced training programmes are provided, which focuses on cleanliness, hygiene, Soft skills and etiquette development. Post completion of the trainings, all participants receive a certificate from LSC, which is equivalent to a Vocational Training Diploma Certificate, and we also sponsor the licensed fee for the successful candidates.

This effort has created job possibilities for the country's unemployed young, with the bulk of those engaged in the logistics and transportation sections of large corporations around the country. The fact that women candidates trained as part of this initiative have been hired as bus drivers by the Tamil Nadu State Transport and that the Municipal Corporation of Indore City in Madhya Pradesh has made it mandatory for its waste collection drivers to be trained under this programme is a source of great pride for us.

HUMAN RIGHTS

Principle 5: Businesses should respect and promote human rights.

STFC is dedicated to conducting business in a fair and transparent manner, upholding the highest ethical standards and implementing policies that protect the environment, human rights, and labour regulations. The Company's codes and policies reflect these values. It is our constant endeavour to uphold human rights of all our employees as manifested in the Constitution of India. STFC values integrity of all regulations and ensures compliance with all applicable laws in this regard. Company pays fair wages to all the employees without any discrimination and treat everyone with dignity. Employees are given opportunities based on their merit and equal benefits are provided to all. Our employees have freedom to raise concerns and provide feedback to the management. We did not receive any complaint pertaining to violation of human rights in FY 2021-22

ENVIRONMENTAL PROTECTION

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

The Company constantly strives towards becoming environmentally friendly wherever it consumes natural resources, generates waste and in transactions with its various customers. We do not engage in manufacturing; hence our business operations do not have any direct, significant negative environmental impacts in terms of toxic waste or effluent generation. However, we acknowledge the importance of environment protection and actively engage our employees, customers, and communities to communicate about the role each of them can play for environment protection.

STFC green initiative, ShriPrakruti urges our employees to become more eco-friendly, conscious and responsible. We strive towards reduction of paper consumption through introduction of digital initiatives for our employees and customers. In our efforts to become a paperless office, we have propagated use of digital signature on all communication to avoid printing on letter heads, requested our shareholders to opt for soft copies of annual reports and other relevant documents and for payment of interest, dividend, maturity amount of debentures and fixed deposits etc. we make continuous appeal to the investors to furnish their bank account details to enable Company to use electronic mediums (like NECS, NEFT, RTGS) of payment/remittance.

To promote digital collection of Loan instalments and investment in Fixed Deposits through online mode, we had offered cashback on payment of Loan EMIs and differential interest rates on Fixed Deposits to the customers.

Our endeavour to create a positive impact on the environment is manifest in our financing, as we only finance vehicles which are tested for compliance on Government prescribed emission limits. We encourage our customers to replace their old vehicles with better, more efficient models and thus contributing towards to the overall environmental quality. In the process of loan disbursement, fitness certificate of the financed vehicle for safe driving is mandatory along with the insurance policy which has to be renewed regularly. In order to maintain the efficiency of vehicles and in turn ensure minimal adverse impacts on environment, STFC provides financial assistance to its customers for replacement of tyres and engine parts. Company has stopped purchase of DG (Diesel Generator) set to avoid pollution and follow timely switching off all electronic equipment to reduce energy consumption in our branch offices. To create environmental benefits, we have substituted videoconferencing over employee travel. Furthermore, we abide by our environmental policy through measures such as replacing conventional lighting fixtures with LEDs, installation of 5-star rated air conditioners and replacing old technology and gadgets with more efficient substitutes. We prioritise timely disposal of E-waste and other scraps and have installed censer-based taps to restrict excess usage of water.

We are taking steps towards supporting Indian economy in Electric Vehicles (EVs), a market witnessing emergence of new players. We at STFC will join hands to contribute our best towards growing demand of EVs. We are working towards financing electric vehicle in the two-wheeler segment, and the vehicle continues to attract the interest of potential buyers. We will diligently work towards establishing the right environment for EV uptake and integration.

RESPONSIBLE ADVOCACY

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

The company is a member of the Finance Industry Development Council (FIDC), Confederation of Indian Industries (CII) and Federation of Indian Chambers of Commerce and Industry (FICCI) along with various other state/ city level associations. Within the scope of the above-mentioned associations, Company actively engages in policy advocacy and contribute proactively to discussions and resolutions on various industry concerns.

STFC supports the activities taken by the organisations listed above in their efforts to develop or improve the public good. The company's leadership team interacts with various professional bodies and organizations to anticipate and understand the economic scenario relating to non-banking finance and in the best interests of the commercial vehicle financing section of the industry and small road transport operators, including factors such as governance, administration, economic reforms, and inclusive development strategies, among others. We consistently attempt to balance the interests of various stakeholders while making any recommendations in this regard.

INCLUSIVE GROWTH

Principle 8: Businesses should support inclusive growth and equitable development

The Company has a Corporate Social Responsibility Policy in place with the objective to support inclusive growth and equitable development. We cater to the unorganized weaker sections of the society provides financing solutions at affordable interest rates and favourable repayment terms to the Small Road Transport Operators (SRTOs) and First Time Buyers (FTBs) of the society. First Time Buyers (FTBs) and driver-turned owner (DTO) by offering affordable finance on pre-owned commercial vehicles (CVs). We constantly strive to improve the quality of life of the community and make efforts to complement and support the development priorities of the nation.

Our aim is to propagate financial advancements by helping unemployed individuals in setting up their own road transportation business in areas where there is a lack of financial services such as the rural areas and social economically disadvantaged sections of the country. We strongly believe in giving back to the society and this is the guiding principle around which all the Corporate Social Responsibility (CSR) activities are undertaken.

The Company has made fund allocations across thematic segments (and sub-segments) provided under Schedule VII of the CSR Rules, 2014 and the major allocations were made under the broad thematic heads of education, preventive healthcare, and skill development.

During FY 2021-22, we contributed INR 69.72 Crores towards CSR activities and the initiatives are mainly segregated into Preventive Healthcare, Education and Skill Development.

For the implementation of these projects, we have partnered with various implementary agencies such as Shriram Seva Sankalp Foundation, Buddy4study Foundation, Terna DB Driver Training Institute, D B Skills Foundation, Piramal Swasthya Management & Research Institute, Chennai Mathematical Institute, Single Teacher School, Indian Red Cross Society and Association of people with disability.

The Impact assessment report of Education for Regular Scholarship Programme is provided in the link - https://tinyurl.com/3zp9jadx

Details of the financial support provided during FY 2021-22: please refer to Annexure I of Directors' Report.

Education

STFC has been extending scholarships to enable and augment formal education and learning for children and youth from the families of underprivilege transport fraternity. Key features of the STFC scholarship initiative include:

- Given quality education to students studying between standards 8 and 12 (secondary and higher secondary education).
- Follows a merit-based scholarships to the children who have obtained minimum 60% marks in the previous academic year.
- Students are identified and scholarships are sourced through state/district level transport associations and various outreach program.

STFC's scholarship project has been proactively working towards providing increased opportunities to students from disadvantaged groups for improved and holistic education. Over 1,80,000 students from multiple regions of the country were directly supported for education at the secondary and higher secondary level till date.

Merit-based selection of students combined with the involvement of transport associations as a critical stakeholder in identification of students and for disbursement of scholarship amount strengths the credibility of this initiative.

Preventive Healthcare

Securing good health and well-being through mobile medical units {MMUs) - 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, "MMU/Clinic" provides free of-cost medical check-ups, lab tests and medicines to truckers community, that remain largely isolated from mainstream healthcare eco systems. STFC funded MMUs/ Clinic are functional across 15 locations in 11 states. It aims at improving the accessibility to primary healthcare for the weaker sections of the society.

Key focus of STFC funded MMUs/Clinic

- Free primary healthcare services.
- Screening, diagnosis, treatment and referral for non-communicable, communicable diseases, and minor ailments.
- Awareness, education and counselling on healthy practices, lifestyle modifications, non-communicable disease management etc.
- A unique model of Tobacco Cessation Counselling and referrals program for trucking community.
- Multi stakeholder partnership - Transport associations, government and non-government agencies.

STFC has crossed the benchmark of reaching out to 8.90 lakh plus beneficiaries with an average of more than 85% trucking community.

Skill Development

STFC is contributing towards the Skill India mission by extending trainings for the skilling, re-skilling and upskilling of drivers. The key focus of STFC's driver training project includes:

- Training in light motor vehicles (LMVs) and heavy motor vehicles (HMVs).
- STFC has come forward with its own Driver Training Program and trained more than 24,000 youth in India.

Driver trainings in both LMVs and HMVs are conducted across the length and breadth of the country. This unique project involves training new drivers in light motor vehicles as well as heavy motor vehicles. STFC engages with unemployed youth from the under-privileged sections of society and imparts a holistic training program to become a skilled truck driver. Post the successful completion of the training program, the drivers are certified by Automotive Skill Development Council (ASDC) & once they have procured their driving license, STFC through its training partner assists them to find jobs in the transport industry.

Over & above regular driver training program we also have Defensive driver training program for existing commercial vehicle drivers that makes them aware about the latest driving rules, standard driving practices and the required driving mechanics.

STFC has successfully contributed towards elevating the social status of the drivers, which is considered a Bottom of the Pyramid (BOP) job, by extending trainings for the skilling, re-skilling and up-skilling of drivers, besides ensuring safety of those undertaking this hazardous job.

RESPONSIBILITY TOWARDS CUSTOMERS

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

Company is committed to highest standards of ethical practices and moral business conduct within the frameworks of law. They have a Fair practice code to address the customer complaints, ensures settlement of insurance claims, Renewal of insurance policy, approval of permits from RTOs and vehicle refurbishment via partner service centres. We also support a number of welfare programmes for our clients and their families in order to assure their well-being and foster positive relationships.

We have a proven track record of excellent customer service and have consistently maintained one of the lowest complaints' ratio in terms of the number of complaints to the number of loans granted. We have a track record of loyal customers who were able to achieve financial independence through the long-term relationship with our Company. We are committed to creating value for our customers by providing products and services and building long-lasting relationships with them. Our effective implementation of the Fair Practice Code for redressal of customer grievances ensure that settlement of insurance claims, renewal of insurance policy, obtaining of permits from RTOs and refurbishments of vehicles via partner service centres are hassle-free processes and the customers are well informed and attended to in a cordial, efficient and effective manner. We also sponsor various welfare programs for our customers and their families to ensure their well-being and promote a good relationship.

The Company had launched POSP appointment program encouraging employees to pursue the training course, to explore and learn about multiple insurance products that our customers need from time to time. Upon certification as a Point-of-Sale Person the employees can start assisting the customers in meeting all their insurance needs.

Customers are lifeline of Shriram Family, so in order to provide outstanding customer attention to all we have a system in place in which dedicated front-line executives are allocated to all customers and are accountable for all interactions and addressing customer needs. We have a system in place for clients who have closed their accounts with us, and we keep track of their information. In case, the same customer returns to us for another loan at a later date, he/she doesn't have to follow the extra formalities as the customer Information is already available in our database.

Company is moving towards Digital Empowerment for ease and betterment of their customers "Incentivising Digital Economy & Getting Closer to Customers". They are helping their customers in creating their account in which customers are incentivized to transact digitally with reward points for every transaction.

SECRETARIAL COMPLIANCE REPORT OF SHRIRAM TRANSPORT FINANCE COMPANY LIMITED FOR THE YEAR ENDED 31ST MARCH, 2022

I, P. Sriram, Proprietor of P. Sriram & Associates have examined:

(a) All the documents and records made available to us and explanation provided by Shriram Transport Finance Company 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 31st March, 2022 ("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;

(e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; *(Not Applicable to the company during the review period)*

(f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations,2013; *(Not Applicable to the company during the review period)*

(h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; as amended

(i) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

(j) 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. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1	NIL	NIL	NIL

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my examination of those records.

(c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges *(including under the Standard Operating Procedures issued by SEBI through various circulars)* under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	**Action taken by**	**Details of violation**	**Details of action taken E.g. fines, warning letter, debarment, etc.**	**Observations/ remarks of the Practicing Company Secretary, if any.**
NIL	NIL	NIL	NIL	NIL

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	**Observations of the Practicing Company Secretary in the previous reports**	**Observations made in the secretarial compliance report for the year ended… (The years are to be mentioned)**	**Actions taken by the listed entity, if any**	**Comments of the Practicing Company Secretary on the actions taken by the listed entity**
NA	NA	NA	NA	NA

For P. Sriram & Associates

P. Sriram
FCS No.: 4862
C P No.: 3310
UDIN: F004862D000224059
PEER REVIEW NO: S2011TN155200

Place: Chennai
Date: 28.04.2022

SHRIRAM

Transport Finance Company Limited

A WINNING RELATIONSHIP

FINANCIAL SECTION

To the Members of
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 Transport Finance Company Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2022, 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 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

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 Note 63 to the Standalone Financial Statements which describes the facts that the additional Expected Credit Loss ('ECL') provision on account of COVID–19 is based on the Company's historical experience, collection efficiencies post lockdown, internal assessment, and other emerging forward-looking factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic. Further, the extent to which the COVID–19 pandemic will impact the Company's financial performance is dependent on future developments, which are highly uncertain. Our Opinion is not modified in respect of this matter.

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 year under report. 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.

   A. Impairment Loss Allowance of loans and advances

   (Reference to Note 12 read with Statement of Accounting Policies Note 6.1(xi) and Note No. 63 of the Other Notes forming part of Standalone Financial statements– Schedule to the Standalone Financial Statements)

	(Rs. in crores)
Gross Advances	125,699.03
Provisions*	9,033.88
Net Advances	116,665.15
COVID-19 Provision*	2,052.58

(*COVID-19 Provisions - towards management overlay on account of COVID-19 is included in above provisions)

B. Significant estimates and judgment involved

Key Audit Matter

During the year, Reserve Bank of India issued revised guidelines (including clarifications thereon) on Income Recognition and Asset Classification norms ("IRAC"). These guidelines prescribe the prudential norms for identification and classification of such assets as Stage 3 / NPAs.

The Company has applied its 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.

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.

C. Auditor's Response

Audit Procedures included but were not limited to the following:

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.

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".

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:

- 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 additional provision 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.

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

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 like Management Discussion and Analysis, Director's Report and Corporate Governance Report, but does not include the Standalone Financial Statements and our auditors' report thereon which we obtained prior to the date of this auditor's report, and Annual Report, which is expected to be made available to us after that date.
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. We have nothing to report in this regard.

Management's responsibility 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, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
11. 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.
12. In preparing the Standalone Financial Statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
13. 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

14. 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.

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

15.1 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.

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 Company has adequate internal financial controls with reference to Standalone Financial Statements in place 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 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.

15.5 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.

16. 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.

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 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.

Other Matter

19. The comparative financial statements of the Company for the year ended 31 March 2021 included in Standalone Financial Statements, were audited by the then Joint statutory auditors "Haribhakti & Co. LLP, Chartered Accountants" and "Pijush Gupta & Co., Chartered Accountants" whose reports dated 29 April 2021 expressed an unmodified opinion on those financial statements. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

20. 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.

21. As required by Section 143(3) of the Act, we report 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.

21.2 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.

21.3 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 account.

21.4 In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

21.5 On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

21.6 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".

21.7 With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;

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 Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us, we report as under:

22.1 The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its Standalone Financial Statements – Refer Note 49 to the Standalone Financial Statements;

22.2 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;

22.3 There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

22.4 (a) The management has represented to us that, to the best of its knowledge and belief, 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 to 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.

(b) The management has also represented to us, to the best of its 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 to 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.

(c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause 22.4(a) and 22.4(b) contain any material misstatement.

22.5 As stated in Note 30 to the Standalone Financial Statements

(a) The final dividend proposed in the previous year, declared, and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) 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.

(c) The Board of Directors of the Company have not proposed final dividend for the year. As such the interim dividend aggregating to Rs. 20/-per share (i.e. 200 %) shall be the final dividend for the financial year 2021-22 . The amount of dividend declared is in accordance with section 123 of the Act, as applicable.

For **Sundaram & Srinivasan**
Chartered Accountants
Firm Registration Number - 004207S

P Menakshi Sundaram
Partner
Membership Number: 217914
UDIN: 22217914AHYPLD3562
Place: Mumbai
Date: 28 April 2022

For **Khimji Kunverji & Co LLP**
Chartered Accountants
Firm Registration Number - 105146W/W- 100621

Gautam Shah
Partner
Membership Number: 117348
UDIN:22117348AHYPWL1328
Place: Mumbai
Date: 28 April 2022

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Shriram Transport Finance Company Limited for the year ended 31 March 2022

(Referred to in paragraph 20 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. (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.

(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) and intangible assets or both during the year.

(e) 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 during the year or are pending against the Company as at 31 March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988 as amended in 2016) and rules made thereunder. Refer note 84 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) During the year, the Company has availed sanctioned working capital limit in excess of Rs. 5 crores 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 maintained by the Company.

iii. (a) Since 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, being 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 during the year are, prima facie, not prejudicial to the Company's interest.

(c) The Company, being a Non-Banking Financial Company ('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 63 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.

(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 report 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 63 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. Accordingly, the provision of clause 3(iii)(e) of the Order is not applicable to it.

(f) Based on our audit procedures, according to the information and explanation made available to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year.

iv. According to the information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees in contravention of provisions of Section 185 of the Act. The Company has complied with the provisions of Section 186(1) of the Act; the other provisions of 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 non-banking financial company 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 sub-section (1) section 148 of the Act for 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, the Company has generally been regular in depositing undisputed statutory dues relating to 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 material statutory dues applicable to it with the appropriate authorities during the year.

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 any other material statutory dues were in arrears as at 31 March 2022 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, 2022, 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	35.25	A.Y. 2018-19	CIT (Appeals)
Income Tax Act, 1961	Income Tax demands	13.44	A.Y. 2017-18	ITAT
Income Tax Act, 1961	Income Tax demands	26.10	A.Y. 2016-17	Madras High Court
Income Tax Act, 1961	Income Tax demands	5.46	A.Y. 2014-15	Madras High Court
Income Tax Act, 1961	Income Tax demands	5.79	A.Y. 2014-15	Assessing Officer
Income Tax Act, 1961	Income Tax demands	1.80	A.Y. 2014-15	CIT (Appeals)
Income Tax Act, 1961	Income Tax demands	1.53	A.Y. 2013-14	Madras High Court
Income Tax Act, 1961	Income Tax demands	5.02	A.Y. 2013-14	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	0.47	A.Y. 2012-13	Madras High Court
Income Tax Act, 1961	Income Tax demands	5.27	A.Y. 2012-13	Assessing Officer
Income Tax Act, 1961	Income Tax demands	10.00	A.Y. 2011-12	Assessing Officer
Income Tax Act,1961	Income Tax demands	9.21	A.Y. 2010-11	Assessing Officer
Income Tax Act, 1961	Income Tax demands	10.26	A.Y. 2009-10	Madras High Court
Income Tax Act, 1961	Income Tax demands	1.84	A.Y. 2008-09	Madras High Court
Income Tax Act, 1961	Income Tax demands	0.27	A.Y. 2007-08	Madras High Court
Income Tax Act, 1961	Income Tax demands	0.08	A.Y. 2006-07	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)
Finance Act, 1994 (Service tax)	Service tax on hire purchase and lease transaction	3.90	1st March 2006 to 31st March 2010	Supreme Court
Maharashtra Value Added Tax	Value added tax	0.29	F.Y. 2016-17	Joint Commissioner of Sales tax- Mazgaon
Maharashtra Value Added Tax	Value added tax	0.02	F.Y. 2015-16	Joint Commissioner of Sales tax - Bandra
Maharashtra Value Added Tax	Value added tax	0.79	F.Y. 2014-15	Joint Commissioner of Sales tax - Mazgaon
Maharashtra Value Added Tax	Value added tax	0.01	F.Y. 2014-15	Joint Commissioner of Sales tax - Bandra
Maharashtra Value Added Tax	Value added tax	0.21	F.Y. 2012-13 to 2013-14	Deputy Commissioner of Sales Tax - Appeals - Mumbai
Maharashtra Value Added Tax	Value added tax	5.40	F.Y. 2007-08 to 2013-14	Maharashtra Sales Tax Tribunal
Maharashtra Value Added Tax	Value added tax	0.00#	F.Y. 2006-07	Deputy Commissioner of Sales Tax - Appeals – Mumbai
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	0.12	F.Y. 2010-11 to 2012-13	High court of Telangana - Hyderabad
Andhra Pradesh Value Added Tax	Value added tax	3.27	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
Rajasthan Value Added Tax	Value added tax	1.59	F.Y. 2012-13 to 2015-16 And 1st April, 2016 to 4th Nov 2016	Rajasthan Tax Tribunal, Ajmer

Name of the statute	Nature of dues	Amount* (Rs. In crores)	Period to which the amount relates @	Forum where dispute is pending
Rajasthan Value Added Tax	Value added tax	1.16	F.Y. 2006-07 to 2011-12	Supreme Court – Delhi
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	9.81	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

*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

@ A.Y. = Assessment Year, F.Y. = Financial Year

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 from bank during the year for the purposes for which they were obtained, other than temporary parking in Cash credit account for a few days at the end of the year, pending utilization towards 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) & (f) The company has not taken any funds from any entity or person on account of or to meet the obligations of its associate. The Company does not have any subsidiaries or joint ventures.

x. (a) 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) 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 made preferential allotment of equity shares during the year. The Company has complied with the relevant provisions of the Act in connection with the funds raised through preferential allotment and the same have been utilised for the purposes for which they were raised

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 course of our audit, 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. 3.14 crore comprising of 2 instances.

(b) In our opinion and according to the information and explanations given to us, 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) According to the information and explanations given to us, there were no whistle blower complaints received during the year by the Company.

xii. 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 standalone 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".

xv. According to the information and explanations given to us, 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, 2013 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 Core Investment Company ('CIC') as defined under the Regulations by the Reserve Bank of India.

(d) As per information provided in course of our audit, the Group to which the Company belongs has 3 CIC's as defined in the Core Investment Companies (Reserve Bank) Directions, 2016.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. During the year, Haribhakti & Co. LLP, Chartered Accountants and Pijush Gupta & Co., Chartered Accountants, the joint Statutory auditors of the Company have resigned with effect from 15 September 2021 consequent to amended rules/ regulations applicable to the Company. (i.e. vide RBI circular dated 27 April 2021). According to the information and explanations given to us, there have been no issues, objections or concerns raised by the said outgoing joint statutory auditors of the Company.

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 indicating 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 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 CSR project.

xxi. Information of qualification remarks with respect to Associate as reported by Component auditor in their CARO report are as follows:

Sr. No.	Name of the Company	CIN	Holding Company/ subsidiary/Associate/ Joint Venture	Clause number of the CARO report which is qualified or adverse
1	Shriram Automall India Limited	U50100TN2010PLC074572	Associate and its subsidiaries	Clause vii (a)

For **Sundaram & Srinivasan**
Chartered Accountants
Firm Registration Number - 004207S

P Menakshi Sundaram
Partner
Membership Number: 217914
UDIN: 22217914AHYPLD3562
Place: Mumbai
Date: 28 April 2022

For **Khimji Kunverji & Co LLP**
Chartered Accountants
Firm Registration Number - 105146W/W- 100621

Gautam Shah
Partner
Membership Number: 117348
UDIN:22117348AHYPWL1328
Place: Mumbai
Date: 28 April 2022

Annexure B to the Independent Auditor's report on the Standalone Financial Statements of Shriram Transport Finance Company Limited for the year ended 31 March 2022

(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 Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013.

Opinion

1. We have audited the internal financial controls with reference to the Standalone Financial Statements of Shriram Transport Finance Company Limited ("the Company") as at 31 March 2022 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 2022, 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.

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 **Sundaram & Srinivasan**
Chartered Accountants
Firm Registration Number - 004207S

P Menakshi Sundaram
Partner
Membership Number: 217914
UDIN: 22217914AHYPLD3562
Place: Mumbai
Date: 28 April 2022

For **Khimji Kunverji & Co LLP**
Chartered Accountants
Firm Registration Number - 105146W/W- 100621

Gautam Shah
Partner
Membership Number: 117348
UDIN:22117348AHYPWL1328
Place: Mumbai
Date: 28 April 2022

BALANCE SHEET

AS AT MARCH 31, 2022

(Rs. in crores)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	8	10,662.44	11,050.93
(b) Bank balance other than (a) above	9	5,692.72	5,390.89
(c) Derivative financial instruments	10	201.40	169.25
(d) Receivables	11		
(I) Trade receivables		5.35	8.92
(II) Other receivables		192.67	49.90
(e) Loans	12	116,665.15	108,303.04
(f) Investments	13	6,809.16	3,197.85
(g) Other financial assets	14	51.45	49.03
Total financial assets		**140,280.34**	**128,219.81**
(2) Non-financial assets			
(a) Current tax assets (net)	15	228.24	171.73
(b) Deferred tax assets (net)	43	869.38	639.14
(c) Investment property	16	1.97	2.00
(d) Property, plant and equipment	17	110.56	124.44
(e) Right-of-use assets	18	302.52	308.51
(f) Other intangible assets	19	3.04	2.39
(g) Other non-financial assets	20	310.04	293.32
Total non-financial assets		**1,825.75**	**1,541.53**
Total assets		**142,106.09**	**129,761.34**
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		166.01	152.52
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		1.46	0.37
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1.21	0.54
(b) Debt securities	22	41,256.55	40,061.87
(c) Borrowings (other than debt securities)	23	46,676.93	45,281.37
(d) Deposits	24	21,948.98	16,232.41
(e) Subordinated liabilities	25	4,614.25	4,620.76
(f) Lease liabilities	18	349.43	349.49
(g) Other financial liabilities	26	859.64	1,149.82
Total financial liabilities		**115,874.48**	**107,849.15**
(2) Non-financial liabilities			
(a) Current tax liabilities (net)	27	36.82	102.02
(b) Provisions	28	138.18	142.54
(c) Other non-financial liabilities	29	124.42	99.26
Total non-financial liabilities		**299.42**	**343.82**
Total liabilities		**116,173.90**	**108,192.97**
(3) Equity			
(a) Equity share capital	30	270.52	253.06
(b) Other equity	31	25,661.67	21,315.31
Total equity		**25,932.19**	**21,568.37**
Total liabilities and equity		**142,106.09**	**129,761.34**

See accompanying notes to the financial statements

As per our report of even date
For **Khimji Kunverji & Co LLP**
Chartered Accountants
ICAI Firm Registration No. 105146W/W-100621

For **Sundaram & Srinivasan**
Chartered Accountants
ICAI Firm Registration No. 004207S

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

Gautam Shah
Partner
Membership No. 117348
Mumbai
April 28, 2022

P Menakshi Sundaram
Partner
Membership No. 217914
Mumbai
April 28, 2022

S. Lakshminarayanan
Chairman
DIN: 02808698
Mumbai
April 28, 2022

Umesh Revankar
Vice Chairman & Managing Director
DIN: 00141189
Mumbai
April 28, 2022

Parag Sharma
Joint Managing Director & CFO
DIN: 02916744
Mumbai
April 28, 2022

Vivek M. Achwal
Company Secretary
Mumbai
April 28, 2022

(Rs. in crores)

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations			
(i) Interest income	32	18,646.26	17,128.14
(ii) Dividend income		-	-
(iii) Rental income		0.17	0.21
(iv) Fees and commission income	33	100.08	115.86
(v) Net gain on fair value changes	34	221.70	21.80
(vi) Net gain on derecognition of financial instruments under amortised cost category		217.74	58.85
(vii) Other operating income	35	69.22	95.59
(I) Total Revenue from operations		**19,255.17**	**17,420.45**
(II) Other Income	36	19.06	15.95
(III) Total Income (I + II)		**19,274.23**	**17,436.40**
Expenses			
(i) Finance cost	37	9,734.31	9,054.26
(ii) Fees and commission expenses	38	91.74	78.89
(iii) Impairment on financial instruments	39	3,860.86	3,118.40
(iv) Employee benefits expenses	40	997.09	906.25
(v) Depreciation, amortisation and impairment	41	135.37	137.36
(vi) Other expenses	42	905.61	863.23
(IV) Total expenses		**15,724.98**	**14,158.39**
(V) Profit before exceptional items and tax (III - IV)		**3,549.25**	**3,278.01**
(VI) Exceptional items		-	-
(VII) Profit before tax (V+ VI)		**3,549.25**	**3,278.01**
(VIII) Tax Expense:			
(1) Current tax	43	1,112.57	1,197.77
(2) Deferred tax	43	(188.93)	(545.36)
(3) Tax adjustment for earlier years	43	(82.32)	138.34
(IX) Profit for the year from continuing operations (VII - VIII)		**2,707.93**	**2,487.26**
(X) Profit for the year		**2,707.93**	**2,487.26**
(XI) Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) on defined benefit plan		(3.24)	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.82	-
Subtotal (A)		**(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		(160.87)	(124.31)
(ii) Income tax relating to items that will be reclassified to profit or loss		40.49	31.29
Subtotal (B)		**(120.38)**	**(93.02)**
Other comprehensive income (A + B)		**(122.80)**	**(93.02)**
(XII) Total Comprehensive income for the year (X + XI)		**2,585.13**	**2,394.24**
(XIII) Earnings per equity share (face value Rs. 10/- per equity share)	44		
Basic (Rs.)		101.74	100.97
Diluted (Rs.)		101.74	100.97

See accompanying notes to the financial statements

As per our report of even date

For **Khimji Kunverji & Co LLP**
Chartered Accountants
ICAI Firm Registration No. 105146W/W-100621

Gautam Shah
Partner

Membership No. 117348
Mumbai
April 28, 2022

For **Sundaram & Srinivasan**
Chartered Accountants
ICAI Firm Registration No. 004207S

P Menakshi Sundaram
Partner

Membership No. 217914
Mumbai
April 28, 2022

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

S. Lakshminarayanan
Chairman
DIN: 02808698
Mumbai
April 28, 2022

Umesh Revankar
Vice Chairman & Managing Director
DIN: 00141189
Mumbai
April 28, 2022

Parag Sharma
Joint Managing Director & CFO
DIN: 02916744
Mumbai
April 28, 2022

Vivek M. Achwal
Company Secretary
Mumbai
April 28, 2022

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2022

A. Equity share capital

(1) Current reporting period

(Rs. in crores)

Balance at the beginning of the current reporting period As at March 31, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period As at March 31, 2022
253.06	-	253.06	17.46	270.52

(2) Previous reporting period

(Rs. in crores)

Balance at the beginning of the previous reporting period As at March 31, 2020	Changes in Equity Share Capital due to prior period errors	Restated 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
226.88	-	226.88	26.18	253.06

B. Other equity

(1) Current reporting period

(Rs. in crores)

Particulars	Share application money pending allotment	Reserves and surplus								Other comprehensive income	Money received against share warrants	Total
		Capital reserve	Securities premium	Other Reserves								
				Statutory reserve	Debenture redemption reserve #	Capital redemption reserve	General reserve	Remeasurement gain/(loss) on defined benefit plan	Retained earnings	Effective portion of cash flow hedges		
Balance at the beginning of the current 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 current 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 Other equity)	-	-	-	541.59	(614.13)	-	270.80	-	(198.26)	-	-	-
Any other change:												
Securities premium proceeds received on issue of equity shares (refer note 30 Equity and note 31 Other equity)	-	-	2,482.54	-	-	-	-	-	-	-	-	**2,482.54**
Share issue expenses (refer note 30 Equity and note 31 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 current 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**

(2) **Previous reporting period**

(Rs. in crores)

Particulars	Share application money pending allotment	Reserves and surplus								Other comprehensive income	Money received against share warrants	Total
		Capital reserve	Securities premium	Other Reserves								
				Statutory reserve	Debenture redemption reserve #	Capital redemption reserve	General reserve	Remeasurement gain/(loss) on defined benefit plan	Retained earnings	Effective portion of cash flow hedges		
Balance at the beginning of the current reporting period (as at April 01, 2020)	-	**27.64**	**1,754.81**	**3,668.93**	**610.41**	**53.88**	**2,414.54**	**(9.66)**	**9,257.73**	-	-	**17,778.28**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	**27.64**	**1,754.81**	**3,668.93**	**610.41**	**53.88**	**2,414.54**	**(9.66)**	**9,257.73**	-	-	**17,778.28**
Profit for the year	-	-	-	-	-	-	-	-	2,487.26	-	-	**2,487.26**
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	(93.02)	-	**(93.02)**
Total comprehensive income for the year	-	-	-	-	-	-	-	-	**2,487.26**	**(93.02)**	-	**2,394.24**
Dividends (interim)	-	-	-	-	-	-	-	-	(303.67)	-	-	**(303.67)**
Transferred to/(from) (refer note 31 Other equity)	-	-	-	497.46	311.00	-	248.73	-	(1,057.19)	-	-	-
Any other change:												
Securities premium proceeds received on issue of equity shares (refer note 30 Equity and note 31 Other equity)	-	-	1,466.01	-	-	-	-	-	-	-	-	**1,466.01**
Rights issue expenses (refer note 30 Equity and note 31 Other equity)	-	-	(19.55)	-	-	-	-	-	-	-	-	**(19.55)**
Balance at the end of the current reporting period (as at March 31, 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**

Refer note 31 Other equity

See accompanying notes to the financial statements

As per our report of even date
For **Khimji Kunverji & Co LLP**
Chartered Accountants
ICAI Firm Registration No. 105146W/W-100621

Gautam Shah
Partner

Membership No. 117348
Mumbai
April 28, 2022

For **Sundaram & Srinivasan**
Chartered Accountants
ICAI Firm Registration No. 004207S

P Menakshi Sundaram
Partner

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For and on behalf of the Board of Directors of
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DIN: 02916744
Mumbai
April 28, 2022

Vivek M. Achwal
Company Secretary

Mumbai
April 28, 2022

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	3,549.25	3,278.01
Depreciation, amortisation and impairment	135.37	137.36
Interest income on loans	(18,028.13)	(16,611.31)
Finance costs	9,734.31	9,054.26
Loss/(profit) on sale of property plant and equipment (net)	0.79	0.65
Impairment on loans	3,865.02	3,128.29
Impairment on investments	(2.00)	(4.22)
Impairment on undrawn loan commitment	(4.00)	(5.45)
Impairment on other assets	1.84	(0.22)
Net (gain)/loss on fair value changes on investment	(236.83)	(22.87)
Net (gain)/loss on fair value changes on direct assignment	15.13	1.07
Net gain on derecognition of financial instruments under amortised cost category	217.74	58.85
Cash inflow from interest on loans	18,006.70	18,405.90
Cash outflow towards finance costs	(8,588.09)	(7,745.19)
Operating profit before working capital changes	**8,667.10**	**9,675.13**
Movements in working capital:		
Decrease/(increase) in loans	(12,205.70)	(10,994.29)
Decrease/(increase) in investments	(3,372.48)	(372.28)
Decrease/(increase) in receivables	(372.06)	(102.64)
Decrease/(increase) in bank deposits	(301.83)	(1,164.96)
Decrease/(increase) in other financial assets	(4.26)	(10.11)
Decrease/(increase) in other non-financial assets	(14.67)	(41.13)
Increase/(decrease) in payables	13.51	8.68
Increase/(decrease) in other financial liabilities	(138.25)	3.94
Increase/(decrease) in non-financial liabilities	25.16	15.98
Increase/(decrease) in other provision	(3.60)	1.66
Cash used in operations	**(7,707.08)**	**(2,980.02)**
Direct taxes paid (net of refunds)	(1,151.94)	(1,258.75)
Net cash flows from/(used in) operating activities (A)	**(8,859.02)**	**(4,238.77)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(35.75)	(25.82)
Proceeds from sale of property, plant and equipment and intangible assets	1.42	0.94
Net cash generated from/(used in) investing activities (B)	**(34.33)**	**(24.88)**

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital (including share premium and net of share issue expenses)	2,478.57	1,472.64
Proceeds/(repayment) on settlement of derivative contracts	(32.15)	589.48
Increase / (decrease) in fixed deposits (net)	5,443.14	4,206.86
Amount received from debt securities	16,637.86	10,636.15
Repayment of debt securities	(16,203.36)	(5,797.45)
Proceeds/(repayment) of subordinated debts	(50.32)	(1,069.27)
Amount received from borrowings other than debt securities	41,477.93	38,480.04
Repayment of borrowings other than debt securities	(40,280.10)	(36,032.94)
Payment of lease liabilities	(114.90)	(107.33)
Dividend paid	(851.81)	(152.59)
Net cash generated from/(used in) financing activities (C)	**8,504.86**	**12,225.59**
Net increase in cash and cash equivalents (A+B+C)	(388.49)	7,961.94
Cash and cash equivalents at the beginning of the year	11,050.93	3,088.99
Cash and cash equivalents at the end of the year	**10,662.44**	**11,050.93**

(Rs. in crores)

Components of cash and cash equivalents	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents at the end of the year		
i) Cash on hand	95.05	79.61
ii) Cheques on hand	5.56	6.16
iii) Balances with banks (of the nature of cash and cash equivalents)	2,654.78	5,014.78
iv) Call money (CBLO)	3,198.60	2,498.85
v) Bank deposit with original maturity upto three months or less	4,708.45	3,451.53
Total	**10,662.44**	**11,050.93**

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 **Khimji Kunverji & Co LLP**
Chartered Accountants
ICAI Firm Registration No. 105146W/W-100621

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Partner

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Joint Managing Director & CFO
DIN: 02916744
Mumbai
April 28, 2022

Vivek M. Achwal
Company Secretary

Mumbai
April 28, 2022

1 CORPORATE INFORMATION

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 are listed on BSE Limited and National Stock Exchange of India Limited. The Company is primarily engaged in the business of financing commercial vehicles. It also provides loans for equipment and other business purposes. It also accepts deposits from the public. 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

The Company is an associate of Shriram Capital Limited and Deposit Accepting Non-Banking Finance Company ("NBFC"), NBFC - Investment and Credit Company (NBFC-ICC)holding a Certificate of Registration from the Reserve Bank of India ("RBI") dated April 17, 2007.

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 financial statements of the Company for the year ended March 31, 2022 were approved for issue in accordance with the resolution of the Board of Directors on April 28, 2022.

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'). 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 and other relevant provisions of the Companies Act 2013, guidelines issued by the RBI as applicable to a NBFCs and other accounting principles generally accepted in India. Any application 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 has been 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 and 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 standard or amendments to the existing standards. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022 which is effective from April 01, 2022. On March 24, 2021, MCA through a notification, amended Schedule III of the Companies Act, 2013 effective from April 01, 2021. Amendments relating to Division III which relate to NBFCs whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, have been complied with.

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.

(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 financial instruments measured at fair value through other comprehensive income.

Equity instruments

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Company in a business combination to which Ind AS 103 'Business Combination' applies, are measured at fair value through other comprehensive income, where an irrevocable election has been made by management and when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation. Such classification is determined on an instrument-by-instrument basis. As at reporting date, there are no equity instruments measured at fair value through other comprehensive income (FVOCI).

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 assets measured at fair value through profit or loss

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;
- Items specifically designated as fair value through profit or loss on initial recognition; and
- Debt instruments with contractual terms that do not represent solely payments of principal and interest.

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

Financial instruments held for trading

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

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

Financial instruments designated as measured at fair value through profit or loss

Upon initial recognition, financial instruments may be designated as measured at fair value through profit or loss. A financial asset may only be designated at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistencies (i.e. eliminates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on a different basis.

Equity Investments

Investment in Associate is carried at cost in the Separate Financial Statements as permitted under Ind AS 27. 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.

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 2020-21 and until the year ended March 31, 2022.

(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 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 marketplace.

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 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 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 Business Loans, secured loans for new vehicles, secured loans for used vehicles and Equipment Finance 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.

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 financial year 2021-22 and impact on financials is disclosed in note 79.

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.

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.

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.

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 53.

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 53.

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 53.

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably. Refer note 63 for impact of COVID and macro-economic factors on PD and LGD estimation.

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 12 months are considered as Stage 3 assets and fully provided for net of estimated realizable 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 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 financial year 2021-22 and impact on financials is disclosed in note 78.

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

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

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

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

Difference between transaction price and fair value at initial recognition.

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

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in 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 fair value of the consideration received or receivable based on a five-step model as set out below, unless included in the effective interest calculation:

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

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

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

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

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

(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 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) 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 income with the corresponding adjustment to the carrying amount of the assets.

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. 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.

(iii) Leases

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

Operating leases are leases where the Company does not transfer substantially all of the risk and benefits of ownership of the asset. 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

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

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

(vi) Taxes

Current Tax

Current tax assets and liabilities 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.

6.7 Intangible assets

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

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

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

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

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

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

6.8 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. 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.

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 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.

(Rs. in crores)

	Particulars	As at March 31, 2022	As at March 31, 2021
8	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	95.05	79.61
	Balances with banks (of the nature of cash and cash equivalents)	2,654.78	5,014.78
	Cheques on hand	5.56	6.16
	Others		
	- Call money (CBLO)	3,198.60	2,498.85
	- Bank deposit with original maturity upto three months or less	4,708.45	3,451.53
	Total	**10,662.44**	**11,050.93**

Balances with banks earn interest at fixed rates. Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates. The Company has not taken bank overdraft, therefore the cash and cash equivalent for cash flow statement is same as cash and for cash equivalent given above.

(Rs. in crores)

	Particulars	As at March 31, 2022	As at March 31, 2021
9	**BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS**		
	Earmarked balances with banks for		
	- Interim dividend	-	151.84
	- Unclaimed dividend accounts	9.72	9.81
	Bank deposit with original maturity for more than three months	574.16	351.50
	Balances with banks to the extent held as credit enhancement or security against the borrowings, guarantees, other commitments. *	5,108.84	4,877.74
	Total	**5,692.72**	**5,390.89**

Fixed deposit and other balances with banks earns interest at fixed rate.

*Includes deposits Rs. 4,829.26 crores (March 31, 2021: Rs. 4,642.90 crores) pledged with Banks as margin for credit enhancement, Rs. 33.30 crores (March 31, 2021: Rs. 34.36 crores) as margin for guarantees and Rs. 246.28 crores (March 31, 2021: Rs. 200.48 crores) pledged as lien against loans taken.

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 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, 2022				As at March 31, 2021			
		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	17,040.59	97.84	-	-	13,826.90	79.37	-	-
	- Currency swaps	2,320.47	(276.95)	-	-	2,320.38	(103.23)	-	-
	- Cross currency interest rate swaps	3,408.70	364.13	-	-	6,236.92	181.54	-	-
	Sub total (i)	**22,769.76**	**185.02**	-	-	**22,384.20**	**157.68**	-	-

10 DERIVATIVE FINANCIAL INSTRUMENTS (Contd.)

(Rs. in crores)

	Particulars	As at March 31, 2022				As at March 31, 2021			
		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	14,049.63	3.18	-	-	14,047.48	9.72	-	-
	-Interest rate caps	-	13.20	-	-	-	1.85	-	-
	Sub total (ii)	**14,049.63**	**16.38**	-	-	**14,047.48**	**11.57**	-	-
(iii)	**Credit derivatives:**	-	-	-	-	-	-	-	-
(iv)	**Equity linked derivatives:**	-	-	-	-	-	-	-	-
(v)	**Other derivatives:**	-	-	-	-	-	-	-	-
Total Derivative financial instruments (i)+(ii)+(iii)+(iv)+(v)		**36,819.39**	**201.40**	-	-	**36,431.68**	**169.25**	-	-
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	22,769.76	185.02	-	-	22,384.20	157.68	-	-
	- Interest rate derivatives	14,049.63	16.38	-	-	14,047.48	11.57	-	-
(iii)	Net investment hedging:	-	-	-	-	-	-	-	-
(iv)	Undesignated derivatives	-	-	-	-	-	-	-	-
Total Derivative financial instruments (i)+(ii)+(iii)+(iv)		**36,819.39**	**201.40**	-	-	**36,431.68**	**169.25**	-	-

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 53.

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 matches 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 are 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 from time to time. The risk management strategy and the use of derivatives are explained in Note 53 - Risk management and Note 94 - Derivatives.

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)

	As at March 31, 2022				As at March 31, 2021			
Hedged Instrument	**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	36,819.39	201.40	Derivative Financial Instruments	160.87	36,431.68	169.25	Derivative Financial Instruments	124.31

The impact of hedged items on the Balance sheet is as follows:

(Rs. in crores)

	As at March 31, 2022		As at March 31, 2021	
Hedged Item	**Change in value used for measuring ineffectiveness**	**Cash flow hedge reserve as on March 31, 2022**	**Change in value used for measuring ineffectiveness**	**Cash flow hedge reserve as on March 31, 2021**
External commercial bond and external commercial borrowings	(160.87)	(213.40)	(124.31)	(93.02)

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 March 31, 2022**	**As at March 31, 2021**
Hedged Item	External commercial bond and external commercial borrowings	
Total hedging gain / (loss) recognised in OCI	(160.87)	(124.31)
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

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables considered good-secured	-	-
Trade receivables considered good-unsecured	5.35	8.92
Trade receivables which have significant increase in credit risk	-	-
Trade receivables -credit impaired	-	-
Gross	**5.35**	**8.92**
Less: Allowances for impairment loss on credit impaired trade receivables	-	-
Net	**5.35**	**8.92**

Trade receivables ageing

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 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**

As at March 31, 2021

(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	-	-	8.92	-	-	-	-	8.92
(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	**-**	**-**	**8.92**	**-**	**-**	**-**	**-**	**8.92**

11 RECEIVABLES (Contd.)

The managements expects no default in receipt of trade receivables; also there is no history of default observed by the management. Hence, no ECL has been recognised on trade receivables.

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.

Trade receivables are non-interest bearing and are generally on terms of 30 days.

(II) Other receivables

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Other receivables considered good-secured	-	-
Other receivables considered good-unsecured	192.67	49.90
Other receivables which have significant increase in credit risk	-	-
Other receivables - credit impaired	2.61	1.88
Gross	**195.28**	**51.78**
Less: Allowances for impairment loss on credit impaired other receivables	2.61	1.88
Net	**192.67**	**49.90**

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.

(Rs. in crores)

Other receivables days past due		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	**March 31, 2022**	189.17	4.10	0.59	0.27	0.85	0.30	**195.28**
ECL-simplified approach		-	1.45	0.01	-	0.85	0.30	**2.61**
Net carrying amount		**189.17**	**2.65**	**0.58**	**0.27**	-	-	**192.67**
Estimated total gross carrying amount at default	**March 31, 2021**	46.82	2.58	0.43	0.19	0.19	1.57	**51.78**
ECL-simplified approach		-	0.04	0.04	0.04	0.19	1.57	**1.88**
Net carrying amount		**46.82**	**2.54**	**0.39**	**0.15**	-	-	**49.90**

Reconciliation of impairment loss allowance on other receivables:

(Rs. in crores)

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as per April 01, 2020	**2.10**
Add: Addition during the year	0.21
(Less): Reduction during the year	(0.43)
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**

(Rs. in crores)

	Particulars	As at March 31, 2022	As at March 31, 2021
12	**LOANS**		
	Loans (at amortised cost)		
	(A)		
	i) Term loans	123,999.00	113,424.31
	ii) Others @	1,700.03	2,767.28
	Total (A) - Gross	**125,699.03**	**116,191.59**
	Less : Impairment loss allowance (refer note 63)	9,033.88	7,888.55
	Total (A) - Net	**116,665.15**	**108,303.04**
	(B)		
	i) Secured by tangible assets	123,981.87	113,415.53
	ii) Secured by deposits	17.13	8.78
	iii) Unsecured	1,700.03	2,767.28
	Total (B) - Gross	**125,699.03**	**116,191.59**
	Less : Impairment loss allowance (refer note 63)	9,033.88	7,888.55
	Total (B) - Net	**116,665.15**	**108,303.04**
	(C)		
	Loans outside India	-	-
	Loans in India		
	i) Public sector	-	-
	ii) Others		
	Retail	125,285.30	115,654.09
	Corporates	413.73	537.50
	Total (C) - Gross	**125,699.03**	**116,191.59**
	Less : Impairment loss allowance (refer note 63)	9,033.88	7,888.55
	Total (C) - Net	**116,665.15**	**108,303.04**

There are no loans measured at FVOCI or FVTPL or designated at FVTPL.

@ includes unsecured working capital loans, loans to employees, trade advances 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 53.02 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in note 53.02.02.07.

(Rs. in crores)

Particulars	As at March 31, 2022				As at March 31, 2021			
	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	85,781.86	-	-	**85,781.86**	66,806.72	-	-	**66,806.72**
Standard grade	17,711.12	-	-	**17,711.12**	27,108.94	-	-	**27,108.94**
Sub-standard grade	-	8,511.97	-	**8,511.97**	-	6,570.01	-	**6,570.01**
Past due but not impaired	-	4,806.53	-	**4,806.53**	-	7,413.11	-	**7,413.11**
Non- performing	-	-	8,887.55	**8,887.55**	-	-	8,292.81	**8,292.81**
Total	**103,492.98**	**13,318.50**	**8,887.55**	**125,699.03**	**93,915.66**	**13,983.12**	**8,292.81**	**116,191.59**

12 LOANS (Contd.)

An analysis of changes in the gross carrying amount as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2022				Year ended March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**93,915.66**	**13,983.12**	**8,292.81**	**116,191.59**	**87,064.97**	**12,259.66**	**9,177.08**	**108,501.71**
New assets originated or purchased	54,151.77	5,925.28	1,731.40	**61,808.45**	32,100.42	4,062.47	1,318.50	**37,481.39**
Assets derecognised or repaid (excluding write offs and includes interest accruals adjusted)	(40,462.98)	(6,026.81)	(3,091.93)	**(49,581.72)**	(22,592.41)	(3,531.65)	(2,157.84)	**(28,281.90)**
Transfers to stage 1	10,616.77	(8,891.78)	(1,724.99)	-	9,958.65	(7,726.70)	(2,231.95)	-
Transfers to stage 2	(10,291.06)	10,849.87	(558.81)	-	(9,766.35)	10,722.93	(956.58)	-
Transfers to stage 3	(3,544.42)	(2,299.79)	5,844.21	-	(2,449.08)	(1,693.12)	4,142.20	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Amounts written off	(892.76)	(221.39)	(1,605.14)	**(2,719.29)**	(400.54)	(110.47)	(998.60)	**(1,509.61)**
Gross carrying amount closing 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**

Reconciliation of ECL balance is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2022				Year ended March 31, 2021			
	General approach				General approach			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**3,046.35**	**1,356.07**	**3,486.13**	**7,888.55**	**2,156.05**	**928.08**	**3,185.95**	**6,270.08**
New assets originated or purchased	1,735.00	628.10	754.40	**3,117.50**	1,010.13	402.20	556.65	**1,968.98**
Transfers to stage 1	1,628.92	(891.41)	(737.51)	-	1,381.13	(602.54)	(778.59)	-
Transfers to stage 2	(335.64)	574.88	(239.24)	-	(260.75)	598.96	(338.21)	-
Transfers to stage 3	(118.19)	(241.53)	359.72	-	(65.42)	(145.29)	210.71	-
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery	(1,682.33)	6.31	2,423.13	**747.11**	(774.25)	285.13	1,648.22	**1,159.10**
Amounts written off	(892.76)	(221.39)	(1,605.13)	**(2,719.28)**	(400.54)	(110.47)	(998.60)	**(1,509.61)**
ECL allowance - closing 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**

The contractual amount outstanding on loans that have been written off during the financial year, but were still subject to enforcement activity was Rs. 1,689.33 crores (Rs. 1,080.81 crores for March 31, 2021).

13 INVESTMENTS

(Rs. in crores)

Particulars	As at March 31, 2022				As at March 31, 2021			
	Amortised Cost	At Fair value Through profit or loss	Others (at cost)	Total	Amortised Cost	At Fair value Through profit or loss	Others (at cost)	Total
i) Investments in mutual funds	-	1,523.02	-	**1,523.02**	-	-	-	-
ii) Investments in government securities (refer note 65)	3,154.39	-	-	**3,154.39**	2,058.34	-	-	**2,058.34**
iii) Investments in equity instruments	-	23.89	-	**23.89**	-	6.74	-	**6.74**
iv) Investments in associates (at cost)	-	-	13.37	**13.37**	-	-	13.37	**13.37**
v) Investments in pass through certificates (unquoted)	1,106.88	-	-	**1,106.88**	1,155.87	-	-	**1,155.87**
vi) Investments in certificate of deposits	-	822.29	-	**822.29**	-	-	-	-
vii) Investments in commercial papers	199.79	-	-	**199.79**	-	-	-	-
viii) Others (venture capital fund)	-	1.53	-	**1.53**	-	1.54	-	**1.54**
Total Gross (A)	**4,461.06**	**2,370.73**	**13.37**	**6,845.16**	**3,214.21**	**8.28**	**13.37**	**3,235.86**
i) Investments outside India	-	-	-	-	-	-	-	-
ii) Investments in India	4,461.06	2,370.73	13.37	**6,845.16**	3,214.21	8.28	13.37	**3,235.86**
Total Gross (B)	**4,461.06**	**2,370.73**	**13.37**	**6,845.16**	**3,214.21**	**8.28**	**13.37**	**3,235.86**
Less : Allowance for impairment loss (C)	(36.00)	-	-	**(36.00)**	(38.01)	-	-	**(38.01)**
Total - Net D = (A) - (C)	**4,425.06**	**2,370.73**	**13.37**	**6,809.16**	**3,176.20**	**8.28**	**13.37**	**3,197.85**

More information regarding the valuation methodologies can be found in Note 52.09.

There is no investments measured at FVOCI or designated at FVTPL.

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 53.02.

(Rs. in crores)

Particulars	As at March 31, 2022				As at March 31, 2021			
	Stage 1 individual	Stage 2 individual	Stage 3	Total	Stage 1 individual	Stage 2 individual	Stage 3	Total
Internal rating grade								
Performing								
High grade	4,461.06	-	-	**4,461.06**	3,214.21	-	-	**3,214.21**
Standard grade	-	-	-	-	-	-	-	-
Non-performing								
Individually Impaired	-	-	-	-	-	-	-	-
Total	**4,461.06**	**-**	**-**	**4,461.06**	**3,214.21**	**-**	**-**	**3,214.21**

13 INVESTMENTS (Contd.)

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, 2022				Year ended March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount – opening balance	**3,214.21**	-	-	**3,214.21**	**2,767.25**	**52.67**	-	**2,819.92**
New assets originated or purchased	2,141.55	-	-	**2,141.55**	1,093.04	2.08	-	**1,095.12**
Assets derecognised or matured (excluding write-offs)	(894.71)	-	-	**(894.71)**	(646.08)	(54.75)	-	**(700.83)**
Closing balance	**4,461.06**	-	-	**4,461.06**	**3,214.21**	-	-	**3,214.21**

Reconciliation of ECL balance is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2022				Year ended March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance in ECL	**38.01**	-	-	**38.01**	**23.79**	**18.44**	-	**42.23**
New assets originated or purchased	-	-	-	-	-	-	-	-
Changes to models and inputs used for ECL calculations	(2.00)	-	-	**(2.00)**	14.22	-	-	**14.22**
Recoveries	-	-	-	-	-	(18.44)	-	**(18.44)**
Closing balance in ECL	**36.00**	-	-	**36.00**	**38.01**	-	-	**38.01**

(Rs. in crores)

	Particulars	As at March 31, 2022	As at March 31, 2021
14	**OTHER FINANCIAL ASSETS**		
	Security deposits *	51.45	46.96
	Other financial assets	-	2.07
	Total	**51.45**	**49.03**

* Net of allowance for impairment loss recognised on security deposit Rs. 0.39 crores (March 31, 2021: Rs. 0.51 crores).

(Rs. in crores)

	Particulars	As at March 31, 2022	As at March 31, 2021
15	**CURRENT TAX ASSETS (NET)**		
	Advance income tax [net of provision for income tax Rs. 5,577.72 crores (March 31, 2021: Rs. 5,168.83 crores)]	228.24	171.73
	Total	**228.24**	**171.73**

(Rs. in crores)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Freehold Land	Buildings	Total	Freehold Land	Buildings	Total
16 INVESTMENT PROPERTY						
Gross block*						
Opening balance	**0.70**	**1.45**	**2.15**	**0.70**	**1.45**	**2.15**
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Closing balance	**0.70**	**1.45**	**2.15**	**0.70**	**1.45**	**2.15**
Accumulated depreciation						
Opening balance	-	**0.15**	**0.15**	-	**0.12**	**0.12**
Depreciation charge for the year	-	0.03	**0.03**	-	0.03	**0.03**
Disposals	-	-	-	-	-	-
Closing balance	-	**0.18**	**0.18**	-	**0.15**	**0.15**
Net carrying amount	**0.70**	**1.27**	**1.97**	**0.70**	**1.30**	**2.00**

*Refer note 6.9 of Significant accounting policies for exemption applied during first-time adoption of Indian Accounting Standards.

(i) Amounts recognised in Statement of Profit and Loss for Investment property

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Rental income from investment property	0.17	0.21
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	-
Profit from investment property before depreciation	**0.15**	**0.19**
Depreciation charge for the year	0.03	0.03
Profit from investment property after depreciation	**0.12**	**0.16**

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, 2022 is Rs. 6.12 crores (March 31, 2021 is Rs. 6.12 crores).

(iv) Pledged details

Investment property is not pledged.

(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.

17 PROPERTY, PLANT AND EQUIPMENT

(Rs. in crores)

Particulars	Freehold Land	Building	Plant and equipment	Computers	Office equipment	Furniture and fixtures	Vehicles	Leasehold improvement	Total
Gross block*									
As at April 01, 2020	**0.59**	**2.39**	**11.09**	**54.29**	**31.59**	**30.69**	**0.25**	**104.63**	**235.52**
Additions	-	-	0.70	10.03	2.61	1.58	-	9.49	**24.41**
Disposals	-	-	0.43	7.48	1.96	0.94	-	4.94	**15.75**
As at March 31, 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**
Accumulated depreciation and impairment losses									
As at April 01, 2020	**-**	**(0.03)**	**2.82**	**18.92**	**11.68**	**6.52**	**(0.09)**	**45.82**	**85.64**
Charge for the year	-	0.05	1.54	15.50	5.67	3.48	0.08	21.94	**48.26**
Disposals	-	-	0.37	6.49	1.80	0.82	-	4.68	**14.16**
As at March 31, 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**
Net carrying amount as at March 31, 2021	**0.59**	**2.37**	**7.37**	**28.91**	**16.69**	**22.15**	**0.26**	**46.10**	**124.44**
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**

Carrying value of property, plant and equipment pledged as collateral for liabilities as at March 31, 2022 is Rs. 0.32 crores (March 31, 2021 is Rs. 0.35 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 years ended March 31, 2022 and March 31, 2021. 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	As at March 31, 2022	As at March 31, 2021
Office Premises		
Opening Balance	**308.51**	**334.29**
Additions	100.33	62.80
Depreciation charge for the year	(88.86)	(87.73)
Deletions	(17.46)	(0.85)
Net Carrying Amount	**302.52**	**308.51**

The Company has not revalued any of its Right-of-use assets during the years ended March 31, 2022 and March 31, 2021. 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, 2022	As at March 31, 2021
Less than 1 year	74.92	74.29
1 to 2 years	66.53	68.40
2 to 3 years	54.11	57.31
3 to 4 years	38.36	46.24
4 to 5 years	31.94	28.32
More than 5 years	83.57	74.93
Total	**349.43**	**349.49**

The Company has taken various office premises under lease. Certain agreements provide for cancellation by either party or certain agreements contains clause for escalation and renewal of agreements. The non-cancellable operating lease agreements are ranging for a period 11 to 180 months. There are no restrictions imposed by lease arrangements.

(Rs. in crores)

	Particulars	As at March 31, 2022	As at March 31, 2021
(ii)	**Amounts recognised in the Statement of Profit and Loss**		
	Depreciation charge of right-of-use assets (included in depreciation, amortisation and impairment)	88.86	87.73
	Interest expense (included in finance costs)	31.97	32.06
	Expense relating to short-term leases (included in other expenses)	3.24	9.24
	Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other expenses)	1.80	2.13
	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	3.16	2.66
	Income from subleasing right-of-use assets (included in other income)	7.27	7.94
(iii)	**Gains or losses arising from sale and leaseback transactions**	-	-
(iv)	**The total cash outflow for leases during the year**	**109.13**	**96.16**

18 LEASES (Contd.)

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 are Rs. 0.17 crores (March 31, 2021: Rs. 0.21 crores). 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.

Future minimum lease receivables under non-cancellable leases as at March 31, 2022 are as follows:

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Within one year	0.17	0.17
After one year but not more than five years	0.08	0.25
More than five years	-	-
Total	**0.25**	**0.42**

(Rs. in crores)

Particulars	Computer software
19 OTHER INTANGIBLE ASSETS #	
Gross block*	
As at April 01, 2020	**4.02**
Additions	1.06
Disposals	-
As at March 31, 2021	**5.08**
Additions	2.22
Disposals	0.03
As at March 31, 2022	**7.27**
Accumulated amortisation and impairment losses	
As at April 01, 2020	**1.35**
Charge for the year	1.34
Disposals	0.00
As at March 31, 2021	**2.69**
Charge for the year	1.57
Disposals	0.03
As at March 31, 2022	**4.23**
Net carrying amount as at March 31, 2021	**2.39**
Net carrying amount as at March 31, 2022	**3.04**

Other than internally generated

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

*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 intangible assets during the years ended March 31, 2022 and March 31, 2021. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is nil.

(Rs. in crores)

	Particulars	As at March 31, 2022	As at March 31, 2021
20	**OTHER NON-FINANCIAL ASSETS**		
	Goods and services tax credit (input) receivable	198.82	183.44
	Prepaid expenses	9.32	7.80
	Capital advances	3.05	1.00
	Duties paid under protest	96.40	96.40
	Other non-financial assets	2.45	4.68
	Total	**310.04**	**293.32**

21 PAYABLES

(I) Trade payables

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) total outstanding dues of micro enterprises and small enterprises (refer note 54)	0.02	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises *	166.01	152.52
Total	**166.03**	**152.52**

*Includes payable to associate Rs. 0.91 crores (March 31, 2021: Rs. 1.27 crores).

Trade Payables ageing

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**

As at March 31, 2021

(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	-	-	-	-	-	-	-
(ii) Others	136.07	-	11.46	3.60	1.07	0.32	**152.52**
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**136.07**	**-**	**11.46**	**3.60**	**1.07**	**0.32**	**152.52**

(II) Other payables

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) total outstanding dues of micro enterprises and small enterprises (refer note 54)	1.46	0.37
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1.21	0.54
Total	**2.67**	**0.91**

(Rs. in crores)

	Particulars	As at March 31, 2022	As at March 31, 2021
22	**DEBT SECURITIES**		
	At amortised cost		
	Secured		
	Redeemable non-convertible debentures		
	- Public issue ¥	2,500.63	5,776.24
	- Privately placed ¥¥	18,768.05	15,153.29
	External commercial bond	19,011.29	17,779.55
	Senior secured notes	891.40	888.35
	Unsecured		
	Redeemable non-convertible debentures		
	- Privately placed	85.18	464.44
	Total	**41,256.55**	**40,061.87**
	Debt securities in India	21,353.86	21,393.97
	Debt securities outside India	19,902.69	18,667.90
	Total	**41,256.55**	**40,061.87**

There are no debt securities measured at FVTPL or designated at FVTPL.

¥ includes Rs. 29.40 crores (March 31, 2021 Rs. 69.20 crores) issued to related parties including Directors.

¥¥ includes Rs. 27.96 crores (March 31, 2021 Rs. 10.01 crores) issued to related parties.

(Rs. in crores)

	Particulars	As at March 31, 2022	As at March 31, 2021
23	**BORROWINGS (OTHER THAN DEBT SECURITIES)**		
	At amortised cost		
	Secured		
	Term loan from banks - INR	16,755.62	13,304.70
	Term loan from financial institutions/corporates - INR	5,685.24	3,783.20
	External commercial borrowing - FCNR	4,243.13	4,122.49
	Loans repayable on demand from banks (Cash credit from banks)	454.86	667.38
	Other loans - INR -Securitisation liabilities	19,538.08	23,403.60
	Total	**46,676.93**	**45,281.37**
	Borrowings in India	42,433.80	41,158.88
	Borrowings outside India	4,243.13	4,122.49
	Total	**46,676.93**	**45,281.37**

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.

(Rs. in crores)

	Particulars	As at March 31, 2022	As at March 31, 2021
24	**DEPOSITS**		
	At amortised cost		
	Unsecured		
	(i) Public deposits (refer note 65) *	20,190.08	15,790.71
	(ii) From Banks	-	-
	(iii) From Others		
	- Deposits from corporates **	1,729.76	392.11
	- Inter-corporate deposits ***	29.14	49.59
	Total	**21,948.98**	**16,232.41**

There are no deposits measured at FVTPL or designated at FVTPL.

* includes Rs. 3.01 crores (March 31, 2021 Rs. 1.89 crores) accepted from related parties including Director.

** includes Rs. 118.94 crores (March 31, 2021 Rs. 34.34 crores) accepted from related parties.

*** includes Rs. 27.45 crores (March 31, 2021 Rs. 49.59 crores) accepted from associate.

(Rs. in crores)

	Particulars	As at March 31, 2022	As at March 31, 2021
25	**SUBORDINATED LIABILITIES**		
	At amortised cost		
	Others		
	Unsecured		
	Subordinated debts - Debentures #	4,614.25	4,620.76
	Total	**4,614.25**	**4,620.76**
	Subordinated debts in India	4,614.25	4,620.76
	Subordinated debts outside India	-	-
	Total	**4,614.25**	**4,620.76**

There are no subordinated liabilities measured at FVTPL or designated at FVTPL.

includes Rs. 516.07 crores (March 31, 2021 Rs. 495.36 crores) issued to related parties.

I DEBT SECURITIES

A) Redeemable non-convertible debenture (NCD) -secured

i) Public issue of redeemable non-convertible debentures of Rs. 1,000/- each-(2014)

Terms of repayment as on March 31, 2022

Outstanding as on March 31, 2022: Nil

Terms of repayment as on March 31, 2021

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
12 months	-	240.22	-	**240.22**
Total	**-**	**240.22**	**-**	**240.22**

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. 1,974.85 crores raised from public issue (net off expenses) towards asset financing activities as per the objects stated in the prospectus for the issue.

I DEBT SECURITIES (Contd.)

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.

As per the terms of the issue Rs. 199.37 crores were redeemed on July 15, 2021.

As per the terms of the issue Rs. 427.15 crores were redeemed on July 15, 2019.

As per the terms of the issue Rs. 1,348.33 crores were redeemed on July 15, 2017.

ii) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2018 - 1)

Terms of repayment as on 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%	
over 60 months	497.98	-	-	**497.98**
12-24 months	850.87	-	-	**850.87**
Total	**1,348.85**	**-**	**-**	**1,348.85**

Terms of repayment as on March 31, 2021 (Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	497.03	-	-	**497.03**
24-36 months	837.55	-	-	**837.55**
upto 12 months	2,447.63	-	-	**2,447.63**
Total	**3,782.21**	**-**	**-**	**3,782.21**

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.

iii) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2018 - 2)

Terms of repayment as on 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%	
over 60 months	71.82	-	-	**71.82**
12-24 months	269.30	-	-	**269.30**
Total	**341.12**	**-**	**-**	**341.12**

Terms of repayment as on March 31, 2021 (Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	71.67	-	-	**71.67**
24-36 months	263.13	-	-	**263.13**
upto 12 months	-	310.11	-	**310.11**
Total	**334.80**	**310.11**	**-**	**644.91**

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

I DEBT SECURITIES (Contd.)

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 2, 2021.

iv) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2018 - 3)

Terms of repayment as on 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%	
over 60 months	60.13	-	-	**60.13**
12-24 months	243.38	-	-	**243.38**
Total	**303.51**	**-**	**-**	**303.51**

Terms of repayment as on March 31, 2021 (Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	59.99	-	-	**59.99**
24-36 months	237.50	-	-	**237.50**
upto 12 months	-	262.55	-	**262.55**
Total	**297.49**	**262.55**	**-**	**560.04**

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 6, 2022.

v) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2019 - 1)

Terms of repayment as on 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%	
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**

Terms of repayment as on March 31, 2021 (Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	20.57	43.38	-	**63.95**
36-48 months	33.67	69.12	-	**102.79**
12-24 months	41.56	90.45	-	**132.01**
upto 12 months	-	55.59	-	**55.59**
Total	**95.80**	**258.54**	**-**	**354.34**

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

I DEBT SECURITIES (Contd.)

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. 53.11 crores were redeemed on February 22, 2022.

vi) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2019 - 2)

Terms of repayment as on 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%	
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**

Terms of repayment as on March 31, 2021 (Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	26.31	-	-	**26.31**
36-48 months	66.64	-	-	**66.64**
12-24 months	78.97	22.60	-	**101.57**
Total	**171.92**	**22.60**	-	**194.52**

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.

vii) Privately placed redeemable non-convertible debenture of Rs. 1,000,000/- each

Terms of repayment as on 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 1 NCD of Rs. 250 crores partly paid to the extend 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**	

I DEBT SECURITIES (Contd.)

Terms of repayment as on March 31, 2021

(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	3,613.48	-	-	-	**3,613.48**
48-60 months	302.37	-	-	-	**302.37**
36-48 months	154.79	1,299.99	-	-	**1,454.78**
24-36 months ^	863.19	172.21	-	-	**1,035.40**
12-24 months^	1,970.82	1,086.19	151.27	45.73	**3,254.01**
upto 12 months ^	4,627.44	865.81	-	-	**5,493.25**
Total	**11,532.09**	**3,424.20**	**151.27**	**45.73**	**15,153.29**

^ NCD amounting to Rs. 2,692.60 crores issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

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.

(Rs. in crores)

Total non-convertible debentures- secured	As at March 31, 2022	As at March 31, 2021
Public issue (i+ii+iii+iv+v+vi)	2,500.63	5,776.24
Privately placed (vii)	18,768.05	15,153.29
Total non-convertible debentures- secured	**21,268.68**	**20,929.53**

B) External commercial bond (ED) Secured

Privately Placed Redeemable External commercial bond of Rs. 100,000/- each

Terms of repayment as on March 31, 2022

(Rs. in crores)

Detail	Rate of Interest		Total
	< 10%	>= 10% < 12%	
36-48 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**

Terms of repayment as on March 31, 2021

(Rs. in crores)

Detail	Rate of Interest		Total
	< 10%	>= 10% < 12%	
24-36 months	9,182.92	-	**9,182.92**
12-24 months	5,638.17	-	**5,638.17**
upto 12 months	-	2,958.46	**2,958.46**
Total	**14,821.09**	**2,958.46**	**17,779.55**

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 Global Medium Term Note 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 are being 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 per cent Senior Secured Notes due 2024 issued on January 13, 2021 under USD 3 Billion Global Medium Term Note 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 are being 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.

I DEBT SECURITIES (Contd.)

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 are being 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 Global Medium Term Note 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 Global Medium Term Note 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 INR 2,849.90 crores consisting of 5.70% notes due 2022 under INR 5,000 crores Medium Term Note Programme. 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. 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 (Rs. in crores)

Detail	Rate of interest	As at March 31, 2022	As at March 31, 2021
36-48 months	<10%	-	-
24-36 months	<10%	-	888.35
12-24 months	<10%	891.40	-
upto 12 months	<10%	-	-
Total		**891.40**	**888.35**

During the year ended March 31, 2018, the Company had issued senior secured notes in offshore market (notes) aggregating to INR 1,160 crores consisting of INR 840 crores 8.10% notes due 2023 and INR 320 crores 7.90% notes due 2021 payable in US dollars under INR 5,000 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 Exchange (SGX-ST) with a minimum board lot size of S $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.

I DEBT SECURITIES (Contd.)

Nature of security

Secured by way of an exclusive fixed charge over hypothecation loan receivables of the Company.

D) Redeemable non-convertible debenture (NCD) -unsecured

i) Privately placed redeemable non-convertible debenture of Rs. 1,000,000/- each

Terms of repayment as on 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%	
24-36 months	-	-	85.18	**85.18**
Total	-	-	**85.18**	**85.18**

Terms of repayment as on March 31, 2021 (Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
36-48 months	-	-	464.44	**464.44**
Total	-	-	**464.44**	**464.44**

II BORROWINGS (OTHER THAN DEBT SECURITIES)

A) Term loans from banks -secured (INR)

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.)

As at March 31, 2021

Terms of repayment # (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	7.73% to 8.71%	20 to 60 instalments of monthly and quarterly frequency	1,345.25
36-48 months	8.15% to 10.98%	20 to 48 instalments of monthly, quarterly and specific frequency	2,809.75
24-36 months	7.00% to 10.10%	1 to 36 instalments of bullet and quarterly frequency	2,150.23
12-24 months	7.30% to 10.07%	1 to 36 instalments of bullet, monthly, quarterly and specific frequency	1,536.39
upto 12 months	6.65% to 10.01%	1 to 20 instalments of bullet, quarterly and specific frequency	5,463.08
Total			**13,304.70**

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, 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.

II BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

As at March 31, 2021

Terms of repayment # (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
over 60 months	8.95%	20 instalments of quarterly frequency	389.57
48-60 months	8.23% to 9.00%	20 instalments of quarterly frequency	2,385.43
36-48 months	10.20%	11 instalments of specific frequency	130.11
24-36 months	9.70% to 10.50%	11 to 12 instalments of quarterly and specific frequency	404.35
12-24 months	7.02% to 9.01%	11 to 20 instalments of quarterly and specific frequency	343.41
upto 12 months	6.21% to 6.31%	1 to 9 instalments of bullet and monthly frequency	130.33
Total			**3,783.20**

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, 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.

As at March 31, 2021

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% to 10.87%	11 to 13 instalments of half-yearly and specific frequency	1,566.94
24-36 months	9.83% to 10.02%	Bullet frequency	2,555.55
Total			**4,122.49**

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.)

D) 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**

As at March 31, 2021

Terms of repayment (Rs. in crores)

Particulars	Rate of interest	Amount
Secured by hypothecation of specific assets covered under hypothecation loan agreements	8.20% to 11.70%	667.38
Total		**667.38**

E) Other loans - INR -Securitisation liabilities

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 monthly frequency	11,209.94
36-48 months	5.50% to 9.00%	1 to 67 instalments monthly frequency	3,565.64
24-36 months	6.31% to 9.40%	1 to 65 instalments monthly frequency	1,166.14
12-24 months	8.00% to 9.70%	1 to 61 instalments monthly frequency	3,092.50
upto 12 months	6.97% to 10.20%	1 to 61 instalments 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.

As at March 31, 2021

Terms of repayment (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
over 60 months	8.93% to 9.98%	1 to 88 instalments monthly frequency	3,297.86
48-60 months	8.38% to 11.15%	1 to 69 instalments monthly frequency	8,056.62
36-48 months	7.99% to 11.00%	1 to 63 instalments monthly frequency	7,347.62
24-36 months	8.31% to 10.53%	1 to 61 instalments monthly frequency	3,482.40
12-24 months	6.90% to 8.84%	1 to 60 instalments monthly frequency	1,219.10
Total			**23,403.60**

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 on March 31, 2022 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
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**

Terms of repayment as on March 31, 2021 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	1,906.84	-	**1,906.84**
36-48 months	1,122.74	-	**1,122.74**
24-36 months	3,967.54	-	**3,967.54**
12-24 months	3,595.91	-	**3,595.91**
upto 12 months	5,197.68	-	**5,197.68**
Total	**15,790.71**	-	**15,790.71**

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Total Deposits from public	20,190.08	15,790.71

B) Deposits from corporates - unsecured

Terms of repayment as on March 31, 2022 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
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**

Terms of repayment as on March 31, 2021 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	13.33	-	**13.33**
36-48 months	4.73	-	**4.73**
24-36 months	87.95	-	**87.95**
12-24 months	38.44	-	**38.44**
upto 12 months	247.66	-	**247.66**
Total	**392.11**	-	**392.11**

C) Inter-corporate deposits

Terms of repayment as on 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**

III DEPOSITS (Contd.)

Terms of repayment as on March 31, 2021 (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Total
upto 12 months	7.50%	Bullet repayment	49.59
Total			**49.59**

IV SUBORDINATED LIABILITIES

A) Subordinated liabilities -unsecured - Debentures

Privately placed subordinated liabilities of Rs. 1,000,000/- each

Terms of repayment as on 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**

Terms of repayment as on March 31, 2021 (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	1,531.88	78.89	-	**1,610.77**
48-60 months	39.82	56.79	-	**96.61**
36-48 months	41.00	536.25	1,642.51	**2,219.76**
24-36 months	-	332.62	-	**332.62**
12-24 months	-	309.06	-	**309.06**
upto 12 months	-	-	51.94	**51.94**
Total	**1,612.70**	**1,313.61**	**1,694.45**	**4,620.76**

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
26 OTHER FINANCIAL LIABILITIES		
Investor education and protection fund shall be credited by the following amounts (as and when due)		
- Unclaimed dividend	9.72	9.81
- Unclaimed matured deposits and interest accrued thereon	111.07	106.74
- Unclaimed matured debentures and interest accrued thereon	13.09	15.62
- Unclaimed matured subordinated debts and interest accrued thereon	9.08	36.43
Temporary credit balance in bank accounts	30.12	57.27
Payable on account of assignment	132.00	178.07
Payable to dealers	0.86	2.63
Payable to employees	132.59	134.51
Retention money and other sundry liabilities	303.48	342.15
Interim dividend payable	-	151.84
Other liabilities *	117.63	114.75
Total	**859.64**	**1,149.82**

* 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, 2022	As at March 31, 2021
27	**CURRENT TAX LIABILITIES (NET)**		
	For taxation [net of advance tax Rs. 692.91 crores (March 31, 2021: Rs. 3.10 crores)]	36.82	102.02
	Total	**36.82**	**102.02**

(Rs. in crores)

	Particulars	As at March 31, 2022	As at March 31, 2021
28	**PROVISIONS**		
	For employee benefits		
	- Gratuity (refer note 46)	2.24	2.07
	- Compensated absences (leave encashment and availment)	38.31	37.02
	For others		
	- Expected credit loss towards undrawn loan commitment	6.70	10.70
	- Taxes- contested	90.93	92.75
	Total	**138.18**	**142.54**

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 53.02 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 53.02.02.07.

(Rs. in crores)

	As at March 31, 2022	As at March 31, 2021
Particulars	**Stage 1 Collective**	**Stage 1 Collective**
Internal rating grade		
Performing		
High grade	92.43	148.66
Total	**92.43**	**148.66**

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

(Rs. in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Particulars	**Stage 1**	**Stage 1**
Opening balance of outstanding exposure	148.66	311.87
New exposures	69.95	88.39
Exposures cancelled or disbursed (excluding write-offs)	(126.18)	(251.60)
Closing balance of outstanding exposure	**92.43**	**148.66**

28 PROVISIONS (Contd.)

Reconciliation of ECL balance in relation to other undrawn loan commitments is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2022 General approach Stage 1	Year ended March 31, 2021 General approach Stage 1
ECL allowance - opening balance	10.70	16.15
New exposures	4.21	5.13
Exposures cancelled or disbursed (excluding write-offs)	(8.21)	(10.58)
ECL allowance - closing balance	**6.70**	**10.70**

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
29 OTHER NON-FINANCIAL LIABILITIES		
Statutory dues payable	101.16	85.45
Advance from customers	23.26	13.81
Total	**124.42**	**99.26**

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
30 EQUITY SHARE CAPITAL		
Authorised:		
647,000,000 (March 31, 2021: 647,000,000) equity shares of Rs.10/- each	647.00	647.00
95,000,000 (March 31, 2021: 95,000,000) preference shares of Rs.100/- each	950.00	950.00
	1,597.00	**1,597.00**
Issued share capital		
270,519,713 (March 31, 2021: 253,067,654) equity shares of Rs. 10/- each *	270.52	253.07
Subscribed share capital		
270,519,713 (March 31, 2021: 253,061,513) equity shares of Rs. 10/- each	270.52	253.06
Paid up (fully paid up)		
Equity shares		
270,519,713 (March 31, 2021: 253,061,513) equity shares of Rs. 10/- each fully paid up	270.52	253.06
Total Equity	**270.52**	**253.06**

* Pursuant to the ordinary resolution passed by the shareholders of the Company on March 6, 2022 through postal ballot, 6,141 equity shares of face value of Rs. 10/- each not taken/agreed to be taken by any person in the Rights Issue of the Company made in the year 1995 were cancelled from the Issued Share Capital of the Company.

30 EQUITY SHARE CAPITAL (Contd.)

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, 2020	**226,882,736**	**226.88**
Issued during the year #	26,178,777	26.18
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**

On August 06, 2020, the Company allotted fully paid-up 26,178,777 Equity Shares of face value of Rs. 10/- each to the eligible equity shareholders at an issue price of Rs. 570/- per Equity Share (including premium of Rs. 560/- per Equity Share) in the Rights Issue, which opened on July 16, 2020 and closed on July 30, 2020. The entire proceeds of the Rights Issue have been utilised as per the objects stated in the offer document for the Rights issue. The fresh allotment of equity shares through Rights Issue as stated above has resulted in an increase of equity share capital by Rs. 26.18 crores and securities premium reserve by Rs. 1,446.46 crores (net of share issue expenses of Rs. 19.55 crores).

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 7, 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 8, 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 8, 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 dividend is subject to the approval of the shareholders in the ensuing annual general meeting.

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 its meeting held on April 28, 2022 have not recommended final dividend. As such the interim dividend aggregating to Rs.20/-per share (i.e. 200 %) shall be the final dividend for the financial year 2021-22.

30 EQUITY SHARE CAPITAL (Contd.)

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.

Pursuant to the final equity dividend for the financial year 2020-21 approved by the shareholders at the 42nd Annual General Meeting held on June 24, 2021, the Company paid the final equity dividend of 60% (Rs. 6/- per equity share of nominal face value of Rs. 10/- each fully paid up) aggregating to Rs. 1,602,285,078/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders. The record date for payment of final equity dividend was June 17, 2021 and the payment was made on July 07, 2021. With this the total dividend for the financial year 2020-21 was Rs. 18 /- per share (i.e. 180 %).

The Board of Directors in their meeting held on March 25, 2021 declared second interim equity dividend of 60% (Rs. 6/- per equity share of nominal face value of Rs. 10/- each fully paid up) for the financial year 2020-21, amounting to Rs. 1,518,369,078/- (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 dividend was April 06, 2021 and the payment was done on April 16, 2021.

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:

Nil

d. Details of shareholders holding more than 5% equity shares in the Company

Details of shareholding	As at March 31, 2022		As at March 31, 2021	
Name of the shareholder	**Number of shares**	**% holding**	**Number of shares**	**% holding**
Equity shares of Rs. 10/- each				
Shriram Capital Limited	70,437,147	26.04%	66,964,947	26.46%
Life Insurance Corporation of India	18,004,597	6.66%	**	**

** holding less than 5% equity shares

e. Refer note 51- Capital management for the Company's objectives, policies and processes for managing capital

f. Proposed dividends on equity shares:

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Proposed dividend on equity shares for the year ended on March 31, 2022: Rs. Nil per share (March 31, 2021: Rs. 6.00 per share)	-	151.84
Total	**-**	**151.84**

g. Shareholding of Promoters

Year ended	Shares held by promoters at the end of the year			% Change during the year
	Promoter name	**No. of Shares**	**% of Total Shares**	
As at March 31, 2022	Shriram Capital Limited	70,437,147	26.04%	-1.59%
As at March 31, 2021	Shriram Capital Limited	66,964,947	26.46%	0.88%

30 EQUITY SHARE CAPITAL (Contd.)

h. Amount of per share dividend recognised as distribution to equity shareholders:-

Particulars	Year ended March 31, 2022	2021
Interim dividend for the year ended March 31, 2021 (Rs. per share)	-	12.00
Final dividend for the year ended March 31, 2021 (Rs. per share)	6.00	-
Interim dividend for the year ended March 31, 2022 (Rs. per share)	20.00	-
Final dividend for the year ended March 31, 2022 (Rs. per share)	-	-

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
31 OTHER EQUITY		
Share application money pending allotment	-	-
Statutory reserve (Pursuant to Section 45-IC of The RBI Act, 1934)		
Opening balance	**4,166.39**	**3,668.93**
Add: Transfer from retained earnings	541.59	497.46
Closing balance	**4,707.98**	**4,166.39**
Securities premium		
Opening balance	**3,201.27**	**1,754.81**
Add: Premium on shares issued during the year	2,482.54	1,466.01
Less: Share issue expenses incurred during the year	(21.43)	(19.55)
Closing balance	**5,662.38**	**3,201.27**
Capital reserve	**27.64**	**27.64**
Capital redemption reserve	**53.88**	**53.88**
Debenture redemption reserve		
Opening Balance	**921.41**	**610.41**
Add: Transfer from retained earnings	170.31	337.87
Less: Transfer to retained earnings on account of redemption	(784.44)	(26.87)
Closing balance	**307.28**	**921.41**
General reserve		
Opening balance	**2,663.27**	**2,414.54**
Add: Transfer from retained earnings	270.80	248.73
Closing balance	**2,934.07**	**2,663.27**
Convertible Warrants		
Money received during the year	250.00	-
Shares allotted during the year	(250.00)	-
Closing balance	-	-
Remeasurement gain/(loss) on defined benefit plan (net of tax)		
Opening balance	**(9.66)**	**(9.66)**
Add: Addition during the year	(2.42)	-
Closing balance	**(12.08)**	**(9.66)**
Other comprehensive income		
Effective portion of cash flow hedges		
Opening balance	**(93.02)**	-
Add: Addition during the year	(120.38)	(93.02)
Closing balance	**(213.40)**	**(93.02)**

(Rs. in crores)

	Particulars	As at March 31, 2022	As at March 31, 2021
31	**OTHER EQUITY (Contd.)**		
	Retained earnings		
	Opening balance	**10,384.13**	**9,257.73**
	Add: Profit for the current year	2,707.93	2,487.26
	Add /(Less): Appropriations		
	Transfer to statutory reserve as per Section 45-IC of The RBI Act, 1934	(541.59)	(497.46)
	Transfer to general reserve	(270.80)	(248.73)
	Transfer (to)/from debenture redemption reserve	614.13	(311.00)
	Interim dividend [March 31, 2022: Rs. 20.00 per share (March 31, 2021: Rs. 12.00 per share)]	(539.65)	(303.67)
	Final dividend (March 31, 2021: Rs. 6.00 per share)	(160.23)	-
	Total appropriations	**(898.14)**	**(1,360.86)**
	Retained earnings	**12,193.92**	**10,384.13**
	Total	**25,661.67**	**21,315.31**

Nature and purpose of reserves

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.

Capital reserve: Capital reserve is the excess of net assets taken over cost of consideration paid during amalgamation.

Capital redemption reserve: The Company has recognised Capital redemption reserve on redemption of non-convertible redeemable preference shares from its retained earnings. The amount in Capital redemption reserve is equal to nominal amount of the non-convertible redeemable preference shares redeemed. The Company may issue fully paid up bonus shares to its members out of the capital redemption reserve.

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. 170.31 crores (March 31, 2021: Rs. 337.87 crores). The Company subsequent to the year end has deposited a sum of Rs. 37.00 crores (March 31, 2021: Rs. 498.41 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.

General reserve: Under the erstwhile Companies Act, 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Statutory reserve: Every year the Company transfers a sum of not less than twenty per cent of net profit of that year as

31 OTHER EQUITY (Contd.)

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.

Retained earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve, debenture redemption reserve, general reserve, dividends distributions paid to shareholders and transfer from debenture redemption reserve.

Remeasurement gain/(loss) on defined benefit plan: 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. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

Other comprehensive income: Other comprehensive income includes effective portion of cash flow hedges.
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.

(Rs. in crores)

Particulars	For the year ended March 31, 2022			Year ended March 31, 2021		
	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	18,028.13	-	**18,028.13**	16,611.31	-	**16,611.31**
Interest income from investments	275.11	40.85	**315.96**	264.82	3.75	**268.57**
Interest on deposits with banks						
- Margin money deposit	155.53	-	**155.53**	137.34	-	**137.34**
- Deposits with banks	88.14	-	**88.14**	37.22	-	**37.22**
Other interest income						
- Delayed payments by customers	28.79	-	**28.79**	42.40	-	**42.40**
- Unwinding of security deposit	3.17	-	**3.17**	3.07	-	**3.07**
- Direct assignment	26.54	-	**26.54**	28.23	-	**28.23**
Total	**18,605.41**	**40.85**	**18,646.26**	**17,124.39**	**3.75**	**17,128.14**

(Rs. in crores)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
33	**FEE AND COMMISSION INCOME**		
	Income from commission services - life insurance	16.52	20.66
	Income from commission services - general insurance	36.15	54.36
	Income from loan related and other commission services	47.41	40.84
	Total	**100.08**	**115.86**

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, 2022	Year ended March 31, 2021
Type of services or service		
Fee and commission income	100.08	115.86
Total revenue from contract with customers	**100.08**	**115.86**
Geographical markets		
- India	100.08	115.86
- Outside India	-	-
Total revenue from contract with customers	**100.08**	**115.86**
Timing of revenue recognition		
Services transferred at a point in time	100.08	115.86
Services transferred over time	-	-
Total revenue from contracts with customers	**100.08**	**115.86**

Contract balance

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables	5.35	8.92
Contract assets	-	-

The Company does not have any contract assets or liability, hence disclosures related to it has not been presented.

(Rs. in crores)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
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		
	- 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	236.83	22.87
	- Direct assignment	(15.13)	(1.07)
	Total Net gain/(loss) on fair value changes (C)	**221.70**	**21.80**

(Rs. in crores)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
34	**NET GAIN/ (LOSS) ON FAIR VALUE CHANGES (Contd.)**		
	Fair value changes:		
	- Realised	183.34	18.95
	- Unrealised	38.36	2.85
	Total Net gain/(loss) on fair value changes (D)	**221.70**	**21.80**

(Rs. in crores)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
35	**OTHER OPERATING INCOME**		
	Bad debt recovery	69.22	95.59
	Total	**69.22**	**95.59**

(Rs. in crores)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
36	**OTHER INCOME**		
	Interest others	0.15	1.74
	Miscellaneous income	18.91	14.21
	Total	**19.06**	**15.95**

(Rs. in crores)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
37	**FINANCE COSTS**		
	On Financial liabilities measured at amortised cost		
	Interest on deposits	1,710.15	1,169.47
	Interest on borrowings (other than debt securities)		
	- Loans from banks	1,042.07	1,239.18
	- Loans from institutions and others	377.99	153.59
	- External commercial borrowings	368.27	381.57
	- Interest paid on securitisation	1,766.19	2,161.71
	Interest on debt securities		
	- Debentures	1,780.59	1,768.36
	- Senior secured notes	90.86	102.06
	- External commercial bond	2,016.66	1,517.36
	- Commercial paper	40.90	3.63
	Interest on subordinated liabilities	508.66	525.27
	Other interest expense		
	- Interest on lease liability	31.97	32.06
	Total	**9,734.31**	**9,054.26**

(Rs. in crores)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
38	**FEES AND COMMISSION EXPENSES**		
	Brokerage	44.79	31.34
	Professional charges-resource mobilisation	24.14	28.47
	Processing charges on loans	4.52	1.85
	Professional charges on securitisation	18.29	17.23
	Total	**91.74**	**78.89**

(Rs. in crores)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
39	**IMPAIRMENT ON FINANCIAL INSTRUMENTS**		
	On financial instruments measured at amortised cost		
	Loans (refer note 63)*	3,865.02	3,128.29
	Investments	(2.00)	(4.22)
	Others		
	- Undrawn commitments	(4.00)	(5.45)
	- Other assets	1.84	(0.22)
	Total	**3,860.86**	**3,118.40**

* Includes loss on disposal of repossessed vehicles Rs. 492.30 crores for the year ended March 31, 2022 (March 31, 2021: Rs. 557.30 crores).

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, 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)**
- Others assets	-	-	-	1.84	**1.84**
Total impairment loss	**1,222.00**	**76.37**	**2,560.65**	**1.84**	**3,860.86**

Year ended March 31, 2021 (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	1,290.89	538.51	1,298.89	-	**3,128.29**
Debt instruments measured at amortised cost	14.22	(18.44)	-	-	**(4.22)**
Others					
- Undrawn commitments	(5.45)	-	-	-	**(5.45)**
- Others assets	-	-	-	(0.22)	**(0.22)**
Total impairment loss	**1,299.66**	**520.07**	**1,298.89**	**(0.22)**	**3,118.40**

(Rs. in crores)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
40	**EMPLOYEE BENEFITS EXPENSES**		
	Salaries, other allowance and bonus	907.11	829.32
	Contribution to provident and other funds	59.60	53.36
	Staff welfare expenses	23.69	16.62
	Gratuity expenses (refer note 46)	6.69	6.95
	Total	**997.09**	**906.25**

(Rs. in crores)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
41	**DEPRECIATION, AMORTISATION AND IMPAIRMENT**		
	Depreciation of property, plant and equipment	44.91	48.26
	Depreciation of investment property	0.03	0.03
	Amortisation of intangible assets	1.57	1.34
	Depreciation on Right-of-use assets (refer note 18)	88.86	87.73
	Total	**135.37**	**137.36**

(Rs. in crores)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
42	**OTHER EXPENSES**		
	Rent (refer note 18)	3.24	9.24
	Rates and taxes	5.22	5.04
	Energy costs	16.45	15.21
	Repairs and maintenance	60.61	58.81
	Communication costs	34.28	39.97
	Printing and stationery	10.30	11.57
	Advertisement and publicity	7.31	2.01
	Director's fees, allowances and expenses	1.25	0.75
	Auditor fees and expenses (refer note 55, 56 and 57)		
	- As Auditor	0.99	0.93
	- For taxation matters	0.09	0.09
	- For other services (certification)	0.09	0.10
	- For reimbursement of expenses	0.02	-
	Legal and professional charges	111.54	111.27
	Other expenditure:		
	Travelling and conveyance	69.38	95.34
	Business promotion	93.16	59.30
	Outsourcing expenses	63.82	76.47
	Royalty	204.19	188.95
	Insurance	2.03	2.07
	Bank charges	38.51	34.40
	Loss on sale of property, plant and equipment (net)	0.79	0.65
	Service charges	50.35	47.95
	CSR expenses (refer note 61)	69.72	64.96
	Miscellaneous expenses	62.27	38.15
	Total	**905.61**	**863.23**

43 INCOME TAX

The components of income tax expense for the financial years ended March 31, 2022 and March 31, 2021 are:

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current tax	1,112.57	1,197.77
Adjustment in respect of current income tax of prior years	(82.32)	138.34
Deferred tax relating to origination and reversal of temporary differences	(188.93)	(545.36)
Total tax charge	**841.32**	**790.75**
Current tax	1,030.25	1,336.11
Deferred tax	(188.93)	(545.36)

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 years ended March 31, 2022 and March 31, 2021 is, as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Accounting profit before tax	3,549.25	3,278.01
At India's statutory income tax rate of 25.168% (2021: 25.168%)	893.28	825.01
Adjustment in respect of current income tax of prior years	(82.32)	138.34
Income subject to tax at special rate	-	-
Non-deductible expenses		
Corporate social responsibility expenditure not allowable for tax purpose	17.55	16.35
Adjustment in respect of prior years*	82.32	(138.34)
Others	(69.51)	(50.61)
Income tax expense reported in the statement of profit and loss	**841.32**	**790.75**

The effective income tax rate for is 23.70 % (March 31, 2021: 24.12%).

* Amount for the year ended March 31, 2021 includes adjustment on account of change in tax treatment of an item of deduction claimed in earlier assessment years under Income tax act, 1961 due to changes in facts and circumstances which had resulted in the reassessment of tax estimate as per Ind AS 12.

Deferred tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense:

(Rs. in crores)

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)	-

43 INCOME TAX (Contd.)

(Rs. in crores)

Particulars	Deferred tax assets As at March 31, 2022	Deferred tax liabilities As at March 31, 2022	Statement of profit and loss Year ended March 31, 2022	OCI Year ended March 31, 2022
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)**

The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense:

(Rs. in crores)

Particulars	Deferred tax assets As at March 31, 2021	Deferred tax liabilities As at March 31, 2021	Statement of profit and loss Year ended March 31, 2021	OCI Year ended March 31, 2021
Property, plant and equipment, intangible assets and investment property - carrying amount other than on account of fair valuation	22.67	-	(3.22)	-
Provision for post retirement benefits	9.84	-	(0.42)	-
Expenses allowable for tax purposes when paid	37.60	-	(0.34)	-
EIR impact on debt instrument in the nature of borrowings measured at amortised cost	-	7.61	(6.60)	-
Cash flow hedge reserve	31.29	-	-	(31.29)
Impairment allowance on loans and advances	532.32	-	(344.27)	-
Impairment allowance for undrawn commitments	12.26	-	(2.21)	-
Fair valuation of derivative financial instrument	-	11.80	11.80	-
Right-of-use assets	12.69	-	(3.88)	-
Other temporary differences	-	0.12	(196.22)	-
Total	**658.67**	**19.53**	**(545.36)**	**(31.29)**

Amounts recognised in respect of current tax / deferred tax directly in equity:

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Amounts recognised in respect of current tax/deferred tax directly in equity	-	-

Tax losses

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
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 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 March 31, 2022	Year ended March 31, 2021
Net Profit after tax as per Statement of Profit and Loss (Rs. in crores) **(A)**	2,707.93	2,487.26
Weighted average number of equity shares for calculating basic EPS (in crores) **(B)**	26.62	24.63
Weighted average number of equity shares for calculating diluted EPS (in crores) **(C)**	26.62	24.63
Basic earnings per equity share (in Rupees) (face value of Rs. 10/- per share) **(A) / (B)**	101.74	100.97
Diluted earnings per equity share (in Rupees) (face value of Rs. 10/- per share) **(A) / (C)**	101.74	100.97

45 INVESTMENT IN ASSOCIATES AND STRUCTURED ENTITIES

Associate of the Company is:

Name of the associate	Country of incorporation	Principal place of business	Principal activities	% equity interest March 31, 2022	% equity interest March 31, 2021
Shriram Automall India Limited (SAMIL)	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:

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021*
(a) share in profit or loss from continuing operations.	13.17	11.57
(b) share in post-tax profit or loss from discontinued operations.	-	-
(c) share in other comprehensive income.	(0.02)	0.20
(d) share in total comprehensive income.	13.15	11.77

*The financial statements of the associate for the financial year ended March 31, 2021 are as per unaudited financial statements provided by the management.

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. 50.66 crores (March 31, 2021: Rs. 42.95 crores) for Provident fund contributions and Rs. 8.80 crores (March 31, 2021: Rs. 10.30 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.

46 RETIREMENT BENEFIT PLAN (Contd.)

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, 2022, 94 % funds are invested in government securities and balance 6 % 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:

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Amounts recognised in statement of profit and loss in respect of defined benefit plans are as follows :		
Current service cost	6.56	6.73
Interest expense	4.61	4.15
Interest Income	(4.48)	(3.93)
Past Service Cost	-	-
Components of defined benefit costs recognised in statement of profit and loss (A)	**6.69**	**6.95**
Remeasurement of gains/(losses) in other comprehensive income:		
Return on plan assets (excluding amounts included in net interest expense)	(0.01)	(0.66)
Actuarial changes arising from changes in demographic assumptions	0.55	(1.40)
Actuarial changes arising from changes in financial assumptions	(3.57)	1.34
Experience adjustments	6.27	0.72
Components of defined benefit costs recognised in other comprehensive income (B)	**3.24**	-
Total (A+B)	**9.93**	**6.95**

Movement in the present value of the defined benefit obligation are as follows :

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Change in the obligation during the year ended		
Present value of defined obligation at the beginning of the year	72.88	63.25
Expenses recognised in statement of profit and loss :		
Current service cost	6.56	6.73
Interest expense/(income)	4.61	4.15
Recognised in other comprehensive income remeasurement gains/(losses)	3.25	0.66
Past service cost	-	-
Liability transferred in/acquisitions	-	0.01
Benefits paid from the fund	(5.10)	(1.92)
Present value of defined obligation at the end of the year	**82.20**	**72.88**

46 RETIREMENT BENEFIT PLAN (Contd.)

Change in the Fair value of plan assets :

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Fair value of plan assets at the beginning of the year	**70.80**	**59.88**
Interest income	4.48	3.93
Contributions by the employer	9.77	8.25
Benefits paid from the fund	(5.10)	(1.92)
Return on plan assets excluding interest income	0.01	0.66
Fair value of plan assets at the end of the year	**79.96**	**70.80**

Calculation of benefit liability/(asset) :

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Defined benefit obligation/liability	82.20	72.88
Fair value of plan assets	79.96	70.80
Benefit liability	**2.24**	**2.08**

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	As at March 31, 2022	As at March 31, 2021
Expected return on plan assets	6.90%	6.33%
Rate of discounting	6.90%	6.33%
Expected rate of salary increase	5.00%	5.00%
Rate of employee turnover	For service 4 years and below 25.00% p.a. and for service 5 years and above 7.25% p.a.	For service 4 years and below 25.00% p.a. and for service 5 years and above 6.50% p.a.
Mortality rate during employment	Indian Assured Lives mortality (2012-14)	Indian Assured Lives mortality (2006-08)
Mortality rate after employment	N.A.	N.A.

Investments quoted in active markets:

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Government securities	75.16	60.76
Debt and other instruments	4.80	10.04
Total	**79.96**	**70.80**

46 RETIREMENT BENEFIT PLAN (Contd.)

(Rs. in crores)

Assumptions	Sensitivity level	Impact on defined benefit obligation March 31, 2022	Impact on defined benefit obligation March 31, 2021
Discount rate	1% increase	(5.63)	(5.50)
	1% decrease	6.46	6.37
Future salary increases	1% increase	6.44	6.32
	1% decrease	(5.70)	(5.55)
Attrition rate	1% increase	0.84	0.56
	1% decrease	(0.95)	(0.64)

(Rs. in crores)

Expected payment for future years	As at March 31, 2022	As at March 31, 2021
Within the next 12 months (next annual reporting period)	8.31	7.30
Between 2 and 5 years	29.15	22.48
Between 5 and 10 years	34.24	28.17
Beyond 10 years	83.99	80.13
Total expected payments	**155.69**	**138.08**

The Company expects to contribute Rs. 9.58 crores to the fund in the next financial year.

The weighted average duration of the defined benefit obligation as at March 31, 2022 is 9 years (March 31, 2021: 10 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, 2022	As at March 31, 2021
Rate of discounting	6.90%	6.33%
Expected rate of salary increase	5.00%	5.00%
Rate of employee turnover		
Service 4 years and below	25.00%	25.00%
Service 5 years and above	7.25%	6.50%
Mortality	Indian Assured Lives mortality (2012-14)	Indian Assured Lives mortality (2006-08)

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Expenses recognised in statement of profit and loss	17.32	15.33

46 RETIREMENT BENEFIT PLAN (Contd.)

The Company has not funded its compensated absences liability and the same continues to remain as unfunded as at March 31, 2022.

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)

	As at March 31, 2022			As at March 31, 2021		
Particulars	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
Assets						
Financial assets						
Cash and cash equivalents	10,662.44	-	**10,662.44**	11,050.93	-	**11,050.93**
Bank balance other than above	5,133.24	559.48	**5,692.72**	4,886.78	504.11	**5,390.89**
Derivative financial instruments	-	201.40	**201.40**	100.51	68.74	**169.25**
Receivables						
(I) Trade receivables	5.35	-	**5.35**	8.92	-	**8.92**
(II) Other receivables	103.24	89.43	**192.67**	49.90	-	**49.90**
Loans	41,448.37	75,216.78	**116,665.15**	37,930.19	70,372.85	**108,303.04**
Investments	2,943.69	3,865.47	**6,809.16**	523.21	2,674.64	**3,197.85**
Other financial assets	-	51.45	**51.45**	2.07	46.96	**49.03**
Non-financial Assets						
Current tax asset	-	228.24	**228.24**	-	171.73	**171.73**
Deferred tax assets (net)	-	869.38	**869.38**	-	639.14	**639.14**
Investment property	-	1.97	**1.97**	-	2.00	**2.00**
Property, plant and equipment	-	110.56	**110.56**	-	124.44	**124.44**
Right-of-use assets	-	302.52	**302.52**	-	308.51	**308.51**
Other intangible assets	-	3.04	**3.04**	-	2.39	**2.39**
Other non-financial assets	41.50	268.54	**310.04**	124.16	169.16	**293.32**
Total assets	**60,337.83**	**81,768.26**	**142,106.09**	**54,676.67**	**75,084.67**	**129,761.34**
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	165.70	0.31	**166.01**	152.52	-	**152.52**
(II) Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	1.46	-	**1.46**	0.37	-	**0.37**
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1.21	-	**1.21**	0.54	-	**0.54**
Debt securities	11,901.72	29,354.83	**41,256.55**	12,471.61	27,590.26	**40,061.87**
Borrowings (other than debt securities)	19,869.86	26,807.07	**46,676.93**	20,285.69	24,995.68	**45,281.37**
Deposits	6,755.55	15,193.43	**21,948.98**	5,494.92	10,737.49	**16,232.41**
Subordinated liabilities	308.71	4,305.54	**4,614.25**	69.31	4,551.45	**4,620.76**
Lease liabilities	74.93	274.50	**349.43**	74.29	275.20	**349.49**
Other financial liabilities	755.06	104.58	**859.64**	1,014.97	134.85	**1,149.82**

47 MATURITY ANALYSIS OF ASSETS AND LIABILITIES (Contd.)

(Rs. in crores)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Non-financial Liabilities						
Current tax liabilities (net)	36.82	-	**36.82**	102.02	-	**102.02**
Provisions	99.87	38.31	**138.18**	105.52	37.02	**142.54**
Other non-financial liabilities	124.42	-	**124.42**	99.26	-	**99.26**
Total Liabilities	**40,095.33**	**76,078.57**	**116,173.90**	**39,871.02**	**68,321.95**	**108,192.97**
Net	**20,242.50**	**5,689.69**	**25,932.19**	**14,805.65**	**6,762.72**	**21,568.37**

48 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

(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**

(Rs. in crores)

Particulars	As at March 31, 2020	Cash flows	Changes in fair value	Exchange difference	Other	As at March 31, 2021
Debt securities	34,266.96	4,838.70	-	-	956.21	40,061.87
Borrowings (other than debt securities)	42,474.60	2,447.10	-	-	359.67	45,281.37
Deposits	11,960.12	4,206.86	-	-	65.43	16,232.41
Subordinated liabilities	5,670.07	(1,069.27)	-	-	19.96	4,620.76
Lease liabilities	362.81	(96.16)	-	-	82.84	349.49
Total liabilities from financing activities	**94,734.56**	**10,327.23**	**-**	**-**	**1,484.11**	**106,545.90**

49 CONTINGENT LIABILITIES AND COMMITMENTS

(A) Contingent liabilities

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
a. In respect of Income tax demands where the Company has filed appeal before various authorities	175.17	133.64
b. VAT demand where the Company has filed appeal before various appellates	117.21	117.21
c. Service tax demands where the Company has filed appeal before various authorities	1,976.41	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	**2,273.79**	**2,232.26**

49 CONTINGENT LIABILITIES AND COMMITMENTS (Contd.)

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, 2022	As at March 31, 2021
a. Estimated amount of contracts remaining to be executed on capital account, net of advances	11.45	3.53
b. Commitments related to loans sanctioned but undrawn	92.43	148.66

50 RELATED PARTY DISCLOSURES

Relationship	Name of the party
I Promoter	: Shriram Capital Limited
II Promoter Group	: Shriram Financial Ventures (Chennai) Private Limited Shriram Value Services Limited Novac Technology Solutions (P) Limited Shriram Fortune Solutions Limited Shriram General Insurance Company Limited Shriram Insight Share Brokers Limited Shriram Life Insurance Company Limited Shriram Asset Management Company Limited Shriram Financial Products Solutions (Chennai) Private Limited Insight Commodities and Futures Private Limited Shriram Credit Company Limited Shriram Overseas Investments Private Limited Shriram Wealth Limited (formerly known as Shriram Wealth Advisors Limited) Bharath Investments Pte. Ltd., Singapore SGI Philippines General Insurance Co. Inc. Novac Digital Service Private Limited Shriram LI Holdings Private Limited (formerly Snotter Technology Services Private Limited) SEA Funds Management India Private Limited Way2wealth Insurance Brokers Private Limited Way2wealth Securities Private Limited Way2wealth Brokers Private Limited Way2wealth Commodities Private Limited Shriram GI Holdings Private Limited (formerly Oner Infotech Services Private Limited) Shriram Investment Holdings Limited (w.e.f. October 11, 2021)

50 RELATED PARTY DISCLOSURES (Contd.)

III	Associates	: Shriram Automall India Limited (SAMIL) 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(MD) Mr. S. Lakshminarayanan, Chairman Mr. Y. S. Chakravarti (w.e.f. December 13, 2021) Mr. Parag Sharma (w.e.f. December 13, 2021) Mrs. Kishori Udeshi Mr. S. Sridhar Mr. Pradeep Kumar Panja Mr. D. V. Ravi Mr. Ignatius Michael Viljoen Mr. S. Sunder (w.e.f. November 01, 2021) Mr. P. Sridharan (w.e.f. November 01, 2021) Mr. Sudarshan Holla (w.e.f. November 01, 2021) Mr. Nilesh Odedara (w.e.f. November 01, 2021) Mr. U. Balasundara Rao (w.e.f. November 01, 2021) Mr. Hardeep Singh Tur (w.e.f. November 01, 2021)
V	Relatives of Key Management Personnel*	: Mrs. Suchita U. Revankar (spouse of Vice Chairman & MD) Mrs. Geeta G. Revankar (mother of Vice Chairman & MD) Mr. Anil G. Revankar (brother of Vice Chairman & MD) Mr. Shreyas U. Revankar (son of Vice Chairman & MD) Mr. Shirish U. Revankar (son of Vice Chairman & MD) Mr. Jayendra Purshottamdas Udeshi (spouse of Director Mrs. Kishori Udeshi) Mrs. P Suchitra (sister of Director Mr. Pradeep Kumar Panja) Mrs. P Surekha (sister of Director Mr. Pradeep Kumar Panja) Mrs. Rama Sharma (mother of Director Mr. Parag Sharma) Ms. Atibhi Sharma (daughter of Director Mr. Parag Sharma) Mr. Amit Sharma (brother of Director Mr. Parag Sharma) Mrs. Sujatha Sunder (spouse of Joint Managing Director Mr. S Sunder) Mrs. S. Arulmozhi (spouse of Joint Managing Director Mr. P Sridharan)
VI	Employees' Benefit Plan	: Shriram Transport Finance Co. Ltd. Employees Group Gratuity Assurance Scheme

*Names of relatives of Key Management Personnel with whom the Company has transactions

50 RELATED PARTY DISCLOSURES (Contd.)

Summary of related party transactions

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Payments/Expenses														
Payment to key management personnel	-	-	-	-	-	-	-	-	4.80	1.68	-	-	**4.80**	**1.68**
Royalty	-	-	187.67	173.35	-	-	-	-	-	-	-	-	**187.67**	**173.35**
Service charges	46.19	43.99	-	-	-	-	-	-	-	-	-	-	**46.19**	**43.99**
I.T & BPO charges	-	-	55.86	68.03	-	-	-	-	-	-	-	-	**55.86**	**68.03**
Rent	-	0.26	0.02	0.02	11.36	7.94	-	-	-	-	-	-	**11.38**	**8.22**
Business mobilisation expenses	-	-	-	-	0.07	0.02	-	-	-	-	-	-	**0.07**	**0.02**
Other administrative expenses	-	0.03	-	-	11.09	10.28	-	-	-	-	-	-	**11.09**	**10.31**
Insurance premium	-	-	9.62	9.46	-	-	-	-	-	-	-	-	**9.62**	**9.46**
Commission	-	-	100.94	67.55	1.10	-	-	-	-	-	-	-	**102.04**	**67.55**
Sales promotion	-	-	31.84	21.20	-	-	-	-	-	-	-	-	**31.84**	**21.20**
Unsecured loan and advances repaid	-	-	-	-	21.01	-	-	-	-	-	-	-	**21.01**	-
Valuation charges	-	-	-	-	0.72	0.44	-	-	-	-	-	-	**0.72**	**0.44**
Interest	0.91	0.01	60.60	47.17	3.52	5.46	-	-	0.83	0.20	0.09	0.01	**65.95**	**52.85**
Equity dividend	219.84	37.17	0.11	0.03	-	-	-	-	0.10	-	0.00	0.00	**220.05**	**37.20**
Non-convertible debenture (secured) matured	10.00	-	38.36	0.19	5.00	-	-	-	2.21	-	0.10	-	**55.67**	**0.19**
Fixed deposit matured	-	-	1.50	-	-	-	-	-	0.50	0.75	0.26	0.03	**2.26**	**0.78**
Subordinated debt matured	-	0.37	-	31.50	-	1.39	-	-	-	-	-	-	**-**	**33.26**
Employer contribution to employees group gratuity assurance scheme	-	-	-	-	-	-	9.77	8.25	-	-	-	-	**9.77**	**8.25**
Inter-corporate deposit repaid	-	-	-	-	84.60	90.85	-	-	-	-	-	-	**84.60**	**90.85**
Receipts/Income														
Recovery of common sharing expenses	0.02	0.01	0.95	1.12	0.59	0.47	-	-	-	-	-	-	**1.56**	**1.60**
Reimbursement of expenses	0.01	-	-	-	-	-	-	-	-	-	-	-	**0.01**	-
Sale of Property, Plant & Equipment	-	-	0.00	-	-	-	-	-	-	-	-	-	**0.00**	-
Rent & electricity	0.17	0.16	-	-	4.18	4.67	-	-	-	-	-	-	**4.35**	**4.83**
Commission	-	-	49.60	71.46	-	-	-	-	-	-	-	-	**49.60**	**71.46**
Non-convertible debenture (secured)	-	-	-	35.00	-	-	-	-	-	-	-	-	**-**	**35.00**
Fixed deposit	-	-	15.63	12.30	65.50	20.00	-	-	0.26	1.08	0.97	0.08	**82.36**	**33.46**
Unsecured loan and advances repaid	-	-	-	-	-	15.06	-	-	-	-	-	-	**-**	**15.06**
Received towards right issue	-	425.22	-	0.39	-	-	-	-	-	-	-	0.00	**-**	**425.61**
Received towards preferential issue	250.00	-	-	-	-	-	-	-	-	-	-	-	**250.00**	-
Received towards convertible warrants	250.00	-	-	-	-	-	-	-	-	-	-	-	**250.00**	-
Inter-corporate deposits received	-	-	-	-	62.75	102.30	-	-	-	-	-	-	**62.75**	**102.30**
Balance outstanding at the year end														
Share capital	70.44	66.96	1.06	0.06	-	-	-	-	0.05	-	0.00	0.00	**71.55**	**67.02**
Investment in equity shares	-	-	-	-	13.37	13.37	-	-	-	-	-	-	**13.37**	**13.37**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Unsecured loan and advances payable	-	-	-	-	0.91	1.23	-	-	-	-	-	-	**0.91**	**1.23**
Commission receivable	-	-	4.67	8.16	-	-	-	-	-	-	-	-	**4.67**	**8.16**
Prepaid for insurance premium	-	-	-	2.73	-	-	-	-	-	-	-	-	**-**	**2.73**
Outstanding expenses	11.41	11.16	88.84	72.96	-	0.03	-	-	-	-	-	-	**100.25**	**84.15**
Fixed deposit*														
Public deposit	-	-	-	-	-	-	-	-	1.47	1.70	1.55	0.19	**3.02**	**1.89**
Deposit from corporates	-	-	29.57	14.34	89.37	20.00	-	-	-	-	-	-	**118.94**	**34.34**
Subordinated debt*	-	-	516.07	495.36	-	-	-	-	-	-	-	-	**516.07**	**495.36**
Non-convertible debenture (secured)*														
Public issue	-	-	29.28	43.18	17.86	23.17	-	-	0.13	2.86	0.09	-	**47.36**	**69.21**
Privately placed	-	-	10.01	10.01	-	-	-	-	-	-	-	-	**10.01**	**10.01**
Inter-corporate deposits*	-	-	-	-	27.45	49.59	-	-	-	-	-	-	**27.45**	**49.59**

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 years ended March 31, 2022 and March 31, 2021.

* Refer note 22 Debt securities, note 24 Deposits and note 25 Subordinated liabilities, for terms and conditions of non-convertible debentures, fixed deposit, inter-corporate deposits and subordinated debt respectively.

Breakup of related party transactions

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Payments/Expenses														
Employee benefits for key management personnel														
- Short term benefits	-	-	-	-	-	-	-	-	3.22	0.83	-	-	**3.22**	**0.83**
- Post employment benefits	-	-	-	-	-	-	-	-	0.43	0.16	-	-	**0.43**	**0.16**
Commission & sitting fee paid to directors														
- Mr. S. Lakshminarayanan	-	-	-	-	-	-	-	-	0.31	0.16	-	-	**0.31**	**0.16**
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	0.26	0.18	-	-	**0.26**	**0.18**
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.30	0.17	-	-	**0.30**	**0.17**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.28	0.18	-	-	**0.28**	**0.18**
License Fees														
- Shriram Value Services Limited	-	-	187.67	173.35	-	-	-	-	-	-	-	-	**187.67**	**173.35**
Service Charges														
- Shriram Capital Limited	46.19	43.99	-	-	-	-	-	-	-	-	-	-	**46.19**	**43.99**
Voice call services														
- Novac Technology Solutions (P) Limited	-	-	8.91	24.37	-	-	-	-	-	-	-	-	**8.91**	**24.37**
IT & BPO charges														

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
- Novac Technology Solutions (P) Limited	-	-	46.96	43.66	-	-	-	-	-	-	-	-	**46.96**	**43.66**
Rent				-										
- Shriram Automall India Limited	-	-	-	-	11.36	7.94	-	-	-	-	-	-	**11.36**	**7.94**
- Shriram Capital Limited	-	0.26	-	-	-	-	-	-	-	-	-	-	**-**	**0.26**
- Shriram Asset Management Company Limited	-	-	0.02	0.02	-	-	-	-	-	-	-	-	**0.02**	**0.02**
Business mobilisation expenses														
- Shriram Automall India Limited	-	-	-	-	0.07	0.02	-	-	-	-	-	-	**0.07**	**0.02**
Other administrative expenses														
- Shriram Capital Limited	-	0.03	-	-	-	-	-	-	-	-	-	-	**-**	**0.03**
- Shriram Automall India Limited	-	-	-	-	11.09	10.28	-	-	-	-	-	-	**11.09**	**10.28**
Insurance premium														
- Shriram Life Insurance Company Limited	-	-	5.99	5.40	-	-	-	-	-	-	-	-	**5.99**	**5.40**
- Shriram General Insurance Company Limited	-	-	3.63	4.06	-	-	-	-	-	-	-	-	**3.63**	**4.06**
Commission														
- Shriram Fortune Solutions Limited	-	-	82.04	51.21	-	-	-	-	-	-	-	-	**82.04**	**51.21**
- Adroit Inspection Service Private Limited	-	-	-	-	1.10	-	-	-	-	-	-	-	**1.10**	**-**
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	7.92	9.10	-	-	-	-	-	-	-	-	**7.92**	**9.10**
- Shriram Insight Share Brokers Limited	-	-	8.23	6.56	-	-	-	-	-	-	-	-	**8.23**	**6.56**
- Shriram Wealth Limited	-	-	2.56	0.68	-	-	-	-	-	-	-	-	**2.56**	**0.68**
- Way2wealth Securities Private Limited	-	-	0.19	-	-	-	-	-	-	-	-	-	**0.19**	**-**
Sales promotion														
- Shriram Fortune Solutions Limited	-	-	23.99	15.91	-	-	-	-	-	-	-	-	**23.99**	**15.91**
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	5.16	3.48	-	-	-	-	-	-	-	-	**5.16**	**3.48**
- Shriram Insight Share Brokers Limited	-	-	2.04	1.68	-	-	-	-	-	-	-	-	**2.04**	**1.68**
- Shriram Wealth Limited	-	-	0.59	0.13	-	-	-	-	-	-	-	-	**0.59**	**0.13**
- Way2wealth Securities Private Limited	-	-	0.05	-	-	-	-	-	-	-	-	-	**0.05**	**-**
Unsecured loan and advances repaid														
- Shriram Automall India Limited	-	-	-	-	21.01	-	-	-	-	-	-	-	**21.01**	**-**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Interest on Inter-corporate deposits														
- Shriram Automall India Limited	-	-	-	-	1.28	3.63	-	-	-	-	-	-	**1.28**	**3.63**
Valuation charges paid														
- Adroit Inspection Service Private Limited	-	-	-	-	0.72	0.44	-	-	-	-	-	-	**0.72**	**0.44**
Interest on fixed deposit														
- Key management personnel														
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	0.15	0.20	-	-	**0.15**	**0.20**
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.06	0.01	**0.06**	**0.01**
- Shriram Asset management Company Limited	-	-	0.26	-	-	-	-	-	-	-	-	-	**0.26**	-
Interest on subordinated debt														
- Shriram Automall India Limited	-	-	-	-	-	0.17	-	-	-	-	-	-	-	**0.17**
- Shriram Capital Limited	-	0.01	-	-	-	-	-	-	-	-	-	-	-	**0.01**
- Shriram Life Insurance Company Limited	-	-	12.38	10.36	-	-	-	-	-	-	-	-	**12.38**	**10.36**
- Shriram General Insurance Company Limited	-	-	34.41	32.27	-	-	-	-	-	-	-	-	**34.41**	**32.27**
Interest on non-convertible debenture (secured)														
- Shriram Life Insurance Company Limited	-	-	3.22	3.22	-	-	-	-	-	-	-	-	**3.22**	**3.22**
- Shriram Asset Management Company Limited	-	-	1.42	1.27	-	-	-	-	-	-	-	-	**1.42**	**1.27**
- Shriram Insight Share Brokers Limited	-	-	0.05	0.05	-	-	-	-	-	-	-	-	**0.05**	**0.05**
- Shriram Automall India Limited	-	-	-	-	2.24	1.66	-	-	-	-	-	-	**2.24**	**1.66**
- 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	-	-	-	-	-	-	-	-	0.03	-	-	-	**0.03**	-
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.03	-	-	-	**0.03**	-
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	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	-	-	-	-	-	-	-	-	0.09	-	-	-	**0.09**	-
- Mr. S. Sunder	-	-	-	-	-	-	-	-	0.00	-	-	-	**0.00**	-
- Mr. P. Sridharan	-	-	-	-	-	-	-	-	0.00	-	-	-	**0.00**	-
- Mr. Sudarshan Holla	-	-	-	-	-	-	-	-	0.00	-	-	-	**0.00**	-
- Mr. U. Balasundara Rao	-	-	-	-	-	-	-	-	0.00	-	-	-	**0.00**	-
- Shriram Capital Limited	219.84	37.17	-	-	-	-	-	-	-	-	-	-	**219.84**	**37.17**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
- Shriram Financial Ventures (Chennai) Private Limited	-	-	0.11	0.03	-	-	-	-	-	-	-	-	**0.11**	**0.03**
Non-convertible debenture (secured) matured														
- Shriram Insight Share Brokers Limited	-	-	0.52	0.19	-	-	-	-	-	-	-	-	**0.52**	**0.19**
- Shriram Capital Limited	10.00	-	-	-	-	-	-	-	-	-	-	-	**10.00**	-
- Shriram Asset management Company Limited	-	-	12.84	-	-	-	-	-	-	-	-	-	**12.84**	-
- Shriram Automall India Limited	-	-	-	-	5.00	-	-	-	-	-	-	-	**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**	-
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.11	-	-	-	**0.11**	-
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.10	-	**0.10**	-
Fixed deposit matured														
- Key management personnel														
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	0.50	0.75	-	-	**0.50**	**0.75**
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.26	0.03	**0.26**	**0.03**
- Shriram Asset management Company Limited	-	-	1.50	-	-	-	-	-	-	-	-	-	**1.50**	-
Subordinated debt matured														
- Shriram Capital Limited	-	0.37	-	-	-	-	-	-	-	-	-	-	-	**0.37**
- Shriram Automall India Limited	-	-	-	-	-	1.39	-	-	-	-	-	-	-	**1.39**
- Shriram General Insurance Company Limited	-	-	-	25.00	-	-	-	-	-	-	-	-	-	**25.00**
- Shriram Life Insurance Company Limited	-	-	-	6.50	-	-	-	-	-	-	-	-	-	**6.50**
Employer contribution to employees group gratuity assurance scheme	-	-	-	-	-	-	9.77	8.25	-	-	-	-	**9.77**	**8.25**
Inter-corporate deposits repaid														
- Shriram Automall India Limited	-	-	-	-	84.60	90.85	-	-	-	-	-	-	**84.60**	**90.85**
TOTAL	**276.94**	**81.83**	**486.52**	**418.50**	**138.46**	**116.38**	**9.77**	**8.25**	**8.44**	**2.63**	**0.45**	**0.04**	**920.58**	**627.63**
Receipts/Income														
Recovery of common sharing expenses														
- Shriram Automall India Limited	-	-	-	-	0.59	0.47	-	-	-	-	-	-	**0.59**	**0.47**
- Shriram Capital Limited	0.02	0.01	-	-	-	-	-	-	-	-	-	-	**0.02**	**0.01**
- Shriram Asset Management Company Limited	-	-	-	0.06	-	-	-	-	-	-	-	-	-	**0.06**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
- Shriram Insight Share Brokers Limited	-	-	0.03	0.02	-	-	-	-	-	-	-	-	**0.03**	**0.02**
- Shriram Fortune Solutions Limited	-	-	0.92	1.04	-	-	-	-	-	-	-	-	**0.92**	**1.04**
Reimbursement of expenses														
- Shriram Capital Limited	0.01	-	-	-	-	-	-	-	-	-	-	-	**0.01**	**-**
Sale of Property, Plant & Equipment														
- Novac Technology Solutions (P) Limited	-	-	0.00	-	-	-	-	-	-	-	-	-	**0.00**	**-**
Rent & electricity														
- Shriram Capital Limited	0.17	0.16	-	-	-	-	-	-	-	-	-	-	**0.17**	**0.16**
- Shriram Automall India Limited	-	-	-	-	4.18	4.67	-	-	-	-	-	-	**4.18**	**4.67**
Commission														
- Shriram General Insurance Company Limited	-	-	33.08	50.80	-	-	-	-	-	-	-	-	**33.08**	**50.80**
- Shriram Life Insurance Company Limited	-	-	16.52	20.66	-	-	-	-	-	-	-	-	**16.52**	**20.66**
Non-convertible debenture (secured)														
- Shriram Life Insurance Company Limited	-	-	-	35.00	-	-	-	-	-	-	-	-	**-**	**35.00**
Fixed deposit														
- Key management personnel														
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	0.25	0.93	-	-	**0.25**	**0.93**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	-	0.05	-	-	**-**	**0.05**
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	-	0.10	-	-	**-**	**0.10**
- Mr. Hardeep Singh Tur	-	-	-	-	-	-	-	-	0.01	-	-	-	**0.01**	**-**
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.97	0.08	**0.97**	**0.08**
- Shriram Asset Management Company Limited	-	-	15.63	12.30	-	-	-	-	-	-	-	-	**15.63**	**12.30**
- Shriram Automall India Limited	-	-	-	-	54.00	20.00	-	-	-	-	-	-	**54.00**	**20.00**
- Cartradeexchange Solutions Private Limited	-	-	-	-	11.50	-	-	-	-	-	-	-	**11.50**	**-**
Unsecured loan and advances repaid														
- Shriram Automall India Limited	-	-	-	-	-	15.06	-	-	-	-	-	-	**-**	**15.06**
Received towards right issue			-											
- Shriram Capital Limited	-	425.22	-	-	-	-	-	-	-	-	-	-	**-**	**425.22**
- Shriram Financial Ventures (Chennai) Private Limited	-	-	-	0.39	-	-	-	-	-	-	-	-	**-**	**0.39**
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	-	**0.00**	**-**	**0.00**
Received towards preferential issue														
- Shriram Capital Limited	250.00	-	-	-	-	-	-	-	-	-	-	-	**250.00**	**-**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Received towards convertible warrants														
- Shriram Capital Limited	250.00	-	-	-	-	-	-	-	-	-	-	-	**250.00**	-
Inter-corporate deposit														
- Shriram Automall India Limited	-	-	-	-	62.75	102.30	-	-	-	-	-	-	**62.75**	**102.30**
TOTAL	**500.19**	**425.39**	**66.18**	**120.27**	**133.02**	**142.50**	-	-	**0.26**	**1.08**	**0.97**	**0.08**	**700.63**	**689.32**

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 years ended March 31, 2022 and March 31, 2021.

Breakup of related party transactions

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Balance outstanding at the year end														
Share capital														
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.00	0.00	**0.00**	**0.00**
- Key management personnel	-		-		-		-		-		-			
- Mr. Parag Sharma	-	-	-	-	-	-	-	-	0.05	-	-	-	**0.05**	-
- Mr. S. Sunder	-	-	-	-	-	-	-	-	0.00	-	-	-	**0.00**	-
- Mr. P. Sridharan	-	-	-	-	-	-	-	-	0.00	-	-	-	**0.00**	-
- Mr. Sudarshan Holla	-	-	-	-	-	-	-	-	0.00	-	-	-	**0.00**	-
- Mr. U. Balasundara Rao	-	-	-	-	-	-	-	-	0.00	-	-	-	**0.00**	-
- Shriram Capital Limited	70.44	66.96	-	-	-	-	-	-	-	-	-	-	**70.44**	**66.96**
- Shriram Financial Ventures (Chennai) Private Limited	-	-	-	0.06	-	-	-	-	-	-	-	-	-	**0.06**
- Shriram Value Services Limited	-	-	1.06	-	-	-	-	-	-	-	-	-	**1.06**	-
Investment in equity shares														
- Shriram Automall India Limited	-	-	-	-	13.37	13.37	-	-	-	-	-	-	**13.37**	**13.37**
Unsecured loan and advances payable														
- Shriram Automall India Limited	-	-	-	-	0.91	1.23	-	-	-	-	-	-	**0.91**	**1.23**
Commission receivable														
- Shriram General Insurance Company Limited	-	-	3.21	6.10	-	-	-	-	-	-	-	-	**3.21**	**6.10**
- Shriram Life Insurance Company Limited	-	-	1.46	2.06	-	-	-	-	-	-	-	-	**1.46**	**2.06**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Prepaid for insurance premium														
- Shriram General Insurance Company Limited	-	-	-	1.71	-	-	-	-	-	-	-	-	**-**	**1.71**
- Shriram Life Insurance Company Limited	-	-	-	1.02	-	-	-	-	-	-	-	-	**-**	**1.02**
Outstanding expenses														
- Shriram Capital Limited	11.41	11.16	-	-	-	-	-	-	-	-	-	-	**11.41**	**11.16**
- Shriram Value Services Limited	-	-	77.85	50.35	-	-	-	-	-	-	-	-	**77.85**	**50.35**
- Novac Technology Solutions (P) Limited	-	-	1.96	8.19	-	-	-	-	-	-	-	-	**1.96**	**8.19**
- Shriram Fortune Solutions Limited	-	-	6.37	11.05	-	-	-	-	-	-	-	-	**6.37**	**11.05**
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	1.85	2.17	-	-	-	-	-	-	-	-	**1.85**	**2.17**
- Shriram Insight Share Brokers Limited	-	-	0.65	1.03	-	-	-	-	-	-	-	-	**0.65**	**1.03**
- Adroit Inspection Service Private Limited	-	-	-	-	-	0.03	-	-	-	-	-	-	**-**	**0.03**
- Shriram Wealth Limited	-	-	0.08	0.17	-	-	-	-	-	-	-	-	**0.08**	**0.17**
- Way2wealth Securities Private Limited	-	-	0.08	-	-	-	-	-	-	-	-	-	**0.08**	**-**
Fixed deposit														
- Key management personnel	-		-		-		-		-		-			
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	1.27	1.55	-	-	**1.27**	**1.55**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.06	0.05	-	-	**0.06**	**0.05**
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.11	0.10	-	-	**0.11**	**0.10**
- Mr. Parag Sharma	-	-	-	-	-	-	-	-	0.00	-	-	-	**0.00**	**-**
- Mr. Hardeep Singh Tur	-	-	-	-	-	-	-	-	0.03	-	-	-	**0.03**	**-**
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	1.55	0.19	**1.55**	**0.19**
- Shriram Asset Management Company Limited	-	-	29.57	14.34	-	-	-	-	-	-	-	-	**29.57**	**14.34**
- Shriram Automall India Limited	-	-	-	-	77.45	20.00	-	-	-	-	-	-	**77.45**	**20.00**
- Cartradeexchange Solutions Private Limited	-	-	-	-	11.92	-	-	-	-	-	-	-	**11.92**	**-**
Non-convertible debenture (secured)														
- Key management personnel	-		-		-		-		-		-			
- Mr. Umesh Revankar	-	-	-	-	-	-	-	-	-	2.49	-	-	**-**	**2.49**
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	-	0.13	-	-	**-**	**0.13**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.13	0.24	-	-	**0.13**	**0.24**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.09	-	**0.09**	-
- Shriram Life Insurance Company Limited	-	-	36.71	36.71	-	-	-	-	-	-	-	-	**36.71**	**36.71**
- Shriram Asset Management Company Limited	-	-	2.50	15.85	-	-	-	-	-	-	-	-	**2.50**	**15.85**
- Shriram Insight Share Brokers Limited	-	-	0.08	0.63	-	-	-	-	-	-	-	-	**0.08**	**0.63**
- Shriram Automall India Limited	-	-	-	-	17.86	23.17	-	-	-	-	-	-	**17.86**	**23.17**
Subordinated debt														
- Shriram Life Insurance Company Limited	-	-	149.04	126.63	-	-	-	-	-	-	-	-	**149.04**	**126.63**
- Shriram General Insurance Company Limited	-	-	367.03	368.73	-	-	-	-	-	-	-	-	**367.03**	**368.73**
Inter-corporate deposit														
- Shriram Automall India Limited	-	-	-	-	27.45	49.59	-	-	-	-	-	-	**27.45**	**49.59**

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 years ended March 31, 2022 and March 31, 2021.

50 RELATED PARTY DISCLOSURES (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)

Sl No.	Loans and Advances in the nature of Loans	Maximum Amount Outstanding during the year March 2022	Maximum Amount Outstanding during the year March 2021
A)	To Associate		
	- Shriram Automall India Limited	-	0.38

II. Shriram Transport Finance Company Limited (STFC) holds 44.56 % of equity shares of the company. Disclosure relating to transactions with STFC is given above.

51 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 82 and 92 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 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"

52 FAIR VALUE MEASUREMENT

52.01: 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 Note 6.1 (xiii).

52.02: 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, 2022

(Rs. in crores)

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Derivative financial instruments				
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**

52 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Financial assets held for trading				
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	-	-	-	-

As at March 31, 2021

(Rs. in crores)

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Derivative financial instruments				
Forward contracts	-	79.37	-	**79.37**
Currency swaps	-	(103.23)	-	**(103.23)**
Interest rate swaps	-	9.72	-	**9.72**
Cross currency interest rate swaps	-	181.54	-	**181.54**
Interest rate caps	-	1.85	-	**1.85**
Total derivative financial instruments	-	**169.25**	-	**169.25**
Financial assets held for trading				
Mutual funds	-	-	-	-
Equity instruments	-	-	6.74	**6.74**
Venture capital fund	-	1.54	-	**1.54**
Total financial assets held for trading	-	**1.54**	**6.74**	**8.28**
Total assets measured at fair value on a recurring basis	-	**170.79**	**6.74**	**177.53**
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	-	**170.79**	**6.74**	**177.53**

52 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	-	-	-	-

52.03: 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.

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 Ltd (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 Ltd (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.

52.04: 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.

52.05: 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.

52 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:

(Rs. in crores)

Particulars	Equity instruments As at March 31, 2022	Equity instruments As at March 31, 2021
Opening balance	**6.74**	**3.36**
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	**17.15**	**3.38**
Closing balance	**23.89**	**6.74**

52.06: 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, 2022	As at March 31, 2021		
Equity instruments	23.89	6.74	Based on the discounted cashflow	Based on the discounted cashflow

52.07: 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, 2022		As at March 31, 2021	
	Favourable changes 5% increase	Unfavourable changes 5% decrease	Favourable changes 5% increase	Unfavourable changes 5% decrease
Equity instruments based on the discounted cashflow	25.03	22.64	7.11	6.39

52 FAIR VALUE MEASUREMENT (Contd.)

52.08: 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.

(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	192.67	-	-	192.67	**192.67**
Loans (excluding impairment loss allowance)	125,699.03	-	-	124,404.71	**124,404.71**
Investments at amortised cost (excluding impairment loss allowance)	4,461.06	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	**146,778.09**	**9,119.41**	**9,828.13**	**125,740.92**	**144,688.46**
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**

(Rs. in crores)

As at March 31, 2021	Carrying amount	Fair value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	11,050.93	7,599.40	3,449.44	-	**11,048.84**
Bank balance other than cash and cash equivalents	5,390.89	161.65	5,126.81	-	**5,288.46**
Trade receivables	8.92	-	-	8.92	**8.92**
Other receivables	49.90	-	-	49.90	**49.90**
Loans (excluding impairment loss allowance)	116,191.59	-	-	114,238.50	**114,238.50**
Investments at amortised cost (excluding impairment loss allowance)	3,214.21	2,159.91	-	903.27	**3,063.18**
Other investments	13.37	-	-	13.37	**13.37**
Other financial assets	49.03	-	-	39.68	**39.68**
Total financial assets	**135,968.84**	**9,920.96**	**8,576.25**	**115,253.64**	**133,750.85**
Financial liabilities:					
Trade payables	152.52	-	-	152.52	**152.52**

52 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

As at March 31, 2021	Carrying amount	Fair value			
		Level-1	Level-2	Level-3	Total
Other payables	0.91	-	-	0.91	**0.91**
Debt securities	40,061.87	-	47,326.64	-	**47,326.64**
Borrowings (other than debt securities)	45,281.37	-	51,089.94	-	**51,089.94**
Deposits	16,232.41	-	-	16,559.97	**16,559.97**
Subordinated liabilities	4,620.76	-	6,265.88	-	**6,265.88**
Lease liabilities	349.49	-	-	349.49	**349.49**
Other financial liabilities	1,149.82	-	-	1,149.82	**1,149.82**
Total financial liabilities	**107,849.15**	**-**	**104,682.46**	**18,212.71**	**122,895.17**
Off-balance sheet items					
Other commitments	148.66	-	-	148.66	**148.66**
Total off-balance sheet items	**148.66**	**-**	**-**	**148.66**	**148.66**

Note:

The management assessed that cash and cash equivalents, trade receivables, trade payables, other receivables, other payables, bank overdrafts and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

52.09: 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. Loan and other similar arrangements with subsidiaries which are probable to be settled for a fixed number of equity share of the borrower for a fixed price are classified as equity investment. 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 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.

52 FAIR VALUE MEASUREMENT (Contd.)

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.

53 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.

53.01: Introduction and risk profile

53.01.01: 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.

53.01.02: 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.

53.01.03: 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.

53 RISK MANAGEMENT (Contd.)

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.

53.01.04: 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.

53.02: 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

53.02.01: 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.

53.02.02: 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 53.02.02.01).

- How the Company defines, calculates and monitors the probability of default, exposure at default and loss given default (Notes 53.02.02.02 to 53.02.02.04)
- When the Company considers there has been a significant increase in credit risk of an exposure (Note 53.02.02.05)
- The Company's policy of segmenting financial assets where ECL is assessed on a collective basis (Note 53.02.02.07)
- The details of the ECL calculations for stage 1, stage 2 and stage 3 assets (Note 6.1(xi))

53 RISK MANAGEMENT (Contd.)

53.02.02.01: 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.
- 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.

53.02.02.02: 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.

53.02.02.03: 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.

53.02.02.04: 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.

53.02.02.05: 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 53.02.02.01 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 53.02.02.07), the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

53 RISK MANAGEMENT (Contd.)

53.02.02.06: Forward looking information

The Company has incorporated forward looking information and macro-economic factors while calculating PD and LGD rate. Refer note 63 for impact of COVID-19 on estimate of PD, LGD and SICR.

53.02.02.07: 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. New vehicle finance
2. Pre owned vehicle finance
3. Business Loans

53.02.03: Analysis of risk concentration

The maximum credit exposure to any individual client or counterparty as of March 31, 2022 was Rs. 61.13 crores (March 31, 2021: Rs. 52.22 crores).

Credit risk exposure analysis

(Rs. in crores)

Particulars	As at March 31, 2022			
	Stage 1 collective	Stage 2 collective	Stage 3 collective	Total
Credit risk exposure	103,492.98	13,318.50	8,887.55	**125,699.03**

53.03: 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.

53 RISK MANAGEMENT (Contd.)

53.03.01: 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, 2022:

(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
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 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	29.03	27.62	46.59	81.92	7.51	-	**192.67**
Other financial assets	-	-	-	-	-	51.45	**51.45**
Total undiscounted financial assets	**31,876.36**	**15,718.66**	**28,507.62**	**73,163.01**	**18,269.67**	**4,525.23**	**172,060.55**
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)	**18,225.82**	**7,603.72**	**4,642.11**	**11,692.06**	**1,127.26**	**(6,191.74)**	**37,099.23**

*** includes future interest**

53 RISK MANAGEMENT (Contd.)

Maturity pattern of assets and liabilities as on March 31, 2021:

(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
Financial assets							
Cash and cash equivalents	11,050.93	-	-	-	-	-	**11,050.93**
Bank balance other than above	2,250.28	1,543.15	1,093.35	450.85	53.26	-	**5,390.89**
Derivative assets	-	-	100.51	38.26	-	30.48	**169.25**
Financial assets at fair value through profit and loss	-	-	-	-	-	8.28	**8.28**
Loans *	13,358.17	15,198.43	24,695.47	66,062.15	18,404.12	3,131.92	**140,850.26**
Financial investments at amortised cost	153.19	134.26	235.76	832.05	169.15	1,689.80	**3,214.21**
Trade receivables	8.92	-	-	-	-	-	**8.92**
Other receivables	49.90	-	-	-	-	-	**49.90**
Other financial assets	2.07	-	-	-	-	46.96	**49.03**
Total undiscounted financial assets	**26,873.46**	**16,875.84**	**26,125.09**	**67,383.31**	**18,626.53**	**4,907.44**	**160,791.67**
Financial liabilities							
Deposits *	920.83	1,541.32	3,817.22	9,090.96	3,814.50	-	**19,184.83**
Debt securities *	3,433.09	4,954.30	5,893.54	24,240.95	3,320.04	5,428.64	**47,270.56**
Borrowings (other than debt securities) *	6,348.78	5,469.99	11,980.12	23,455.05	4,790.82	365.83	**52,410.59**
Subordinated liabilities *	86.83	86.23	341.79	1,493.08	2,828.52	1,880.28	**6,716.73**
Trade payables	152.22	-	0.30	-	-	-	**152.52**
Other payables	0.54	-	-	-	-	-	**0.54**
Lease liabilities	25.98	25.26	49.72	161.50	92.89	91.87	**447.23**
Other financial liabilities	925.01	8.02	81.94	99.85	30.91	4.09	**1,149.82**
Total undiscounted financial liabilities	**11,803.95**	**12,078.19**	**22,152.11**	**58,505.60**	**14,859.35**	**7,753.77**	**127,332.82**
Net undiscounted financial assets/ (liabilities)	**15,069.51**	**4,797.65**	**3,972.98**	**8,877.71**	**3,767.18**	**(2,846.33)**	**33,458.85**

*** includes future interest**

53 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.

(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, 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**
As at March 31, 2021							
In respect of Income tax demands where the Company has filed appeal before various authorities	-	-	-	-	-	133.64	**133.64**
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	3.53	-	-	-	-	-	**3.53**
Commitments related to loans sanctioned but undrawn	148.66	-	-	-	-	-	**148.66**
Total commitments	**152.19**	**-**	**-**	**-**	**-**	**2,232.26**	**2,384.45**

53 RISK MANAGEMENT (Contd.)

53.04: 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) 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, 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)**

As at March 31, 2021 (Rs. in crores)

Particulars	Carrying amount	Favourable change 1% increase	Unfavourable change 1% decrease
Debt instrument	5,776.24	572.78	(644.49)
Term loans	9,723.08	707.21	(665.36)
Total floating rate borrowings	**15,499.32**	**1,279.99**	**(1,309.85)**

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, 2022			As at March 31, 2021		
	Rate of interest	Notional Amounts	Maturity date	Rate of interest	Notional Amounts	Maturity date
Currency derivatives:						
- Spots and forwards	3 months LIBOR + 1.95%	22.19	June 10, 2022 to August 10, 2023	3 months LIBOR + 1.95%	37.05	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%	133.64	June 13, 2022 to December 11, 2026	6 months LIBOR + 2.50%	147.00	December 13, 2021 to December 11, 2026
TOTAL		**2,558.16**			**2,586.38**	

53 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 22 B - External commercial bond (ED) Secured and 23 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, 2022				As at March 31, 2021			
	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	8.65	685.38	536.60	36,134.01	10.58	837.69	479.50	35,593.99
Cross currency Interest rate swap / Forward exchange contracts	8.65	685.38	536.60	36,134.01	10.58	837.69	479.50	35,593.99
Net Exposure	-	-	-	-	-	-	-	-

Movement in Cash flow hedge reserve

(Rs. in crores)

Cash flow hedge reserve	As at March 31, 2022			As at March 31, 2021		
	Realised	Unrealised	Total	Realised	Unrealised	Total
Balance at the beginning of the year	-	**(93.02)**	**(93.02)**	-	-	-
Add: Changes in the fair value during the year	-	(160.87)	(160.87)	-	(124.31)	(124.31)
Less: Income tax relating to items that will be reclassified to profit or loss	-	40.49	40.49	-	31.29	31.29
Less: Amounts reclassified to Statement of profit and loss	-	-	-	-	-	-
Balance at the end of the year	-	**(213.40)**	**(213.40)**	-	**(93.02)**	**(93.02)**

Nature and terms and conditions of outstanding derivative contracts

(Rs. in crores)

Particulars	As at March 31, 2022				As at March 31, 2021			
	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	22.19	(0.56)	3 months LIBOR + 1.95%	June 10, 2021 to August 10, 2023	37.05	(0.30)
- Spots and forwards	4.15% to 5.95%	June 15, 2022 to June 15, 2027	17,018.41	98.39	4.15% to 5.95%	June 15, 2021 to June 15, 2027	13,789.85	79.67
- Currency swaps	4.15% to 5.10%	July 14, 2023 to July 18, 2025	2,320.47	(276.95)	4.40% to 5.10%	July 14, 2023 to March 13, 2024	2,320.38	(103.23)
- Cross currency interest rate swaps	3 months LIBOR + 1.95%	August 10, 2023	2,402.33	197.16	3 months LIBOR + 1.95%	August 10, 2023	2,402.33	32.81

53 RISK MANAGEMENT (Contd.)

(Rs. in crores)

Particulars	As at March 31, 2022				As at March 31, 2021			
	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 EURIBOR + 1.15%	April 26, 2022 to April 25, 2026	685.38	155.82	6 months EURIBOR + 1.15%	April 25, 2026	837.69	49.24
- Cross currency interest rate swaps	6 months LIBOR + 2.50%	June 13, 2022 to December 11, 2026	133.64	5.50	6 months LIBOR + 2.50%	December 13, 2021 to December 11, 2026	147.00	(1.76)
- Cross currency interest rate swaps	-	-	-	-	5.70%	February 28, 2022	2,849.90	101.25
- Cross currency interest rate swaps	SOFR + 2.10%	December 03, 2024	187.35	5.66	-	-	-	-
(ii) Interest rate derivatives:								
- Interest rate swaps	4.15% to 5.95%	October 24, 2022 to July 18, 2025	14,049.63	3.18	4.40% to 5.95%	October 24, 2022 to March 13, 2024	14,047.48	9.72
- Interest rate caps	6 months EURIBOR + 1.15%	April 26, 2022 to April 25, 2026	-	13.20	6 months EURIBOR + 1.15%	April 26, 2021 to April 25, 2026	-	1.85
TOTAL			**36,819.40**	**201.40**			**36,431.68**	**169.25**

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:

(a) 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

(b) 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.

54 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:

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
The principal amount remaining unpaid to supplier as at the end of the year	1.48	0.37
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	-	-

54 DISCLOSURE UNDER THE MSME ACT 2006, (AS PER THE INTIMATION RECEIVED FROM THE VENDOR) (Contd.)

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
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	-	-

55 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. 0.54 crores (March 31, 2021: Rs. 0.34 crores) shown under Legal and professional fees in note 42 Other expenses.

56 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. 0.33 crores (March 31, 2021: Rs. Nil) netted off against Securities premium under Other equity in note 31 Other equity.

57 DISCLOSURE REGARDING AUDITORS REMUNERATION DISCLOSED UNDER RIGHT 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 Right Shares of Rs. Nil crores (March 31, 2021: Rs. 0.27 crores) netted off against Securities premium under Other equity in note 31 Other equity.

58 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.

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.

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Securitisation		
Carrying amount of transferred assets measured at amortised cost (held as collateral)	21,120.76	25,890.69
Carrying amount of associated liabilities (Borrowings (other than debt securities)-measured at amortised cost)	19,538.08	23,403.60
Fair value of assets	21,105.47	25,756.51
Fair value of associated liabilities	19,765.43	23,960.23
Net position at fair value	**1,340.04**	**1,796.28**

59 TRANSFER OF FINANCIAL ASSETS (Contd.)

Note 59.02: 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 :

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Direct assignment		
Carrying amount of transferred assets measured at amortised cost	1,599.67	1,300.31
Carrying amount of exposures retained by the Company at amortised cost	159.97	130.03

Note 59.03: 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.

60 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Resource mobilisation	36.63	23.03
Total	**36.63**	**23.03**

Remittances in foreign currencies

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Right issue expenses	-	0.26
Total	**-**	**0.26**

61 DETAILS OF CSR EXPENSES

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a) Gross amount required to be spent by the Company during the year	69.12	62.91
b) Amount spent during the year		
- On purposes other than construction/acquisition of any asset		
Paid in cash	69.72	64.96
Yet to be paid in cash	-	-
Total	**69.72**	**64.96**

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, 2022 and March 31, 2021.

CSR activities include Education, Preservation of Art, Culture and Heritage, Preventive Healthcare, Scholarship Scheme, Training and Skill Development, Road Safety Awareness Program, Contribution towards Primary, Secondary and Higher Education 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, 2022 and March 31, 2021.

62 MOVEMENT IN PROVISIONS

(Rs. in crores)

Particulars	As at March 31, 2021	Additional provision made during the year	Utilisation/reversal during the year	As at March 31, 2022
Provision for taxes- contested	92.75	-	1.82	90.93

(Rs. in crores)

Particulars	As at April 01, 2020	Additional provision made during the year	Utilisation/reversal during the year	As at March 31, 2021
Provision for taxes- contested	92.75	-	-	92.75

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.

63 NOTE ON COVID

The significant increase in economic activities post easing of lockdown by the state governments due to COVID-19 had resulted in improvement in business operations of the Company. As a matter of prudence, during the financial year ended March 31, 2022, the Company has written off Rs. 799.92 crores by utilising the ECL provision created as management overlay on account of COVID-19. The ECL provision of Rs. 2,052.58 crores is retained by the company as at March 31, 2022 towards management overlay on account of COVID-19.

The additional ECL provision retained on account of COVID-19 is based on the Company's historical experience, collection efficiencies post lockdown, internal assessment and other emerging forward looking factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic. The Company's management is continuously monitoring the situation and the economic factors affecting the operations of the Company.

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 Company has created a floating charge on the statutory liquid assets comprising of investment in government securities (face value) to the extent of Rs. 3,354.44 crores (March 31, 2021: Rs. 2,003.76 crores) in favour of trustees representing the public deposit holders of the Company.

66 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 6, 2020 and May 5, 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.

66.01 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 6, 2020 and RBl/2021-22/31/DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021

(Rs. in crores)

Type of borrower	(A) Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	(B) Of (A), aggregate debt that slipped into NPA during the half-year	(C) Of (A) amount written off during the half-year	(D) Of (A) amount paid by the borrowers during the half- year	(E) Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans #	974.96	40.01	1.98	162.95	770.01
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**974.96**	**40.01**	**1.98**	**162.95**	**770.01**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016
pertains to automobile loans

66.02 Disclosure as per the format prescribed as per the notification no. RBI/2020-21/17 DOR.NO.BP.BC/4/21.04.048/2020-21 on "Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances" having exposure less than or equal to Rs. 25 crores:

(Rs. in crores)

No. of accounts restructured	Amount
2,131	64.32

67 Hon'ble Supreme Court, in a public interest litigation (Gajendra Sharma vs. Union of India & Anr.) vide an interim order dated September 3, 2020, has directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. However, such accounts had been classified as stage 3 in accordance with Note No.63 and provision had been made accordingly. The interim order stood vacated on March 23, 2021 vide the judgement of the Hon'ble Supreme Court in the matter of Small Scale Industrial manufacturers Association v/s UOI & Ors. and other connected matters. In accordance with the instructions in paragraph 5 of the RBI circular no. RBI/2021-22/17 DOR. STR. REC. 4/ 21.04.048/ 2021-22, dated April 07, 2021 issued in this connection, the Company was already classifying the NPA accounts as Stage 3 and provision was made accordingly, without considering the above mentioned asset classification benefit for accounting purpose, there is no change in asset classification on account of the interim order dated March 23, 2021.

68 The Company had credited an ex-gratia amount of Rs. 231.28 crores for the payment of difference between the compound interest and simple interest to the accounts of borrowers in specified loan accounts between March 1, 2020 and August 31, 2020 as per the eligibility criteria and other features as mentioned in the notification dated October 23, 2020 issued by Government of India, Ministry of Finance, Department of Financial Services. The Company had filed a claim with the State Bank of India for reimbursement of the said ex-gratia amount as specified in the notification and same was received on March 31, 2021.

69 In accordance with the instructions in aforementioned RBI circular dated April 07, 2021, and the Indian Banks' Association ('IBA') advisory letter dated April 19, 2021, the Company had put in place a Board approved policy to refund/ adjust the interest on interest charged during the moratorium period of March 01, 2020 to August 31, 2020 to the eligible borrowers under the abovementioned circular and advisory during the financial year ended March 31, 2021. The Company had estimated the benefit to be extended to the eligible borrowers at Rs. 36.54 crores and created a liability / credited the Borrower's account towards the estimated interest relief and reduced the same from the interest income of the financial year March 31, 2021.

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 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.

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, 2022 and March 31, 2021. 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, 2022 and March 31, 2021.

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 said Scheme is effective upon approval of shareholders, creditors, Hon'ble National Company Law Tribunal, Reserve Bank of India and other regulatory and statutory approvals as applicable with an appointed date as of April 01, 2022. The Company has already initiated process for the approval of the Scheme by various statutory authorities. The Company has already received Observation letters dated March 15, 2022 and March 16, 2022 from BSE Limited (designated Stock Exchange) and National Stock Exchange of India Ltd. respectively. The financial statements are for the year ended March 31, 2022, which is prior to the appointed date i.e. April 01, 2022 and as such the approval/implementation of Scheme has no implications on these financial statements.

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.

77 POLICY FOR SALES OUT OF AMORTISED COST BUSINESS MODEL PORTFOLIOS

The Company's policy for sales out of amortised cost business model portfolios is given at note 6.1.x. of significant accounting policies.

78 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.

79 CHANGE IN THE PROCESS OF NPA CLASSIFICATION

Pursuant to RBI circular RBI/2021-22/125 DOR/STR/REC.68/21.04.048/2021-22 dated November 12, 2021, on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications, the Company has revised its process of NPA classification to flagging of the borrower accounts as overdue as part of the day-end processes for the due date. Had the Company followed the earlier method, the profit before tax for the year ended on March 31, 2022 would have been higher by Rs. 407.65 crores.

80 PREVIOUS YEAR COMPARATIVES

Previous year's figures have been regrouped/reclassified wherever necessary, to conform to current year's classification.

81 TITLE DEEDS OF IMMOVABLE PROPERTIES NOT HELD IN NAME OF THE COMPANY

The Company does not possess any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company during the financial year ended March 31, 2022 and March 31, 2021.

82 ANALYTICAL RATIOS

(Rs. in crores)

Particulars	As at March 31, 2022			As at March 31, 2021	% Variance	Reasons for variance (if above 25%)
	Numerator	Denominator	Ratio	Ratio		
Capital to risk-weighted assets ratio (CRAR)	25,898.33	112,756.33	22.97%	22.50%	2.08%	NA
Tier I CRAR	23,335.32	112,756.33	20.70%	19.94%	3.79%	NA
Tier II CRAR	2,563.01	112,756.33	2.27%	2.56%	-11.21%	NA
Liquidity Coverage Ratio	2,577.66	1,733.49	148.70%	482.97%	-69.21%	The reason for variance above 25% is the change in methodology for calculation of LCR as mentioned in note 88.

83 DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

The Company has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2022 and March 31, 2021.

84 DETAILS OF BENAMI PROPERTY HELD

No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2022 and March 31, 2021.

85 WILFUL DEFAULTER

The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in the financial years ended March 31, 2022 and March 31, 2021.

86 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, 2022 and March 31, 2021 are given below:

(Rs. in crores)

Name of the struck off company	Balance outstanding as at		Relationship with the Struck off company
	March 31, 2022*	March 31, 2021*	
Receivables (Loans outstanding)			
ARRR Constructions Chennai Private Limited	0.02	0.04	Borrower
Kanta Tours and Travels Private Limited	-	0.14	Borrower
Pulse Electrical Solutions India Private Limited	-	0.01	Borrower
Rentacomfort Tours N Travels Private Limited	-	0.23	Borrower
Swift Equipments Private Limited	0.95	1.00	Borrower
Skilltech Services Private Limited	0.02	0.08	Borrower
VMK Infrastructure Projects India Private Limited	-	0.12	Borrower
Payables (Borrowings outstanding)			
Intercon Overseas Pvt Ltd	-	0.15	Deposit holder
Shares held by struck off company**			
Nasik Capital And Financial Services Private Limited	0.00	0.00	Equity shareholder
Rasi Leasing Company Private Limited	0.00	0.00	Equity shareholder

*0.00 denotes amounts less than Rs. 1.00 lacs

**In the financial years ended March 31, 2022 and March 31, 2021, 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.

87 DISCLOSURE OF RESTRUCTURED ACCOUNTS

(Rs. in crores)

Sr. No.	Type of restructuring		Others									
	Financial year		Year ended March 31, 2022					Year ended March 31, 2021				
	Asset classification		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
1	**Restructured accounts as on April 1**	**No. of borrowers**	**8,626**	**21,229**	**4,517**	**763**	**35,135**	**6,163**	**15,660**	**2,508**	**576**	**24,907**
		Amount outstanding	**271.50**	**767.88**	**425.87**	**81.86**	**1,547.11**	**229.66**	**693.72**	**269.97**	**39.53**	**1,232.88**
		Provision thereon	**43.40**	**329.99**	**173.41**	**31.62**	**578.42**	**19.68**	**238.22**	**92.97**	**12.91**	**363.78**
2	Fresh restructuring during the year	No. of borrowers	-	38,956	701	38	**39,695**	-	20,796	541	67	**21,404**
		Amount outstanding	-	1,191.55	61.56	4.00	**1,257.11**	-	756.37	45.67	6.13	**808.17**
		Provision thereon	-	517.79	28.75	1.75	**548.29**	-	321.10	19.31	2.59	**343.00**
3	Upgradation	No. of borrowers	13,490	(12,338)	(1,076)	(76)	-	8,626	(8,136)	(391)	(99)	-
		Amount outstanding	459.10	(397.93)	(56.64)	(4.53)	-	327.92	(294.90)	(26.60)	(6.42)	-
		Provision thereon	197.90	(171.95)	(24.10)	(1.85)	-	108.48	(96.89)	(9.33)	(2.26)	-
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)**	(4,563)	-	-	-	**(4,563)**
		Amount outstanding	(167.18)	-	-	-	**(167.18)**	(184.32)	-	-	-	**(184.32)**
		Provision thereon	(23.77)	-	-	-	**(23.77)**	(13.67)	-	-	-	**(13.67)**
5	Downgradation of restructured accounts during the year	No. of borrowers	-	(1,082)	696	386	-	-	(3,148)	2,735	413	-
		Amount outstanding	-	(71.00)	22.73	48.27	-	-	(244.77)	194.27	50.50	-
		Provision thereon	-	(29.60)	10.57	19.03	-	-	(83.85)	66.76	17.09	-
6	Write-offs of restructured accounts during the year	No. of borrowers	(4,271)	(8,200)	(2,282)	(363)	**(15,116)**	(1,600)	(3,943)	(876)	(194)	**(6,613)**
		Amount outstanding	(206.55)	(294.98)	(219.85)	(32.58)	**(753.96)**	(101.76)	(142.54)	(57.44)	(7.88)	**(309.62)**
		Provision thereon	(171.83)	(118.89)	(56.10)	3.99	**(342.83)**	(71.09)	(48.59)	3.70	1.29	**(114.69)**
7	**Restructured accounts as on March 31**	**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**
		Provision thereon	**45.70**	**527.34**	**132.53**	**54.54**	**760.11**	**43.40**	**329.99**	**173.41**	**31.62**	**578.42**

Note:

i. The outstanding amount and number of borrowers as at March 31, 2022 and March 31, 2021 is after considering recoveries during the period.

ii. 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.

iii. 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.

iv. 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.

v. 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.

vi. 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 RBl/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.

88 LIQUIDITY COVERAGE RATIO DISCLOSURE

Disclosure as per the circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 issued by Reserve Bank of India on "Liquidity Coverage Ratio (LCR)"

(Rs. in crores)

	Particulars	As at March 31, 2022		As at December 31,2021		As at September 30, 2021		As at June 30,2021		As at March 31, 2021	
		Total Unweighted value (average)*	Total Weighted value (average)#	Total Unweighted value (average)*	Total Weighted value (average)#	Total Unweighted value (average)*	Total Weighted value (average)#	Total Unweighted value (average)*	Total Weighted value (average)#	Total Unweighted value (average)*	Total Weighted value (average)#
High Quality Liquid Assets											
1	Total High Quality Liquid Assets (HQLA)	3,155.38	2,577.66	2,753.06	2,238.25	2,593.71	2,110.32	2,462.56	2,034.76	6,678.54	6,285.05
Cash Outflows											
2	Deposits (for deposit taking companies)	715.45	822.77	672.05	772.86	606.86	697.89	430.17	494.69	380.69	437.80
3	Unsecured wholesale funding	52.65	60.55	558.05	641.76	525.91	604.80	474.56	545.74	101.72	116.98
4	Secured wholesale funding	4,659.14	5,358.01	2,833.38	3,258.39	4,220.16	4,853.18	3,809.07	4,380.43	3,307.37	3,803.47
5	Additional requirements, of which	-	-	-	-	-	-	-	-	-	-
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	-	-	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	474.20	545.34	538.14	618.87	412.82	474.74	449.33	516.73	583.14	670.61
7	Other contingent funding obligations	128.07	147.28	117.03	134.59	125.68	144.53	139.05	159.91	153.43	176.45
8	**TOTAL CASH OUTFLOWS**	**6,029.51**	**6,933.95**	**4,718.65**	**5,426.47**	**5,891.43**	**6,775.14**	**5,302.18**	**6,097.50**	**4,526.35**	**5,205.31**
Cash Inflows											
9	Secured lending	-	-	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	3,865.47	2,899.10	3,660.64	2,745.48	3,574.32	2,680.74	3,539.03	2,654.27	3,978.22	2,983.67
11	Other cash inflows	10,829.56	8,122.17	11,372.63	8,529.47	10,038.38	7,528.79	10,084.04	7,563.03	2,731.08	2,048.31
12	**TOTAL CASH INFLOWS**	**14,695.03**	**11,021.27**	**15,033.27**	**11,274.95**	**13,612.70**	**10,209.53**	**13,623.07**	**10,217.30**	**6,709.30**	**5,031.98**
			Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**
13	TOTAL HQLA		2,577.66		2,238.25		2,110.32		2,034.76		6,285.05
14	TOTAL NET CASH OUTFLOWS		1,733.49		1,356.62		1,693.79		1,524.38		1,301.33
15	LIQUIDITY COVERAGE RATIO (%)		148.70%		164.99%		124.59%		133.48%		482.97%

88 LIQUIDITY COVERAGE RATIO DISCLOSURE (Contd.)

*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 crore 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 1, 2020 with the minimum HQLAs to be held being 50% of the LCR, progressively reaching a level upto 60%, 70%, 85% and 100% by December 1, 2021, December 1, 2022, December 1, 2023, December 1, 2024 respectively. 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.

The average LCR for the quarter ended March 31, 2021 is computed as simple averages of monthly observations over the previous quarter (i.e. average of three months ie. January 2021, February 2021 and March 2021 for the quarter ended March 31, 2021).

The average LCR for the quarter ended June 30, 2021 onwards is computed as simple averages of daily observations over the previous quarter (i.e. daily average of the quarter ended June 30, 2021, September 30, 2021, December 31, 2021 and March 31, 2022).

89 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:

(Rs. in crores)

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	For the year ended March 31, 2022					For the year ended March 31, 2021				
		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	103,492.98	3,381.35	100,111.63	429.51	**2,951.84**	93,915.66	3,046.35	90,869.31	382.15	**2,664.20**
	Stage 2	13,318.50	1,211.03	12,107.47	107.54	**1,103.49**	13,983.12	1,356.07	12,627.05	111.52	**1,244.55**
Subtotal		**116,811.48**	**4,592.38**	**112,219.10**	**537.05**	**4,055.33**	**107,898.78**	**4,402.42**	**103,496.36**	**493.67**	**3,908.75**
Non-Performing Assets (NPA)											
Substandard	Stage 3	6,863.72	3,171.79	3,691.93	672.60	**2,499.19**	5,249.54	2,247.21	3,002.33	514.44	**1,732.77**
Doubtful - up to 1 year	Stage 3	632.27	368.08	264.19	259.34	**108.74**	1,460.22	607.31	852.91	539.43	**67.88**
1 to 3 years	Stage 3	465.30	307.09	158.21	265.23	**41.86**	385.78	154.63	231.15	194.19	**(39.56)**
More than 3 years	Stage 3	-	-	-	-	-	-	-	-	-	-
Subtotal for doubtful		**1,097.57**	**675.17**	**422.40**	**524.57**	**150.60**	**1,846.00**	**761.94**	**1,084.06**	**733.62**	**28.32**
Loss	Stage 3	926.26	594.54	331.72	846.52	**(251.98)**	1,197.27	476.98	720.29	1,051.73	**(574.75)**
Subtotal for NPA		**8,887.55**	**4,441.50**	**4,446.05**	**2,043.69**	**2,397.81**	**8,292.81**	**3,486.13**	**4,806.68**	**2,299.79**	**1,186.34**
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	1,196.69	42.70	1,153.99	-	**42.70**	1,301.27	48.71	1,252.56	-	**48.71**
	Stage 2	-	-	-	-	-	-	-	-	-	-
	Stage 3	3.00	3.00	-	-	**3.00**	2.39	2.39	-	-	**2.39**
Subtotal		**1,199.69**	**45.70**	**1,153.99**	-	**45.70**	**1,303.66**	**51.10**	**1,252.56**	-	**51.10**
Total	**Stage 1**	**104,689.67**	**3,424.05**	**101,265.62**	**429.51**	**2,994.54**	**95,216.93**	**3,095.06**	**92,121.87**	**382.15**	**2,712.91**
	Stage 2	**13,318.50**	**1,211.03**	**12,107.47**	**107.54**	**1,103.49**	**13,983.12**	**1,356.07**	**12,627.05**	**111.52**	**1,244.55**
	Stage 3	**8,890.55**	**4,444.50**	**4,446.05**	**2,043.69**	**2,400.81**	**8,295.20**	**3,488.52**	**4,806.68**	**2,299.79**	**1,188.73**
	Total	**126,898.72**	**9,079.58**	**117,819.14**	**2,580.74**	**6,498.84**	**117,495.25**	**7,939.65**	**109,555.60**	**2,793.46**	**5,146.19**

90 LIQUIDITY RISK

Public Disclosure on Liquidity Risk for the year ended 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 counterparty[1] (both deposits and borrowings)

Particulars	Number of significant counterparties	Amount (Rs. in crores)*	% of Total deposits	% of Total liabilities[3]
As at March 31, 2022	13	39,594.35	180.39%	34.08%
As at March 31, 2021	15	41,422.30	255.18%	38.31%

*Includes securitisation liabilities exposure

(ii) Top 20 large deposits (amount in Rs. in crore and % of total deposits)

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Total amount of top 20 large deposits	1,793.23	960.78
Percentage of amount of top 20 large deposits to total deposits	8.17%	5.92%

(iii) Top 10 borrowings (amount in Rs. in crore and % of total borrowings)

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Total amount of top 10 borrowings *	35,696.58	33,619.61
Percentage of amount of top 10 borrowings to total borrowings	31.18%	31.66%

*Includes securitisation liabilities exposure

(iv) Funding concentration based on significant instrument/product[2]

(Rs. in crores)

Sr. No.	Name of the instrument/product	As at March 31, 2022		As at March 31, 2021	
		Amount	% of Total liabilities[3]	Amount	% of Total liabilities[3]
1	Redeemable non-convertible debentures (secured and unsecured)	21,353.86	18.38%	21,393.97	19.79%
2	External commercial bond	19,011.29	16.36%	17,779.55	16.45%
3	Term loan from banks	16,755.62	14.42%	13,304.70	12.31%
4	Term loan from financial institutions/ corporates	5,685.24	4.89%	3,783.20	3.50%
5	External commercial borrowing	4,243.13	3.65%	4,122.49	3.81%
6	Other loans - Securitisation liabilities	19,538.08	16.82%	23,403.60	21.65%
7	Deposits	21,948.98	18.89%	15,790.71	14.61%
8	Subordinated debts	4,614.25	3.97%	4,620.76	4.27%

(v) Stock ratios:

Sr. No.	Particulars	As at March 31, 2022			As at March 31, 2021		
		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]	4.66%	4.58%	3.75%	4.27%	4.19%	3.49%

90 LIQUIDITY RISK (Contd.)

(vi) Institutional set-up for liquidity risk management

Refer note 53.01.01: Risk management structure and 53.03: 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 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

2) Significant instrument/product is defined as a single instrument/product of group of similar instruments/ products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities, as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

3) Total Liabilities has been computed as sum of all liabilities (Total of Balance Sheet less Total Equity).

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 year ended March 31, 2022 and March 31, 2021.

Additional disclosures required by the Reserve Bank of India (RBI)

91 RATINGS ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS DURING THE YEAR

Instruments	Credit rating agency	As at March 31, 2022	As at March 31, 2021
Bank Loan Long-term	CRISIL	CRISIL AA+/Stable	CRISIL AA+/Stable
Bank Loan Short-term	CRISIL	CRISIL A1+	CRISIL A1+
Commercial Paper	India Ratings & Research Private Limited	IND A1+	IND A1+
Commercial Paper	CARE Ratings Ltd	CARE A1+	CARE A1+
Commercial Paper	CRISIL	CRISIL A1+	CRISIL A1+
Dual Recourse Bond	India Ratings & Research Private Limited	IND AAA (CE)/Stable	IND AAA (CE)/Stable
Fixed deposit	CRISIL	CRISIL FAAA/ Stable	CRISIL FAAA/ Stable
Fixed deposit	ICRA	MAA+ with Stable outlook	MAA+ with Stable outlook
Local Currency Long Term Issuer Default Rating	Fitch Ratings	BB/ Stable Outlook	BB/ Negative Outlook
Long Term Principal Protected Market Linked Debentures	CRISIL	CRISIL PPMLD AA+r/ Stable	CRISIL PPMLD AA+r/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/ Negative Outlook
Non-convertible debentures	CARE Ratings Ltd	CARE AA+/Stable	CARE AA+/Stable
Non-convertible debentures	CRISIL	CRISIL AA+/Stable	CRISIL AA+/Stable
Non-convertible debentures	India Ratings & Research Private Limited	IND AA+/Stable	IND AA+/Stable
Non-convertible debentures	ICRA	-	Provisional [ICRA] AAA (CE) (Stable)
Offshore Rupee Denominated Bond (Masala Bond)	Standard & Poor's Ratings	BB-	BB-
Offshore Rupee Denominated Bond (Masala Bond)	Fitch Ratings	BB	BB

91 RATINGS ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS DURING THE YEAR (Contd.)

Instruments	Credit rating agency	As at March 31, 2022	As at March 31, 2021
Principal Protected Market Linked Debentures (Dual Recourse)	India Ratings & Research Private Limited	IND PP-MLD AAA(CE) emr'/ Stable	IND PP-MLD AAA(CE)emr'/ Stable
Short-Term Issuer Credit Rating	Standard & Poor's Ratings	B	B
Short-Term Issuer Default Rating	Fitch Ratings	B	B
Structured Non-Convertible Debentures	India Ratings & Research Private Limited	-	Provisional IND AAA (CE)/Stable
Subordinated debt	CARE Ratings Ltd	CARE AA+/Stable	CARE AA+/Stable
Subordinated debt	India Ratings & Research Private Limited	IND AA+/Stable	IND AA+/Stable
Subordinated debt	CRISIL	CRISIL AA+/Stable	CRISIL AA+/Stable
U.S. Dollar Senior Secured Notes	Standard & Poor's Ratings	BB-	BB-
U.S. Dollar Senior Secured Notes	Fitch Ratings	BB	BB

92 CAPITAL ADEQUACY RATIO

(Rs. in crores unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
i) Tier I Capital	23,335.32	18,878.91
ii) Tier II Capital	2,563.01	2,426.58
iii) Total Capital	25,898.33	21,305.49
iv) Total Risk Weighted Assets	112,756.33	94,657.78
v) CRAR (%)	22.97	22.50
vi) CRAR - Tier I capital (%)	20.70	19.94
vii) CRAR - Tier II capital (%)	2.27	2.56
viii) Amount of subordinated debt raised as Tier-II capital*	4,676.10	4,726.10
ix) 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.

* Note:

Discounted value of Rs. 2,640.62 crores (March 31, 2021: Rs. 3,283.04 crores) considered for Tier II capital against the book value of Rs. 4,676.10 crores (March 31, 2021: Rs. 4,726.10 crores).

93 INVESTMENTS

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
(1) Value of investments		
(i) Gross value of investments		
(a) In India	6,845.16	3,235.86
(b) Outside India,	-	-
(ii) Provisions for depreciation		
(a) In India	36.00	38.01
(b) Outside India,	-	-
(iii) Net value of investments		
(a) In India	6,809.16	3,197.85
(b) Outside India,	-	-
(2) Movement of provisions held towards depreciation on investments		
(i) Opening balance	38.01	42.23
(ii) Add : Provisions made during the year	-	14.22
(iii) Less : Write-off/write-back of excess provisions during the year	2.00	18.44
(iv) Closing balance	36.00	38.01

94 DERIVATIVES

94.01: Forward rate agreement/Interest rate swap

(Rs. in crores)

Particulars		As at March 31, 2022	As at March 31, 2021
(i)	The notional principal of swap agreements	36,819.39	36,431.68
(ii)	Losses which would be incurred if counterparties failed to fulfill 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	201.40	169.25

94.02: Exchange traded interest rate (IR) derivatives : Nil

94.03: Disclosures on risk exposure of derivative

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 53 of the financial statements.

Quantitative Disclosures

(Rs. in crores)

Particulars		As at March 31, 2022		As at March 31, 2021	
		Currency derivatives	Interest rate derivatives	Currency derivatives	Interest rate derivatives
(i)	Derivatives (Notional principal amount)				
	For hedging	22,769.76	14,049.63	22,384.20	14,047.48
(ii)	Marked to market positions				
	a) Asset (+)	185.02	16.38	157.68	11.57
	b) Liability (-)	-	-	-	-
(iii)	Credit exposure	-	-	-	-
(iv)	Unhedged exposures	-	-	-	-

95 DISCLOSURES RELATING TO SECURITISATION/DIRECT ASSIGNMENT

95.01: Disclosure as per 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)

Sl. No.	Particulars		Non-STC Transactions		STC Transactions #	
			As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
1	No. of SPEs holding assets for securitisation transactions originated by the originator		86	84	1	-
2	Total amount of securitised assets as per books of the SPEs		19,061.78	23,754.07	765.73	-
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		3,781.95	3,808.17	84.46	-
	a)	**Off-balance sheet exposures**				
		• First loss	111.31	132.30	-	-
		• Others	-	-	-	-
	b)	**On-balance sheet exposures**				
		• First loss	2,713.36	2,652.30	46.17	-
		• Others	1,068.59	1,155.87	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	346.25	726.77	-	-
		ii) Exposure to third party securitisations				
		• First loss	-	-	-	-
		• Others	-	-	-	-
	b)	**On-balance sheet exposures**				
		i) Exposure to own securitisations				
		• First loss				
		• Others	1,953.01	1,925.73	54.02	-
		ii) Exposure to third party securitisations				
		• First loss	-	-	-	-
		• Others	-	-	-	-
5	Sale consideration received for the securitised assets		11,950.46	12,956.41	923.43	-
	Gain/loss on sale on account of securitisation		2,331.79	2,012.63	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 (14.11%)					
	(a)	Amount paid	1,675.08	2,137.53	146.47	-
	(b)	Repayment received	1,674.02	959.33	7.99	-
	(c)	Outstanding amount	5,734.96	5,733.90	138.48	-

95 DISCLOSURES RELATING TO SECURITISATION/DIRECT ASSIGNMENT (Contd.)

(Rs. in crores)

Sl. No.	Particulars	Non-STC Transactions		STC Transactions #	
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
8	Average default rate of portfolios observed in the past.				
	Vehicle Loans	7.56	8.01	7.56	-
	Others	-	-	-	-
9	Amount and number of additional/top up loan given on same underlying asset.				
	Vehicle Loans	-	-	-	-
	Others	-	-	-	-
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.

95.02: 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 year ended March 31, 2022:

Count of loans accounts assigned	53,252
Amount of loan accounts assigned (Rs. in crores)	1,267.08
Weighted average maturity (in months)	39
Weighted average holding period (in months)	13
Retention of beneficial economic interest	10.00%
Coverage of tangible security	100.00%
Rating wise distribution of rated loans	Not rated

The Company has not acquired any loans not in default through assignment during the financial year ended March 31, 2022.

The Company has neither acquired nor transferred any stressed loans during the year ended March 31, 2022.

*Disclosures are provided for the financial year ended March 31, 2022 as the Master Direction is effective from September 24, 2021.

96 ASSET LIABILITY MANAGEMENT MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES

As at March 31, 2022

(Rs. in crores)

Particulars	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**

As at March 31, 2021

(Rs. in crores)

Particulars	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 *	154.48	45.49	160.57	205.06	311.49	1,357.74	3,317.24	7,689.84	3,047.65	-	**16,289.56**
Advances **	1,939.49	589.73	1,477.93	3,206.84	3,165.73	9,676.92	17,873.55	51,397.49	15,938.33	3,037.03	**108,303.04**
Investments	-	15.02	29.69	58.78	49.69	134.26	235.76	794.04	169.15	1,711.46	**3,197.85**
Borrowings ***	595.52	1,538.23	1,034.91	2,356.37	2,963.32	8,894.36	12,004.44	24,324.08	8,484.54	5,915.78	**68,111.55**
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	246.67	-	22.09	228.76	2,991.55	17,562.32	535.03	315.62	**21,902.04**

* 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.

97 EXPOSURES

97.01: Exposure to real estate sector

The Company has no exposure to real estate sector.

97.02: Exposure to capital market

(Rs. in crores)

	Particulars	As at March 31, 2022	As at March 31, 2021
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	37.26	20.11
(ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares/bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows/issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	1.53	1.54
Total exposure to capital market		**38.79**	**21.65**

97.03: Details of financing of parent company products

The Company does not have any Parent Company, hence not applicable.

97.04: 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, 2022 and March 31, 2021.

97.05: Unsecured advances

The Company has not granted unsecured advances against collateral of intangible securities such as charge over the rights, licenses or authority.

98 ADDITIONAL DISCLOSURES

98.01: 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, 2022	Year ended March 31, 2021
Provisions for depreciation on investment	-	-
Provision towards NPA#	2,560.65	1,298.89
Provision made towards income tax ##	841.32	790.75
Provision for Standard Assets ###	-	-
Other Provision and contingencies		
Provision towards impairment of financial instruments other than provision for stage 3 assets	1,300.21	1,819.51

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.

98 ADDITIONAL DISCLOSURES (Contd.)

98.02: Draw down from reserves

The draw down from reserves was Rs. Nil.

98.03: Concentration of Deposits, Advances, Exposures and NPAs

98.03.01: Concentration of Deposits (for deposit taking NBFCs)

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Total deposits of twenty largest depositors	760.82	730.74
Percentage of deposits of twenty largest depositors to total deposits of the NBFC	3.75%	4.60%

98.03.02: Concentration of advances

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Total advances to twenty largest borrowers *	301.02	323.47
Percentage of advances to twenty largest borrowers to total advances of the NBFC *	0.24%	0.28%

* Excludes retained interest on direct assignment Rs. 159.97 crores (March 31, 2021 Rs. 130.03 crores)

98.03.03: Concentration of exposures

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Total exposure to twenty largest borrowers/customers *	301.02	323.47
Percentage of exposures to twenty largest borrowers/customers to total exposure of the NBFC on borrowers/customers *	0.24%	0.28%

* Excludes retained interest on direct assignment Rs. 159.97 crores (March 31, 2021 Rs. 130.03 crores)

98.03.04: Concentration of NPAs

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Total exposure to top four NPA accounts**	154.79	137.21

** NPA accounts refer to stage 3 assets.

98.03.05: Sector-wise NPAs $

Sr. No.	Sector	As at March 31, 2022 Percentage of NPAs to Total Advances in that sector	As at March 31, 2021 Percentage of NPAs to Total Advances in that sector
1	Agriculture & allied activities	-	-
2	MSME	-	-
3	Corporate borrowers	-	-
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans #	6.58%	6.33%
7	Others #	26.75%	20.41%

The loans mentioned above include loans given to corporates.

$ NPAs refer to stage 3 assets.

99 MOVEMENT OF NPAs $

(Rs. in crores)

Particulars		Year ended March 31, 2022	Year ended March 31, 2021
(i)	**Net NPAs to net advances (%)**	3.67%	4.26%
(ii)	**Movement of NPAs (Gross)**		
	(a) Opening balance	8,292.81	9,177.08
	(b) Additions during the year	7,575.61	5,460.70
	(c) Reductions during the year	(6,980.87)	(6,344.97)
	(d) Closing balance	**8,887.55**	**8,292.81**
(iii)	**Movement of Net NPAs**		
	(a) Opening balance	4,806.68	5,991.13
	(b) Additions during the year	4,038.36	3,045.12
	(c) Reductions during the year	(4,398.99)	(4,229.57)
	(d) Closing balance	**4,446.05**	**4,806.68**
(iv)	**Movement of provisions for NPAs (excluding provisions on standard assets)**		
	(a) Opening balance	3,486.13	3,185.95
	(b) Provisions made during the year	3,537.25	2,415.58
	(c) Write-off/write-back of excess provisions	(2,581.88)	(2,115.40)
	(d) Closing balance	**4,441.50**	**3,486.13**

$ NPAs refer to stage 3 assets.

100 OVERSEAS ASSETS (FOR THOSE WITH JOINT VENTURES AND SUBSIDIARIES ABROAD)

The Company does not have any joint venture or subsidiary abroad, hence not applicable.

101 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.

102 CUSTOMER COMPLAINTS

Particulars		Year ended March 31, 2022	Year ended March 31, 2021
(a)	Number of complaints pending at the beginning of the year	90	28
(b)	Number of complaints received during the year	3,662	2,469
(c)	Number of complaints redressed during the year	3,687	2,407
(d)	Number of complaints pending at the end of the year	65	90

103 INFORMATION ON INSTANCES OF FRAUD

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	-

* includes Rs. 0.01 crores recovered from the fraud cases reported during the year ended March 31, 2020.

103 INFORMATION ON INSTANCES OF FRAUD (Contd.)

Instances of fraud for the year ended March 31, 2021: (Rs. in crores)

Nature of fraud	No. of cases	Amount of fraud	Recovery*	Amount written-off
Fraud committed by borrowers and outsiders	3	1.05	0.46	-

* includes Rs. 0.10 crores recovered from the fraud cases reported during the year ended March 31, 2020.

104 DISCLOSURE OF PENALTIES IMPOSED BY RBI AND OTHER REGULATORS

Details of Penalties levied by various regulators:

No penalties have been levied by any regulator on the Company for the year ended March 31, 2022.

No penalties have been levied by any regulator on the Company for the year ended March 31, 2021.

However, during the financial year ended March 31, 2020, the Company had received an order no SDE/SRO/CEZO-I/02/2020(SK) dated March 4, 2020 passed by the Special Director, Directorate of Enforcement (ED), Southern Regional Office, Chennai imposing a penalty of Rs. 5.00 crores on the Company. The Company had filed a writ petition dated June 4, 2020 before the High Court of Madras, requesting for a stay on the said order dated March 04, 2020 of the ED. On July 01, 2020, the Hon'ble Madras High Court had admitted the Company's writ petition challenging the said order dated March 04, 2020 of the ED and granted interim stay order with the direction to the Company to deposit 25% of the penalty amount in the Court. The Company had deposited Rs. 1.25 crore with the Hon'ble Madras High Court on August 26, 2020. The payment was made without prejudice to the rights and entitlement to the reliefs sought by the Company through the petition filed with the Hon'ble Madras High Court. The Deputy Legal Adviser, Enforcement Directorate had filed an appeal dated October 6, 2020 before the Hon'ble Appellate Tribunal for Foreign Exchange, New Delhi ("Appellate Tribunal") against the said order dated March 4, 2020 of the Special Director of Enforcement. The Company will contest the appeal filed in the Hon'ble Appellate Tribunal in the competent forum to seek appropriate legal remedy.

As per our report of even date
For **Khimji Kunverji & Co LLP**
Chartered Accountants
ICAI Firm Registration No. 105146W/W-100621

Gautam Shah
Partner

Membership No. 117348
Mumbai
April 28, 2022

For **Sundaram & Srinivasan**
Chartered Accountants
ICAI Firm Registration No. 004207S

P Menakshi Sundaram
Partner

Membership No. 217914
Mumbai
April 28, 2022

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

S. Lakshminarayanan
Chairman
DIN: 02808698
Mumbai
April 28, 2022

Umesh Revankar
Vice Chairman & Managing Director
DIN: 00141189
Mumbai
April 28, 2022

Parag Sharma
Joint Managing Director & CFO
DIN: 02916744
Mumbai
April 28, 2022

Vivek M. Achwal
Company Secretary
Mumbai
April 28, 2022

As required in terms of paragraph 19 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Schedule to the Balance Sheet

(Rs. in crores)

Particulars	**As at March 31, 2022**	
Liabilities side :	**Amount outstanding**	**Amount overdue**
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:		
(a) Debenture : Secured	21,281.77	13.09 #
: Unsecured	85.18	Nil
(other than falling within the meaning of public deposits*)		
(b) Deferred Credits	Nil	Nil
(c) Term Loans	41,978.94	Nil
(d) Inter-corporate loans and borrowing	29.14	Nil
(e) Commercial Paper	Nil	Nil
(f) Public Deposits* @	20,301.00	110.92 #
(g) Other Loans - Subordinated debts	4,623.33	9.08 #
- Cash Credit	454.86	Nil
- Deposits from corporates	1,729.91	0.15 #
- Senior secured notes	891.40	Nil
- External commercial borrowing- Secured	4,243.13	Nil
- External commercial bond -Secured	19,011.29	Nil
@ excludes deposits from corporates		
*Please see note 1 below		
# Represent amounts unclaimed		

(Rs. in crores)

(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):	**Amount outstanding**	**Amount overdue**
(a) In the form of Unsecured debentures	Nil	Nil
(b) In the form of partly secured debentures i.e debentures where there is a shortfall in the value of security	Nil	Nil
(c) Other public deposits @	20,301.00	110.92 #
@ excludes deposits from corporates		
*Please see note 1 below		
# Represent amounts unclaimed		

(Rs. in crores)

Assets side :	**Amount outstanding**
(3) Break-up of loans and advances including bills receivables (other than those included in (4) below):	
(a) Secured	123,999.00
(b) Unsecured	1,700.03

(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) Debenture and bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government securities	Nil
(v) Others (Please specify)	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 (Please specify)	Nil
Long term 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	3,154.39
(v) Others (Please specify)	Nil
2. Unquoted :	
(i) Shares: (a) Equity	37.26
(b) Preference	Nil
(ii) Debentures and bonds	Nil
(iii) Units of mutual funds	1,523.02
(iv) Government securities	Nil
(v) Others -Venture capital fund	1.53
Investment in PTC	1,070.88
Investment in certificate of deposits	822.29
Investment in commercial papers	199.79

$ 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)

	Category	Amount (Net of provisions)	
		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	115,266.44	1,398.71
	Total	**115,266.44**	**1,398.71**

(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

(Rs. in crores)

	Category	Market Value / Break up or fair value or NAV*	Book Value (Net of Provisions)
1.	Related Parties **		
	(a) Subsidiaries	Nil	Nil
	(b) Companies in the same group	74.02	13.37
	(c) Other related parties	Nil	Nil
2.	Other than related parties	6,608.55	6,795.79
	Total	**6,682.57**	**6,809.16**

* 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.

(8) Other information

(Rs. in crores)

Sr. No.	Particulars	Amount
(i)	Gross non-performing assets ¥	
	(a) Related parties	Nil
	(b) Other than related parties	8,887.55
(ii)	Net non-performing assets ¥	
	(a) Related parties	Nil
	(b) Other than related parties	4,446.05
(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 :

1. As defined in point xxvii of paragraph 3 of Chapter II of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
2. Provisioning norms shall be applicable as prescribed in Indian Accounting Standards by MCA.
3. All 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

The Company does not have any subsidiary.

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, 2022
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
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**	N.A.
5	**Networth attributable to shareholding as per latest audited Balance Sheet (Rs. in crores)***	184.41
6	**Profit/(Loss) for the year (Rs. in crores)***	
	i Considered in consolidation	13.17
	ii Not Considered in consolidation	16.39

The Company does not have any joint venture.

*on consolidated basis

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

S. Lakshminarayanan
Chairman
DIN: 02808698
Mumbai
April 28, 2022

Umesh Revankar
Vice Chairman & Managing Director
DIN: 00141189
Mumbai
April 28, 2022

Parag Sharma
Joint Managing Director & CFO
DIN: 02916744
Mumbai
April 28, 2022

Vivek M. Achwal
Company Secretary
Mumbai
April 28, 2022

SHRIRAM

Transport Finance Company Limited

A WINNING RELATIONSHIP

CONSOLIDATED ACCOUNTS

INDEPENDENT AUDITOR'S REPORT

To the Members of
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 Transport Finance Company Limited ("the Holding Company" or "the Parent" or "the Company") and its associate, which comprise the consolidated balance sheet as at 31 March 2022 and the consolidated statement of profit & 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 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 Parent and its associate as at 31 March 2022, and its consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

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 Parent 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 Note 63 to the Consolidated financial statements which describes the facts that the additional Expected Credit Loss (ECL) provision on account of COVID–19 is based on the Company's historical experience, collection efficiencies post lockdown, internal assessment, and other emerging forward-looking factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic. Further, the extent to which the COVID–19 pandemic will impact the Company's financial performance is dependent on future developments, which are highly uncertain. Our Opinion is not modified in respect of this matter.

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 year under report. 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 statements.

   A. Impairment Loss Allowance of loans and advances

   (Reference to Note 12 read with Statement of Accounting Policies Note 6.1(xi) and Note No. 63 of the Other Notes forming part of Consolidated Financial statements– Schedule to the Consolidated Financial Statements)

	(Rs. in crores)
Gross Advances	125,699.03
Provisions*	9,033.88
Net Advances	116,665.15
COVID-19 Provision*	2,052.58

(*COVID-19 Provisions - towards management overlay on account of COVID-19 is included in above provisions)

B. Significant estimates and judgment involved

Key Audit Matter

During the year, Reserve Bank of India issued revised guidelines (including clarifications thereon) on Income Recognition and Asset Classification norms ("IRAC"). These guidelines prescribe the prudential norms for identification and classification of such assets as Stage 3 / NPAs.

The Company has applied its 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.

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.

C. Auditor's Response

Audit Procedures included but were not limited to the following:

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.

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".

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:

- 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 additional provision 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 Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report like Management Discussion and Analysis, Director's Report and Corporate Governance Report, but does not include the Consolidated Financial Statements and our auditors' report thereon. The Other Information which we obtained prior to the date of this auditor's report, and Annual Report, which is expected to be made available to us after that date.

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. We have nothing to report in this regard.

Management's responsibility for the Consolidated Financial Statements

10. The Holding Company'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 Parent 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, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

11. The respective Board of Directors of the Parent 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 Parent 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 Holding Company, as aforesaid.

12. In preparing the Consolidated Financial Statements, the respective Board of Directors of the Parent 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 management either intends to liquidate the Parent or to cease operations, or has no realistic alternative but to do so.

13. The respective Board of Directors of the Parent and of its associate are responsible for overseeing the financial reporting process of the Parent 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 skepticism 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 Holding Company 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 Parent 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 Parent 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 of the Parent 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 Holding Company 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. The Consolidated Financial Statements include the Holding Company's share of net profit of Rs. 13.17 crore and share of Total comprehensive income of Rs. 13.15 crore for the year ended 31 March 2022, 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 this associate, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid associate, is based solely on the reports of the other auditors.

20. The comparative financial Statements of the Company for the year ended 31 March 2021 included in Consolidated Financial Statements, were audited by the then Joint statutory auditors "Haribhakti & Co. LLP, Chartered Accountants" and "Pijush Gupta & Co., Chartered Accountants" whose reports dated 29 April 2021 expressed an unmodified opinion on those consolidated financial statements. Our opinion is not modified in respect of this matter.

21. 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

22. 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 associate as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

22.1. 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.

22.2. 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.

22.3. 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.

22.4. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

22.5. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its associate company incorporated in India, none of the directors of the Holding Company and its associate company incorporated in India are disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

22.6. With respect to the adequacy of internal financial controls with reference to the Consolidated Financial Statements of the Holding Company and associate company incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

22.7. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;

23. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of audit reports of the other auditors on separate financial statements of such associate, as noted in the 'Other Matters' paragraph:

    23.1. The Consolidated Financial Statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Parent and its associate– Refer Note 49 to the consolidated financial statements.

    23.2. 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 10 to the Consolidated Financial Statements in respect of such items as it relates to the Parent and its associate.

    23.3. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company and/or its associate company incorporated in India during the year ended 31 March 2022.

    23.4. (a) The management has represented to us that, to the best of its knowledge and belief, 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 to 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.

    (b) The management has also represented to us, to the best of its 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 to 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.

    (c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause 23.4 (a) and 23.4 (b) contain any material misstatement.

    23.5. As stated in Note 30 to the Consolidated Financial Statements

    a) The final dividend proposed in the previous year, declared, and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

    b) 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.

    c) The Board of Directors of the Company have not proposed final dividend for the year. As such the interim dividend aggregating to Rs. 20/-per share (i.e. 200 %) shall be the final dividend for the financial year 2021-22 . The amount of dividend declared is in accordance with section 123 of the Act, as applicable.

For **Sundaram & Srinivasan**
Chartered Accountants
Firm Registration Number - 004207S

P Menakshi Sundaram
Partner
Membership Number: 217914
UDIN: 22217914AHYPMQ3382

Place: Mumbai
Date: 28 April 2022

For **Khimji Kunverji & Co LLP**
Chartered Accountants
Firm Registration Number - 105146W/W- 100621

Gautam Shah
Partner
Membership Number: 117348
UDIN: 22117348AHYPZE3273

Place: Mumbai
Date: 28 April 2022

Annexure "A" to the Independent Auditor's report on the Consolidated Financial Statements of Shriram Transport Finance Company Limited for the year ended 31 March 2022

(Referred to in paragraph 22.6 under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditor's 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

Opinion

1. We have audited the internal financial controls with reference to the Consolidated Financial Statements of Shriram Transport Finance Company Limited ("the Holding Company") and its associate company, which are companies incorporated in India, as at 31 March 2022 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

2. In our opinion, the Holding Company and its 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 2022, 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 ("ICAI") ("the Guidance Note").

Management's responsibility for Internal Financial Controls

3. The respective management of the Holding Company and its 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 Holding Company and its 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 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 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 Holding Company's and its associate's 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 the Consolidated 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 the Consolidated 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 associate company, which is a company incorporated in India, is based on the corresponding reports of the auditors of such associate incorporated in India.

For **Sundaram & Srinivasan**
Chartered Accountants
Firm Registration Number - 004207S

P Menakshi Sundaram
Partner
Membership Number: 217914
UDIN: 22217914AHYPMQ3382

Place: Mumbai
Date: 28 April 2022

For **Khimji Kunverji & Co LLP**
Chartered Accountants
Firm Registration Number - 105146W/W- 100621

Gautam Shah
Partner
Membership Number: 117348
UDIN: 22117348AHYPZE3273

Place: Mumbai
Date: 28 April 2022

CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 2022

(Rs. in crores)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	8	10,662.44	11,050.93
(b) Bank balance other than (a) above	9	5,692.72	5,390.89
(c) Derivative financial instruments	10	201.40	169.25
(d) Receivables	11		
(I) Trade receivables		5.35	8.92
(II) Other receivables		192.67	49.90
(e) Loans	12	116,665.15	108,303.04
(f) Investments	13	6,971.23	3,346.77
(g) Other financial assets	14	51.45	49.03
Total financial assets		**140,442.41**	**128,368.73**
(2) Non-financial Assets			
(a) Current tax assets (net)	15	228.24	171.73
(b) Deferred tax assets (net)	43	869.38	639.14
(c) Investment property	16	1.97	2.00
(d) Property, plant and equipment	17	110.56	124.44
(e) Right-of-use assets	18	302.52	308.51
(f) Other intangible assets	19	3.04	2.39
(g) Other non-financial assets	20	310.04	293.32
Total non-financial assets		**1,825.75**	**1,541.53**
Total assets		**142,268.16**	**129,910.26**
LIABILITIES AND EQUITY			
Liabilities			
(1) Financial liabilities			
(a) Payables			
(I) Trade payables	21		
(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		166.01	152.52
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		1.46	0.37
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1.21	0.54
(b) Debt securities	22	41,256.55	40,061.87
(c) Borrowings (other than debt securities)	23	46,676.93	45,281.37
(d) Deposits	24	21,948.98	16,232.41
(e) Subordinated liabilities	25	4,614.25	4,620.76
(f) Lease liabilities	18	349.43	349.49
(g) Other financial liabilities	26	859.64	1,149.82
Total financial liabilities		**115,874.48**	**107,849.15**
(2) Non-financial liabilities			
(a) Current tax liabilities (net)	27	36.82	102.02
(b) Provisions	28	138.18	142.54
(c) Other non-financial liabilities	29	124.42	99.26
Total non-financial liabilities		**299.42**	**343.82**
Total liabilities		**116,173.90**	**108,192.97**
(3) Equity			
(a) Equity share capital	30	270.52	253.06
(b) Other equity	31	25,823.74	21,464.23
Total equity		**26,094.26**	**21,717.29**
Total liabilities and equity		**142,268.16**	**129,910.26**

See accompanying notes to the consolidated financial statements

As per our report of even date

For **Khimji Kunverji & Co LLP**
Chartered Accountants
ICAI Firm Registration No. 105146W/W-100621

Gautam Shah
Partner
Membership No. 117348
Mumbai
April 28, 2022

For **Sundaram & Srinivasan**
Chartered Accountants
ICAI Firm Registration No. 004207S

P Menakshi Sundaram
Partner
Membership No. 217914
Mumbai
April 28, 2022

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

S. Lakshminarayanan
Chairman
DIN: 02808698
Mumbai
April 28, 2022

Umesh Revankar
Vice Chairman &
Managing Director
DIN: 00141189
Mumbai
April 28, 2022

Parag Sharma
Joint Managing Director & CFO
DIN: 02916744
Mumbai
April 28, 2022

Vivek M. Achwal
Company Secretary
Mumbai
April 28, 2022

(Rs. in crores)

	Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
	Revenue from operations			
	(i) Interest income	32	18,646.26	17,128.14
	(ii) Dividend income		-	-
	(iii) Rental income		0.17	0.21
	(iv) Fees and commission income	33	100.08	115.86
	(v) Net gain on fair value changes	34	221.70	21.80
	(vi) Net gain on derecognition of financial instruments under amortised cost category		217.74	58.85
	(vii) Other operating income	35	69.22	95.59
(I)	**Total Revenue from operations**		**19,255.17**	**17,420.45**
(II)	**Other Income**	36	19.06	15.95
(III)	**Total Income (I + II)**		**19,274.23**	**17,436.40**
	Expenses			
	(i) Finance cost	37	9,734.31	9,054.26
	(ii) Fees and commission expenses	38	91.74	78.89
	(iii) Impairment on financial instruments	39	3,860.86	3,118.40
	(iv) Employee benefits expenses	40	997.09	906.25
	(v) Depreciation, amortisation and impairment	41	135.37	137.36
	(vi) Other expenses	42	905.61	863.23
(IV)	**Total Expenses**		**15,724.98**	**14,158.39**
(V)	**Profit before exceptional items and tax (III - IV)**		**3,549.25**	**3,278.01**
(VI)	**Exceptional items**		-	-
(VII)	**Profit before tax (V+ VI)**		**3,549.25**	**3,278.01**
(VIII)	**Tax expense:**			
	(1) Current tax	43	1,112.57	1,197.77
	(2) Deferred tax	43	(188.93)	(545.36)
	(3) Tax adjustment for earlier years	43	(82.32)	138.34
(IX)	**Profit for the year from continuing operations (VII-VIII)**		**2,707.93**	**2,487.26**
(X)	Share of profit of associate		13.17	11.57
(XI)	**Profit for the year (IX + X)**		**2,721.10**	**2,498.83**
(XII)	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	Remeasurement gain/(loss) on defined benefit plan		(3.24)	-
	Share of other comprehensive income from associates		(0.03)	0.27
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.82	-
	Tax on share of other comprehensive income from associates		0.01	(0.07)
	Subtotal (A)		**(2.44)**	**0.20**
	B (i) Items that will be reclassified to profit or loss			
	Cash flow hedge			
	Gain/(loss) on effective portion of hedging instruments in a cash flow hedge		(160.87)	(124.31)
	(ii) Income tax relating to items that will be reclassified to profit or loss		40.49	31.29
	Subtotal (B)		**(120.38)**	**(93.02)**
	Other comprehensive income (A + B)		**(122.82)**	**(92.82)**
(XIII)	**Total Comprehensive income for the year (XI + XII)**		**2,598.28**	**2,406.01**
(XIV)	**Earnings per equity share (face value Rs. 10/- per equity share)**			
	Basic (Rs.)	44	102.23	101.44
	Diluted (Rs.)	44	102.23	101.44

See accompanying notes to the consolidated financial statements

As per our report of even date
For **Khimji Kunverji & Co LLP**
Chartered Accountants
ICAI Firm Registration No. 105146W/W-100621

Gautam Shah
Partner

Membership No. 117348
Mumbai
April 28, 2022

For **Sundaram & Srinivasan**
Chartered Accountants
ICAI Firm Registration No. 004207S

P Menakshi Sundaram
Partner

Membership No. 217914
Mumbai
April 28, 2022

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

S. Lakshminarayanan
Chairman
DIN: 02808698
Mumbai
April 28, 2022

Umesh Revankar
Vice Chairman & Managing Director
DIN: 00141189
Mumbai
April 28, 2022

Parag Sharma
Joint Managing Director & CFO
DIN: 02916744
Mumbai
April 28, 2022

Vivek M. Achwal
Company Secretary
Mumbai
April 28, 2022

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	Changes in equity share capital during the current year	Balance at the end of the current reporting period
As at March 31, 2021				As at March 31, 2022
253.06	-	253.06	17.46	270.52

(2) **Previous 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	Changes in equity share capital during the current year	Balance at the end of the current reporting period
As at March 31, 2020				As at March 31, 2021
226.88	-	226.88	26.18	253.06

B. **Other equity**

(1) **Current reporting period**

(Rs. in crores)

Particulars	Share application money pending allotment	Reserves and Surplus								Other Comprehensive Income	Money received against share warrants	Total
		Capital reserve	Securities premium	Other Reserves								
				Statutory reserve	Debenture redemption reserve #	Capital redemption reserve	General reserve	Remeasurement gain/(loss) on defined benefit Plan	Retained earnings	Effective portion of cash flow hedges		
Balance at the beginning of the current reporting period (as at April 01, 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 current 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	-	-	-	-	-	-	-	-	2,721.10	-	-	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
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 Other equity)	-	-	-	541.59	(614.13)	-	270.80	-	(198.26)	-	-	-
Any other change:												
Securities premium proceeds received on issue of equity shares (refer note 30 Equity and note 31 Other equity)	-	-	2,482.54	-	-	-	-	-	-	-	-	2,482.54
Share issue expenses (refer note 30 Equity and note 31 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 current 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

(2) **Previous reporting period**

(Rs. in crores)

Particulars	Share application money pending allotment	Reserves and Surplus								Other Comprehensive Income	Money received against share warrants	Total
		Capital reserve	Securities premium	Other Reserves								
				Statutory reserve	Debenture redemption reserve #	Capital redemption reserve	General reserve	Remeasurement gain/(loss) on defined benefit Plan	Retained earnings	Effective portion of cash flow hedges		
Balance at the beginning of the current reporting period (as at April 01, 2020)	-	**27.64**	**1,754.81**	**3,668.93**	**610.41**	**53.88**	**2,414.54**	**(9.32)**	**9,394.54**	-	-	**17,915.43**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	**27.64**	**1,754.81**	**3,668.93**	**610.41**	**53.88**	**2,414.54**	**(9.32)**	**9,394.54**	-	-	**17,915.43**
Profit for the year	-	-	-	-	-	-	-	-	2,498.83	-	-	**2,498.83**
Other comprehensive income for the year	-	-	-	-	-	-	-	0.20	-	(93.02)	-	**(92.82)**
Total comprehensive income for the year	-	-	-	-	-	-	-	**0.20**	**2,498.83**	**(93.02)**	-	**2,406.01**
Dividends (interim)	-	-	-	-	-	-	-	-	(303.67)	-	-	**(303.67)**
Transferred to/(from) (refer note 31 Other equity)	-	-	-	497.46	311.00	-	248.73	-	(1,057.19)	-	-	-
Any other change:												
Securities premium proceeds received on issue of equity shares (refer note 30 Equity and note 31 Other equity)	-	-	1,466.01	-	-	-	-	-	-	-	-	**1,466.01**
Rights issue expenses (refer note 30 Equity and note 31 Other equity)	-	-	(19.55)	-	-	-	-	-	-	-	-	**(19.55)**
Balance at the end of the current reporting period (as at March 31, 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**

Refer note 31 Other equity
See accompanying notes to the consolidated financial statements

As per our report of even date
For **Khimji Kunverji & Co LLP**
Chartered Accountants
ICAI Firm Registration No. 105146W/W-100621

Gautam Shah
Partner

Membership No. 117348
Mumbai
April 28, 2022

For **Sundaram & Srinivasan**
Chartered Accountants
ICAI Firm Registration No. 004207S

P Menakshi Sundaram
Partner

Membership No. 217914
Mumbai
April 28, 2022

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

S. Lakshminarayanan
Chairman

DIN: 02808698
Mumbai
April 28, 2022

Umesh Revankar
Vice Chairman &
Managing Director
DIN: 00141189
Mumbai
April 28, 2022

Parag Sharma
Joint Managing Director & CFO
DIN: 02916744
Mumbai
April 28, 2022

Vivek M. Achwal
Company Secretary

Mumbai
April 28, 2022

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	3,549.25	3,278.01
Depreciation, amortisation and impairment	135.37	137.36
Interest income on loans	(18,028.13)	(16,611.31)
Finance costs	9,734.31	9,054.26
Loss/(profit) on sale of property plant and equipments (net)	0.79	0.65
Impairment on loans	3,865.02	3,128.29
Impairment on investments	(2.00)	(4.22)
Impairment on undrawn loan commitment	(4.00)	(5.45)
Impairment on other assets	1.84	(0.22)
Net (gain)/loss on fair value changes on investment	(236.83)	(22.87)
Net (gain)/loss on fair value changes on direct assignment	15.13	1.07
Net gain on derecognition of financial instruments under amortised cost category	217.74	58.85
Cash inflow from interest on loans	18,006.70	18,405.90
Cash outflow towards finance costs	(8,588.09)	(7,745.19)
Operating profit before working capital changes	**8,667.10**	**9,675.13**
Movements in Working capital:		
Decrease/(increase) in loans	(12,205.70)	(10,994.29)
(Increase)/decrease in investments	(3,372.48)	(372.28)
Decrease/(increase) in receivables	(372.06)	(102.64)
Decrease/(increase) in bank deposits	(301.83)	(1,164.96)
Decrease/(increase) in other financial assets	(4.26)	(10.11)
Decrease/(increase) in other non-financial assets	(14.67)	(41.13)
Increase/(decrease) in payables	13.51	8.68
Increase/(decrease) in other financial liabilities	(138.25)	3.94
Increase/(decrease) in non-financial liabilities	25.16	15.98
Increase/(decrease) other provision	(3.60)	1.66
Cash used in operations	**(7,707.08)**	**(2,980.02)**
Direct taxes paid (net of refunds)	(1,151.94)	(1,258.75)
Net cash flows from/(used in) operating activities (A)	**(8,859.02)**	**(4,238.77)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(35.75)	(25.82)
Proceeds from sale of property, plant and equipment and intangible assets	1.42	0.94
Net cash generated from/(used in) investing activities (B)	**(34.33)**	**(24.88)**

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital (including share premium and net of share issue expenses)	2,478.57	1,472.64
Proceeds/(repayment) on settlement of derivative contracts	(32.15)	589.48
Increase / (decrease) in Fixed deposits (net)	5,443.14	4,206.86
Amounts received from debt securities	16,637.86	10,636.15
Repayments of debt securities	(16,203.36)	(5,797.45)
Proceeds/(repayment) of subordinated debts	(50.32)	(1,069.27)
Amounts received from borrowings other than debt securities	41,477.93	38,480.04
Repayments of borrowings other than debt securities	(40,280.10)	(36,032.94)
Payment of Lease Liabilities	(114.90)	(107.33)
Dividend paid	(851.81)	(152.59)
Net cash flows from financing activities (C)	**8,504.86**	**12,225.59**
Net increase in cash and cash equivalents (A+B+C)	(388.49)	7,961.94
Cash and cash equivalents at the beginning of the year	11,050.93	3,088.99
Cash and cash equivalents at the end of the year	**10,662.44**	**11,050.93**

Components of cash and cash equivalents

(Rs. in crores)

Cash and cash equivalents at the end of the year	As at March 31, 2022	As at March 31, 2021
i) Cash on hand	95.05	79.61
ii) Cheques on hand	5.56	6.16
iii) Balances with banks (of the nature of cash and cash equivalents)	2,654.78	5,014.78
iv) Call Money (CBLO)	3,198.60	2,498.85
v) Bank deposit with original maturity upto three months or less	4,708.45	3,451.53
Total	**10,662.44**	**11,050.93**

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 consolidated financial statements

As per our report of even date
For **Khimji Kunverji & Co LLP**
Chartered Accountants
ICAI Firm Registration No. 105146W/W-100621

Gautam Shah
Partner

Membership No. 117348
Mumbai
April 28, 2022

For **Sundaram & Srinivasan**
Chartered Accountants
ICAI Firm Registration No. 004207S

P Menakshi Sundaram
Partner

Membership No. 217914
Mumbai
April 28, 2022

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

S. Lakshminarayanan
Chairman

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Joint Managing Director & CFO
DIN: 02916744
Mumbai
April 28, 2022

Vivek M. Achwal
Company Secretary

Mumbai
April 28, 2022

1 BASIS OF PREPARATION

The Consolidated financial statements relate to M/s. Shriram Transport Finance Company Limited (the "Company") and its associate. The Consolidated financial statements of the Company and its associate have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The 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, and other relevant provisions of the Companies Act 2013 and other accounting principles generally accepted in India. Any applicable guidance / clarifications / directions issued by any 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 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 Consolidated financial statements are presented in Indian Rupees in Crores (INR Crores or Rs. in crores) and all values are rounded to the nearest crore, except when otherwise indicated.

2 BASIS OF CONSOLIDATION

(i) The financial statements of the associate company used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended March 31, 2022 and are prepared based on the accounting policies consistent with those used by the Company.

(ii) The financial statements of the Company and its associate 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:

a) 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'.

b) The policies of the associate company are consistent with those of the Company.

(iv) The associate company considered in the consolidated financial statements are as below (refer note 45):

Name of the associate company	Country of incorporation	Share of ownership interest as at March 31, 2022	Share of ownership interest as at March 31, 2021
Shriram Automall India Limited (SAMIL)	India	44.56%	44.56%

3 PRESENTATION OF FINANCIAL STATEMENT

The Consolidated financial statements of the Company and its associate 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 has been 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 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.

4 STATEMENT OF COMPLIANCE

These Consolidated financial statements of the Company and its associate 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 Company and its associate have 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. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022 which is effective from April 01, 2022. On March 24, 2021, MCA through a notification, amended Schedule III of the Companies Act, 2013 effective from April 01, 2021. Amendments relating to Division III which relate to NBFCs whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016, have been complied with.

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.

(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 financial instruments measured at fair value through other comprehensive income.

Equity instruments

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Company in a business combination to which Ind AS 103 'Business Combination' applies, are measured at fair value through other comprehensive income, where an irrevocable election has been made by management and when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation. Such classification is determined on an instrument-by-instrument basis. As at reporting date, there are no equity instruments measured at fair value through other comprehensive income (FVOCI).

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 assets measured at fair value through profit or loss

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;
- Items specifically designated as fair value through profit or loss on initial recognition; and
- Debt instruments with contractual terms that do not represent solely payments of principal and interest.

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

Financial instruments held for trading

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

Financial instruments designated as measured at fair value through profit or loss

Upon initial recognition, financial instruments may be designated as measured at fair value through profit or loss. A financial asset may only be designated at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistencies (i.e. eliminates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on a different basis.

Equity Investments

Investment in Associate is carried at cost in the Separate Financial Statements as permitted under Ind AS 27. 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.

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 2020-21 and until the year ended March 31, 2022.

(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 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 marketplace.

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 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 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 Business Loans, secured loans for new vehicles, secured loans for used vehicles and Equipment Finance 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.

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 financial year 2021-22 and impact on financials is disclosed in note 77.

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.

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.

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.

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 53.

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 53.

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 53.

Forward looking information

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

Refer note 63 for impact of COVID and macro-economic factors on PD and LGD estimation.

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 12 months are considered as Stage 3 assets and fully provided for net of estimated realizable 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 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 financial year 2021-22 and impact on financials is disclosed in note 76.

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

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

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

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

Difference between transaction price and fair value at initial recognition

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

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in 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 fair value of the consideration received or receivable based on a five-step model as set out below, unless included in the effective interest calculation:

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

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

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

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

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

(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 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) 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 income with the corresponding adjustment to the carrying amount of the assets.

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. 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.

(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 the 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

Operating leases are leases where the Company does not transfer substantially all of the risk and benefits of ownership of the asset. 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

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

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

(vi) Taxes

Current Tax

Current tax assets and liabilities 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 consolidated 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

Particulars	Useful life as prescribed by Schedule II of the Companies Act, 2013	Useful life estimated by Company
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.

6.7 Intangible assets

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

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

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

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

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

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

6.8 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 and intangible assets 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. 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 Share Based Payment Transactions

As per Ind AS 101, the entity is encouraged, but not required, to apply Ind AS 102 Share-based payment to equity instruments that vested before date of transition to Ind-AS. The Company has decided to avail this exemption and have decided not to apply the requirements of Ind AS 102 to equity instruments that vested before date of transition to Ind-AS.

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 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.

(Rs. in crores)

	Particulars	As at March 31, 2022	As at March 31, 2021
8	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	95.05	79.61
	Balances with banks (of the nature of cash and cash equivalents)	2,654.78	5,014.78
	Cheques on hand	5.56	6.16
	Others		
	- Call money (CBLO)	3,198.60	2,498.85
	- Bank deposit with original maturity upto three months or less	4,708.45	3,451.53
	Total	**10,662.44**	**11,050.93**

Balances with banks earn interest at fixed rates. Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates. The Company has not taken bank overdraft, therefore the cash and cash equivalent for cash flow statement is same as cash and for cash equivalent given above.

(Rs. in crores)

	Particulars	As at March 31, 2022	As at March 31, 2021
9	**BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS**		
	Earmarked balances with banks for		
	- Interim dividend	-	151.84
	- Unclaimed dividend accounts	9.72	9.81
	Bank deposit with original maturity for more than three months	574.16	351.50
	Balances with banks to the extent held as credit enhancement or security against the borrowings, guarantees, other commitments. *	5,108.84	4,877.74
	Total	**5,692.72**	**5,390.89**

Fixed deposit and other balances with banks earns interest at fixed rate.

*Includes deposits Rs. 4,829.26 crores (March 31, 2021: Rs. 4,642.90 crores) pledged with Banks as margin for credit enhancement, Rs. 33.30 crores (March 31, 2021: Rs. 34.36 crores) as margin for guarantees and Rs. 246.28 crores (March 31, 2021: Rs. 200.48 crores) pledged as lien against loans taken.

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 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)

		As at March 31, 2022				As at March 31, 2021			
Particulars		**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	17,040.59	97.84	-	-	13,826.90	79.37	-	-
	- Currency swaps	2,320.47	(276.95)	-	-	2,320.38	(103.23)	-	-
	- Cross currency interest rate swaps	3,408.70	364.13	-	-	6,236.92	181.54	-	-
	Sub total (i)	**22,769.76**	**185.02**	-	-	**22,384.20**	**157.68**	-	-
(ii)	**Interest rate derivatives:**								
	- Interest rate swaps	14,049.63	3.18	-	-	14,047.48	9.72	-	-
	- Interest rate caps	-	13.20	-	-	-	1.85	-	-
	Sub total (ii)	**14,049.63**	**16.38**	-	-	**14,047.48**	**11.57**	-	-

10 DERIVATIVE FINANCIAL INSTRUMENTS (Contd.)

(Rs. in crores)

Particulars		As at March 31, 2022				As at March 31, 2021			
		Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities
(iii)	**Credit derivatives:**	-	-	-	-	-	-	-	-
(iv)	**Equity linked derivatives:**	-	-	-	-	-	-	-	-
(v)	**Other derivatives:**	-	-	-	-	-	-	-	-
Total Derivative financial instruments (i)+(ii)+(iii)+(iv)+(v)		**36,819.39**	**201.40**	-	-	**36,431.68**	**169.25**	-	-
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	22,769.76	185.02	-	-	22,384.20	157.68	-	-
	- Interest rate derivatives	14,049.63	16.38	-	-	14,047.48	11.57	-	-
(iii)	Net investment hedging:	-	-	-	-	-	-	-	-
(iv)	Undesignated derivatives	-	-	-	-	-	-	-	-
Total Derivative financial instruments (i)+(ii)+(iii)+(iv)		**36,819.39**	**201.40**	-	-	**36,431.68**	**169.25**	-	-

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 53.

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 matches 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 are 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.

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.

10 DERIVATIVE FINANCIAL INSTRUMENTS (Contd.)

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 from time to time. The risk management strategy and the use of derivatives are explained in Note 53 - Risk management.

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)

	As at March 31, 2022				As at March 31, 2021			
Hedged Instrument	**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	36,819.39	201.40	Derivative Financial Instruments	160.87	36,431.68	169.25	Derivative Financial Instruments	124.31

The impact of hedged items on the Balance sheet is as follows:

(Rs. in crores)

	As at March 31, 2022		As at March 31, 2021	
Hedged Item	**Change in value used for measuring ineffectiveness**	**Cash flow hedge reserve as on March 31, 2022**	**Change in value used for measuring ineffectiveness**	**Cash flow hedge reserve as on March 31, 2021**
External commercial bond and external commercial borrowings	(160.87)	(213.40)	(124.31)	(93.02)

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 March 31, 2022**	**As at March 31, 2021**
Hedged Item	External commercial bond and external commercial borrowings	
Total hedging gain / (loss) recognised in OCI	(160.87)	(124.31)
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

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables considered good-secured	-	-
Trade receivables considered good-unsecured	5.35	8.92
Trade receivables which have significant increase in credit risk	-	-
Trade receivables -credit impaired	-	-
Gross	**5.35**	**8.92**
Less: Allowances for impairment loss on credit impaired trade receivables	-	-
Net	**5.35**	**8.92**

Trade receivables ageing

As at March 31, 2022

(Rs. in crores)

Particulars	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment: Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(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**

As at March 31, 2021

(Rs. in crores)

Particulars	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment: Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	-	8.92	-	-	-	-	8.92
(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	-	-	**8.92**	-	-	-	-	**8.92**

11 RECEIVABLES (Contd.)

The managements expects no default in receipt of trade receivables; also there is no history of default observed by the management. Hence, no ECL has been recognised on trade receivables.

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.

Trade receivables are non-interest bearing and are generally on terms of 30 days.

(II) Other receivables

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Other receivables considered good-secured	-	-
Other receivables considered good-unsecured	192.67	49.90
Other receivables which have significant increase in credit risk	-	-
Other receivables - credit impaired	2.61	1.88
Gross	**195.28**	**51.78**
Less: Allowances for impairment loss on credit impaired other receivables	2.61	1.88
Net	**192.67**	**49.90**

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.

(Rs. in crores)

Other receivables days past due		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	**March 31, 2022**	189.17	4.10	0.59	0.27	0.85	0.30	**195.28**
ECL-simplified approach		-	1.45	0.01	-	0.85	0.30	**2.61**
Net carrying amount		**189.17**	**2.65**	**0.58**	**0.27**	-	-	**192.67**
Estimated total gross carrying amount at default	**March 31, 2021**	46.82	2.58	0.43	0.19	0.19	1.57	**51.78**
ECL-simplified approach		-	0.04	0.04	0.04	0.19	1.57	**1.88**
Net carrying amount		**46.82**	**2.54**	**0.39**	**0.15**	-	-	**49.90**

Reconciliation of impairment loss allowance on other receivables:

(Rs. in crores)

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as per April 01, 2020	**2.10**
Add: Addition during the year	0.21
(Less): Reduction during the year	(0.43)
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**

(Rs. in crores)

	Particulars	As at March 31, 2022	As at March 31, 2021
12	**LOANS**		
	Loans (at amortised cost)		
	(A)		
	i) Term loans	123,999.00	113,424.31
	ii) Others @	1,700.03	2,767.28
	Total (A) - Gross	**125,699.03**	**116,191.59**
	Less : Impairment loss allowance (refer note 63)	9,033.88	7,888.55
	Total (A) - Net	**116,665.15**	**108,303.04**
	(B)		
	i) Secured by tangible assets	123,981.87	113,415.53
	ii) Secured by deposits	17.13	8.78
	iii) Unsecured	1,700.03	2,767.28
	Total (B) - Gross	**125,699.03**	**116,191.59**
	Less : Impairment loss allowance (refer note 63)	9,033.88	7,888.55
	Total (B) - Net	**116,665.15**	**108,303.04**
	(C)		
	Loans outside India	-	-
	Loans in India		
	i) Public sector	-	-
	ii) Others		
	Retail	125,285.30	115,654.09
	Corporates	413.73	537.50
	Total (C) - Gross	**125,699.03**	**116,191.59**
	Less : Impairment loss allowance (refer note 63)	9,033.88	7,888.55
	Total (C) - Net	**116,665.15**	**108,303.04**

There are no loans measured at FVOCI or FVTPL or designated at FVTPL.

@ includes unsecured working capital loans, loans to employees, trade advances 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 53.02 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in note 53.02.02.07.

(Rs. in crores)

Particulars	As at March 31, 2022				As at March 31, 2021			
	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	85,781.86	-	-	**85,781.86**	66,806.72	-	-	**66,806.72**
Standard grade	17,711.12	-	-	**17,711.12**	27,108.94	-	-	**27,108.94**
Sub-standard grade	-	8,511.97	-	**8,511.97**	-	6,570.01	-	**6,570.01**
Past due but not impaired	-	4,806.53	-	**4,806.53**	-	7,413.11	-	**7,413.11**
Non- performing	-	-	8,887.55	**8,887.55**	-	-	8,292.81	**8,292.81**
Total	**103,492.98**	**13,318.50**	**8,887.55**	**125,699.03**	**93,915.66**	**13,983.12**	**8,292.81**	**116,191.59**

12 LOANS (Contd.)

An analysis of changes in the gross carrying amount as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2022				Year ended March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**93,915.66**	**13,983.12**	**8,292.81**	**116,191.59**	**87,064.97**	**12,259.66**	**9,177.08**	**108,501.71**
New assets originated or purchased	54,151.77	5,925.28	1,731.40	**61,808.45**	32,100.42	4,062.47	1,318.50	**37,481.39**
Assets derecognised or repaid (excluding write offs and includes interest accruals adjusted)	(40,462.98)	(6,026.81)	(3,091.93)	**(49,581.72)**	(22,592.41)	(3,531.65)	(2,157.84)	**(28,281.90)**
Transfers to stage 1	10,616.77	(8,891.78)	(1,724.99)	-	9,958.65	(7,726.70)	(2,231.95)	-
Transfers to stage 2	(10,291.06)	10,849.87	(558.81)	-	(9,766.35)	10,722.93	(956.58)	-
Transfers to stage 3	(3,544.42)	(2,299.79)	5,844.21	-	(2,449.08)	(1,693.12)	4,142.20	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Amounts written off	(892.76)	(221.39)	(1,605.14)	**(2,719.29)**	(400.54)	(110.47)	(998.60)	**(1,509.61)**
Gross carrying amount closing 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**

Reconciliation of ECL balance is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2022				Year ended March 31, 2021			
	General approach				General approach			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**3,046.35**	**1,356.07**	**3,486.13**	**7,888.55**	**2,156.05**	**928.08**	**3,185.95**	**6,270.08**
New assets originated or purchased	1,735.00	628.10	754.40	**3,117.50**	1,010.13	402.20	556.65	**1,968.98**
Transfers to stage 1	1,628.92	(891.41)	(737.51)	-	1,381.13	(602.54)	(778.59)	-
Transfers to stage 2	(335.64)	574.88	(239.24)	-	(260.75)	598.96	(338.21)	-
Transfers to stage 3	(118.19)	(241.53)	359.72	-	(65.42)	(145.29)	210.71	-
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery	(1,682.33)	6.31	2,423.13	**747.11**	(774.25)	285.13	1,648.22	**1,159.10**
Amounts written off	(892.76)	(221.39)	(1,605.13)	**(2,719.28)**	(400.54)	(110.47)	(998.60)	**(1,509.61)**
ECL allowance - closing 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**

The contractual amount outstanding on loans that have been written off during the financial year, but were still subject to enforcement activity was Rs. 1,689.33 crores (Rs. 1,080.81 crores for March 31, 2021).

13 INVESTMENTS

(Rs. in crores)

Particulars	As at March 31, 2022				As at March 31, 2021			
	Amortised Cost	At Fair value Through profit or loss	Others (at cost)	Total	Amortised Cost	At Fair value Through profit or loss	Others (at cost)	Total
i) Investments in mutual funds	-	1,523.02	-	**1,523.02**	-	-	-	-
ii) Investments in government securities (refer note 65)	3,154.39	-	-	**3,154.39**	2,058.34	-	-	**2,058.34**
iii) Investments in equity instruments	-	23.89	-	**23.89**	-	6.74	-	**6.74**
iv) Investments in associates (at cost)	-	-	175.44	**175.44**	-	-	162.29	**162.29**
v) Investments in pass through certificates (unquoted)	1,106.88	-	-	**1,106.88**	1,155.87	-	-	**1,155.87**
vi) Investments in certificate of deposits	-	822.29	-	**822.29**	-	-	-	-
vii) Investments in commercial papers	199.79	-	-	**199.79**	-	-	-	-
viii) Others (venture capital fund)	-	1.53	-	**1.53**	-	1.54	-	**1.54**
Total Gross (A)	**4,461.06**	**2,370.73**	**175.44**	**7,007.23**	**3,214.21**	**8.28**	**162.29**	**3,384.78**
i) Investments outside India	-	-	-	-	-	-	-	-
ii) Investments in India	4,461.06	2,370.73	175.44	**7,007.23**	3,214.21	8.28	162.29	**3,384.78**
Total Gross (B)	**4,461.06**	**2,370.73**	**175.44**	**7,007.23**	**3,214.21**	**8.28**	**162.29**	**3,384.78**
Less : Allowance for impairment loss (C)	(36.00)	-	-	**(36.00)**	(38.01)	-	-	**(38.01)**
Total - Net D = (A) - (C)	**4,425.06**	**2,370.73**	**175.44**	**6,971.23**	**3,176.20**	**8.28**	**162.29**	**3,346.77**

More information regarding the valuation methodologies can be found in Note 52.09.

There is no investments measured at FVOCI or designated at FVTPL.

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 53.02.

(Rs. in crores)

Particulars	As at March 31, 2022				As at March 31, 2021			
	Stage 1 individual	Stage 2 individual	Stage 3	Total	Stage 1 individual	Stage 2 individual	Stage 3	Total
Internal rating grade								
Performing								
High grade	4,461.06	-	-	**4,461.06**	3,214.21	-	-	**3,214.21**
Standard grade	-	-	-	-	-	-	-	-
Non-performing								
Individually Impaired	-	-	-	-	-	-	-	-
Total	**4,461.06**	**-**	**-**	**4,461.06**	**3,214.21**	**-**	**-**	**3,214.21**

13 INVESTMENTS (Contd.)

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, 2022				Year ended March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount – opening balance	**3,214.21**	-	-	**3,214.21**	**2,767.25**	**52.67**	-	**2,819.92**
New assets originated or purchased	2,141.55	-	-	**2,141.55**	1,093.04	2.08	-	**1,095.12**
Assets derecognised or matured (excluding write-offs)	(894.71)	-	-	**(894.71)**	(646.08)	(54.75)	-	**(700.83)**
Closing balance	**4,461.06**	-	-	**4,461.06**	**3,214.21**	-	-	**3,214.21**

Reconciliation of ECL balance is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2022				Year ended March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance in ECL	**38.01**	-	-	**38.01**	**23.79**	**18.44**	-	**42.23**
New assets originated or purchased	-	-	-	-	-	-	-	-
Changes to models and inputs used for ECL calculations	(2.00)	-	-	**(2.00)**	14.22	-	-	**14.22**
Recoveries	-	-	-	-	-	(18.44)	-	**(18.44)**
Closing balance in ECL	**36.00**	-	-	**36.00**	**38.01**	-	-	**38.01**

Reconciliation of gross carrying value of investment in associate is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening balance	**162.29**	**150.52**
Share of profit of associate	13.17	11.57
Share of other comprehensive income from associates (net of tax)	(0.02)	0.20
Closing balance	**175.44**	**162.29**

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
14 OTHER FINANCIAL ASSETS		
Security deposits *	51.45	46.96
Other financial assets	-	2.07
Total	**51.45**	**49.03**

* Net of allowance for impairment loss recognised on security deposit Rs. 0.39 crores (March 31, 2021: Rs. 0.51 crores).

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
15 CURRENT TAX ASSETS (NET)		
Advance income tax [net of provision for income tax Rs. 5,577.72 crores (March 31, 2021: Rs. 5,168.83 crores)]	228.24	171.73
Total	**228.24**	**171.73**

(Rs. in crores)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Freehold Land	Buildings	Total	Freehold Land	Buildings	Total
16 INVESTMENT PROPERTY						
Gross block*						
Opening balance	**0.70**	**1.45**	**2.15**	**0.70**	**1.45**	**2.15**
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Closing balance	**0.70**	**1.45**	**2.15**	**0.70**	**1.45**	**2.15**
Accumulated depreciation						
Opening balance	-	**0.15**	**0.15**	-	**0.12**	**0.12**
Depreciation charge for the year	-	0.03	**0.03**	-	0.03	**0.03**
Disposals	-	-	-	-	-	-
Closing balance	-	**0.18**	**0.18**	-	**0.15**	**0.15**
Net carrying amount	**0.70**	**1.27**	**1.97**	**0.70**	**1.30**	**2.00**

*Refer note 6.9 of Significant accounting policies for exemption applied during first-time adoption of Indian Accounting Standards.

(i) Amounts recognised in Statement of Profit and Loss for Investment property

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Rental income from investment property	0.17	0.21
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	-
Profit from investment property before depreciation	**0.15**	**0.19**
Depreciation charge for the year	0.03	0.03
Profit from investment property after depreciation	**0.12**	**0.16**

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, 2022 is Rs. 6.12 crores (March 31, 2021 is Rs. 6.12 crores).

(iv) Pledged details

Investment property is not pledged.

(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.

17 PROPERTY, PLANT AND EQUIPMENT

(Rs. in crores)

Particulars	Freehold Land	Building	Plant and equipment	Computers	Office equipment	Furniture and fixtures	Vehicles	Leasehold improvement	Total
Gross block*									
As at April 01, 2020	**0.59**	**2.39**	**11.09**	**54.29**	**31.59**	**30.69**	**0.25**	**104.63**	**235.52**
Additions	-	-	0.70	10.03	2.61	1.58	-	9.49	**24.41**
Disposals	-	-	0.43	7.48	1.96	0.94	-	4.94	**15.75**
As at March 31, 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**
Accumulated depreciation and impairment losses									
As at April 01, 2020	-	**(0.03)**	**2.82**	**18.92**	**11.68**	**6.52**	**(0.09)**	**45.82**	**85.64**
Charge for the year	-	0.05	1.54	15.50	5.67	3.48	0.08	21.94	**48.26**
Disposals	-	-	0.37	6.49	1.80	0.82	-	4.68	**14.16**
As at March 31, 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**
Net carrying amount as at March 31, 2021	**0.59**	**2.37**	**7.37**	**28.91**	**16.69**	**22.15**	**0.26**	**46.10**	**124.44**
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**

Carrying value of property, plant and equipment pledged as collateral for liabilities as at March 31, 2022 is Rs. 0.32 crores (March 31, 2021 is Rs. 0.35 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 years ended March 31, 2022 and March 31, 2021. 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	As at March 31, 2022	As at March 31, 2021
Office Premises		
Opening Balance	**308.51**	**334.29**
Additions	100.33	62.80
Depreciation charge for the year	(88.86)	(87.73)
Deletions	(17.46)	(0.85)
Net Carrying Amount	**302.52**	**308.51**

The Company has not revalued any of its Right-of-use assets during the years ended March 31, 2022 and March 31, 2021. 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, 2022	As at March 31, 2021
Less than 1 year	74.92	74.29
1 to 2 years	66.53	68.40
2 to 3 years	54.11	57.31
3 to 4 years	38.36	46.24
4 to 5 years	31.94	28.32
More than 5 years	83.57	74.93
Total	**349.43**	**349.49**

The Company has taken various office premises under lease. Certain agreements provide for cancellation by either party or certain agreements contains clause for escalation and renewal of agreements. The non-cancellable operating lease agreements are ranging for a period 11 to 180 months. There are no restrictions imposed by lease arrangements.

(Rs. in crores)

	Particulars	As at March 31, 2022	As at March 31, 2021
(ii)	**Amounts recognised in the Statement of Profit and Loss**		
	Depreciation charge of right-of-use assets (included in depreciation, amortisation and impairment)	88.86	87.73
	Interest expense (included in finance costs)	31.97	32.06
	Expense relating to short-term leases (included in other expenses)	3.24	9.24
	Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other expenses)	1.80	2.13
	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	3.16	2.66
	Income from subleasing right-of-use assets (included in other income)	7.27	7.94
(iii)	**Gains or losses arising from sale and leaseback transactions**	-	-
(iv)	**The total cash outflow for leases during the year**	**109.13**	**96.16**

18 LEASES (Contd.)

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 are Rs. 0.17 crores (March 31, 2021: Rs. 0.21 crores). 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.

Future minimum lease receivables under non-cancellable leases as at March 31, 2022 are as follows:

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Within one year	0.17	0.17
After one year but not more than five years	0.08	0.25
More than five years	-	-
Total	**0.25**	**0.42**

(Rs. in crores)

Particulars	Computer software
19 OTHER INTANGIBLE ASSETS #	
Gross block*	
As at April 01, 2020	**4.02**
Additions	1.06
Disposals	-
As at March 31, 2021	**5.08**
Additions	2.22
Disposals	0.03
As at March 31, 2022	**7.27**
Accumulated amortisation and impairment losses	
As at April 01, 2020	**1.35**
Charge for the year	1.34
Disposals	0.00
As at March 31, 2021	**2.69**
Charge for the year	1.57
Disposals	0.03
As at March 31, 2022	**4.23**
Net carrying amount as at March 31, 2021	**2.39**
Net carrying amount as at March 31, 2022	**3.04**

Other than internally generated

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

*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 intangible assets during the years ended March 31, 2022 and March 31, 2021. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is nil.

(Rs. in crores)

	Particulars	As at March 31, 2022	As at March 31, 2021
20	**OTHER NON-FINANCIAL ASSETS**		
	Goods and services tax credit (input) receivable	198.82	183.44
	Prepaid expenses	9.32	7.80
	Capital advances	3.05	1.00
	Duties paid under protest	96.40	96.40
	Other non-financial assets	2.45	4.68
	Total	**310.04**	**293.32**

21 PAYABLES

(I) Trade payables

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) total outstanding dues of micro enterprises and small enterprises (refer note 54)	0.02	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises *	166.01	152.52
Total	**166.03**	**152.52**

*Includes payable to associate Rs. 0.91 crores (March 31, 2021: Rs. 1.27 crores).

Trade Payables ageing

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**

As at March 31, 2021

(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	-	-	-	-	-	-	-
(ii) Others	136.07	-	11.46	3.60	1.07	0.32	**152.52**
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**136.07**	**-**	**11.46**	**3.60**	**1.07**	**0.32**	**152.52**

(II) Other payables

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) total outstanding dues of micro enterprises and small enterprises (refer note 54)	1.46	0.37
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1.21	0.54
Total	**2.67**	**0.91**

(Rs. in crores)

	Particulars	As at March 31, 2022	As at March 31, 2021
22	**DEBT SECURITIES**		
	At amortised cost		
	Secured		
	Redeemable non-convertible debentures		
	- Public issue ¥	2,500.63	5,776.24
	- Privately placed ¥ ¥	18,768.05	15,153.29
	External commercial bond	19,011.29	17,779.55
	Senior secured notes	891.40	888.35
	Unsecured		
	Redeemable non-convertible debentures		
	- Privately placed	85.18	464.44
	Total	**41,256.55**	**40,061.87**
	Debt securities in India	21,353.86	21,393.97
	Debt securities outside India	19,902.69	18,667.90
	Total	**41,256.55**	**40,061.87**

There are no debt securities measured at FVTPL or designated at FVTPL.

¥ includes Rs. 29.40 crores (March 31, 2021 Rs. 69.20 crores) issued to related parties including Directors.

¥¥ includes Rs. 27.96 crores (March 31, 2021 Rs. 10.01 crores) issued to related parties.

(Rs. in crores)

	Particulars	As at March 31, 2022	As at March 31, 2021
23	**BORROWINGS (OTHER THAN DEBT SECURITIES)**		
	At amortised cost		
	Secured		
	Term loan from banks - INR	16,755.62	13,304.70
	Term loan from financial institutions/corporates - INR	5,685.24	3,783.20
	External commercial borrowing - FCNR	4,243.13	4,122.49
	Loans repayable on demand from banks (Cash credit from banks)	454.86	667.38
	Other loans - INR -Securitisation liabilities	19,538.08	23,403.60
	Total	**46,676.93**	**45,281.37**
	Borrowings in India	42,433.80	41,158.88
	Borrowings outside India	4,243.13	4,122.49
	Total	**46,676.93**	**45,281.37**

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.

(Rs. in crores)

	Particulars	As at March 31, 2022	As at March 31, 2021
24	**DEPOSITS**		
	At amortised cost		
	Unsecured		
	i. Public deposits (refer note 65) *	20,190.08	15,790.71
	ii. From Banks	-	-
	iii. From Others		
	- Deposits from corporates **	1,729.76	392.11
	- Inter-corporate deposits ***	29.14	49.59
	Total	**21,948.98**	**16,232.41**

There are no deposits measured at FVTPL or designated at FVTPL.

* includes Rs. 3.01 crores (March 31, 2021 Rs. 1.89 crores) accepted from related parties including Director.

** includes Rs. 118.94 crores (March 31, 2021 Rs. 34.34 crores) accepted from related parties.

*** includes Rs. 27.45 crores (March 31, 2021 Rs. 49.59 crores) accepted from associate.

(Rs. in crores)

	Particulars	As at March 31, 2022	As at March 31, 2021
25	**SUBORDINATED LIABILITIES**		
	At amortised cost		
	Others		
	Unsecured		
	Subordinated debts - Debentures #	4,614.25	4,620.76
	Total	**4,614.25**	**4,620.76**
	Subordinated debts in India	4,614.25	4,620.76
	Subordinated debts outside India	-	-
	Total	**4,614.25**	**4,620.76**

There are no subordinated liabilities measured at FVTPL or designated at FVTPL.

includes Rs. 516.07 crores (March 31, 2021 Rs. 495.36 crores) issued to related parties.

I DEBT SECURITIES

A) Redeemable non-convertible debenture (NCD) -secured

i) Public issue of redeemable non-convertible debentures of Rs. 1,000/- each-(2014)

Terms of repayment as on March 31, 2022

Outstanding as on March 31, 2022: Nil

Terms of repayment as on March 31, 2021

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
12 months	-	240.22	-	**240.22**
Total	-	**240.22**	-	**240.22**

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. 1,974.85 crores raised from public issue (net off expenses) towards asset financing activities as per the objects stated in the prospectus for the issue.

I DEBT SECURITIES (Contd.)

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.

As per the terms of the issue Rs. 199.37 crores were redeemed on July 15, 2021.

As per the terms of the issue Rs. 427.15 crores were redeemed on July 15, 2019.

As per the terms of the issue Rs. 1,348.33 crores were redeemed on July 15, 2017.

ii) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2018 - 1)

Terms of repayment as on 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%	
over 60 months	497.98	-	-	**497.98**
12-24 months	850.87	-	-	**850.87**
Total	**1,348.85**	**-**	**-**	**1,348.85**

Terms of repayment as on March 31, 2021 (Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	497.03	-	-	**497.03**
24-36 months	837.55	-	-	**837.55**
upto 12 months	2,447.63	-	-	**2,447.63**
Total	**3,782.21**	**-**	**-**	**3,782.21**

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.

iii) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2018 - 2)

Terms of repayment as on 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%	
over 60 months	71.82	-	-	**71.82**
12-24 months	269.30	-	-	**269.30**
Total	**341.12**	**-**	**-**	**341.12**

Terms of repayment as on March 31, 2021 (Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	71.67	-	-	**71.67**
24-36 months	263.13	-	-	**263.13**
upto 12 months	-	310.11	-	**310.11**
Total	**334.80**	**310.11**	**-**	**644.91**

Nature of security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

I DEBT SECURITIES (Contd.)

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 2, 2021.

iv) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2018 - 3)

Terms of repayment as on 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%	
over 60 months	60.13	-	-	**60.13**
12-24 months	243.38	-	-	**243.38**
Total	**303.51**	-	-	**303.51**

Terms of repayment as on March 31, 2021 (Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	59.99	-	-	**59.99**
24-36 months	237.50	-	-	**237.50**
upto 12 months	-	262.55	-	**262.55**
Total	**297.49**	**262.55**	-	**560.04**

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 6, 2022.

v) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2019 - 1)

Terms of repayment as on 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%	
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**

Terms of repayment as on March 31, 2021 (Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	20.57	43.38	-	**63.95**
36-48 months	33.67	69.12	-	**102.79**
12-24 months	41.56	90.45	-	**132.01**
upto 12 months	-	55.59	-	**55.59**
Total	**95.80**	**258.54**	-	**354.34**

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. 53.11 crores were redeemed on February 22, 2022.

I DEBT SECURITIES (Contd.)

vi) Public issue of Non-convertible debentures (NCD) of Rs. 1,000/- each-(IPO 2019 - 2)

Terms of repayment as on 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%	
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**

Terms of repayment as on March 31, 2021

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	26.31	-	-	**26.31**
36-48 months	66.64	-	-	**66.64**
12-24 months	78.97	22.60	-	**101.57**
Total	**171.92**	**22.60**	**-**	**194.52**

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.

vii) Privately placed redeemable non-convertible debenture of Rs. 1,000,000/- each

Terms of repayment as on 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 1 NCD of Rs. 250 crores partly paid to the extend 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**	

I DEBT SECURITIES (Contd.)

Terms of repayment as on March 31, 2021

(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	3,613.48	-	-	-	**3,613.48**
48-60 months	302.37	-	-	-	**302.37**
36-48 months	154.79	1,299.99	-	-	**1,454.78**
24-36 months ^	863.19	172.21	-	-	**1,035.40**
12-24 months^	1,970.82	1,086.19	151.27	45.73	**3,254.01**
upto 12 months ^	4,627.44	865.81	-	-	**5,493.25**
Total	**11,532.09**	**3,424.20**	**151.27**	**45.73**	**15,153.29**

^ NCD amounting to Rs. 2,692.60 crores issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

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.

(Rs. in crores)

Total non-convertible debentures- secured	As at March 31, 2022	As at March 31, 2021
Public issue (i+ii+iii+iv+v+vi)	2,500.63	5,776.24
Privately placed (vii)	18,768.05	15,153.29
Total non-convertible debentures- secured	**21,268.68**	**20,929.53**

B) External commercial bond (ED) Secured

Privately Placed Redeemable External commercial bond of Rs. 100,000/- each

Terms of repayment as on March 31, 2022

(Rs. in crores)

Detail	Rate of Interest		Total
	< 10%	>= 10% < 12%	
36-48 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**

Terms of repayment as on March 31, 2021

(Rs. in crores)

Detail	Rate of Interest		Total
	< 10%	>= 10% < 12%	
24-36 months	9,182.92	-	**9,182.92**
12-24 months	5,638.17	-	**5,638.17**
upto 12 months	-	2,958.46	**2,958.46**
Total	**14,821.09**	**2,958.46**	**17,779.55**

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 Global Medium Term Note 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 are being 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 per cent Senior Secured Notes due 2024 issued on January 13, 2021 under USD 3 Billion Global Medium Term Note 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 are being 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.

I DEBT SECURITIES (Contd.)

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 are being 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 Global Medium Term Note 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 Global Medium Term Note 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 INR 2,849.90 crores consisting of 5.70% notes due 2022 under INR 5,000 crores Medium Term Note Programme. 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. 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 (Rs. in crores)

Detail	Rate of interest	As at March 31, 2022	As at March 31, 2021
36-48 months	<10%	-	-
24-36 months	<10%	-	888.35
12-24 months	<10%	891.40	-
upto 12 months	<10%	-	-
Total		**891.40**	**888.35**

During the year ended March 31, 2018, the Company had issued senior secured notes in offshore market (notes) aggregating to INR 1,160 crores consisting of INR 840 crores 8.10% notes due 2023 and INR 320 crores 7.90% notes due 2021 payable in US dollars under INR 5,000 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 Exchange (SGX-ST) with a minimum board lot size of S $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.

I DEBT SECURITIES (Contd.)

Nature of security

Secured by way of an exclusive fixed charge over hypothecation loan receivables of the Company.

D) Redeemable non-convertible debenture (NCD) -unsecured

i) Privately placed redeemable non-convertible debenture of Rs. 1,000,000/- each

Terms of repayment as on 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%	
24-36 months	-	-	85.18	**85.18**
Total	-	-	**85.18**	**85.18**

Terms of repayment as on March 31, 2021 (Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
36-48 months	-	-	464.44	**464.44**
Total	-	-	**464.44**	**464.44**

II BORROWINGS (OTHER THAN DEBT SECURITIES)

A) Term loans from banks -secured (INR)

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.)

As at March 31, 2021

Terms of repayment # (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	7.73% to 8.71%	20 to 60 instalments of monthly and quarterly frequency	1,345.25
36-48 months	8.15% to 10.98%	20 to 48 instalments of monthly, quarterly and specific frequency	2,809.75
24-36 months	7.00% to 10.10%	1 to 36 instalments of bullet and quarterly frequency	2,150.23
12-24 months	7.30% to 10.07%	1 to 36 instalments of bullet, monthly, quarterly and specific frequency	1,536.39
upto 12 months	6.65% to 10.01%	1 to 20 instalments of bullet, quarterly and specific frequency	5,463.08
Total			**13,304.70**

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, 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.

II BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

As at March 31, 2021

Terms of repayment # (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
over 60 months	8.95%	20 instalments of quarterly frequency	389.57
48-60 months	8.23% to 9.00%	20 instalments of quarterly frequency	2,385.43
36-48 months	10.20%	11 instalments of specific frequency	130.11
24-36 months	9.70% to 10.50%	11 to 12 instalments of quarterly and specific frequency	404.35
12-24 months	7.02% to 9.01%	11 to 20 instalments of quarterly and specific frequency	343.41
upto 12 months	6.21% to 6.31%	1 to 9 instalments of bullet and monthly frequency	130.33
Total			**3,783.20**

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, 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.

As at March 31, 2021

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% to 10.87%	11 to 13 instalments of half-yearly and specific frequency	1,566.94
24-36 months	9.83% to 10.02%	Bullet frequency	2,555.55
Total			**4,122.49**

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.)

D) 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**

As at March 31, 2021

Terms of repayment (Rs. in crores)

Particulars	Rate of interest	Amount
Secured by hypothecation of specific assets covered under hypothecation loan agreements	8.20% to 11.70%	667.38
Total		**667.38**

E) Other loans - INR -Securitisation liabilities

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 monthly frequency	11,209.94
36-48 months	5.50% to 9.00%	1 to 67 instalments monthly frequency	3,565.64
24-36 months	6.31% to 9.40%	1 to 65 instalments monthly frequency	1,166.14
12-24 months	8.00% to 9.70%	1 to 61 instalments monthly frequency	3,092.50
upto 12 months	6.97% to 10.20%	1 to 61 instalments 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.

As at March 31, 2021

Terms of repayment (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
over 60 months	8.93% to 9.98%	1 to 88 instalments monthly frequency	3,297.86
48-60 months	8.38% to 11.15%	1 to 69 instalments monthly frequency	8,056.62
36-48 months	7.99% to 11.00%	1 to 63 instalments monthly frequency	7,347.62
24-36 months	8.31% to 10.53%	1 to 61 instalments monthly frequency	3,482.40
12-24 months	6.90% to 8.84%	1 to 60 instalments monthly frequency	1,219.10
Total			**23,403.60**

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 on March 31, 2022 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest < 10%	Rate of interest >= 10% < 12%	Total
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**

Terms of repayment as on March 31, 2021 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest < 10%	Rate of interest >= 10% < 12%	Total
48-60 months	1,906.84	-	**1,906.84**
36-48 months	1,122.74	-	**1,122.74**
24-36 months	3,967.54	-	**3,967.54**
12-24 months	3,595.91	-	**3,595.91**
upto 12 months	5,197.68	-	**5,197.68**
Total	**15,790.71**	-	**15,790.71**

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Total Deposits from public	20,190.08	15,790.71

B) Deposits from corporates - unsecured

Terms of repayment as on March 31, 2022 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest < 10%	Rate of interest >= 10% < 12%	Total
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**

Terms of repayment as on March 31, 2021 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest < 10%	Rate of interest >= 10% < 12%	Total
48-60 months	13.33	-	**13.33**
36-48 months	4.73	-	**4.73**
24-36 months	87.95	-	**87.95**
12-24 months	38.44	-	**38.44**
upto 12 months	247.66	-	**247.66**
Total	**392.11**	-	**392.11**

C) Inter-corporate deposits

Terms of repayment as on 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**

III DEPOSITS (Contd.)

Terms of repayment as on March 31, 2021 (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Total
upto 12 months	7.50%	Bullet repayment	49.59
Total			**49.59**

IV SUBORDINATED LIABILITIES

A) Subordinated liabilities -unsecured - Debentures

Privately placed subordinated liabilities of Rs. 1,000,000/- each

Terms of repayment as on 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**

Terms of repayment as on March 31, 2021 (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	1,531.88	78.89	-	**1,610.77**
48-60 months	39.82	56.79	-	**96.61**
36-48 months	41.00	536.25	1,642.51	**2,219.76**
24-36 months	-	332.62	-	**332.62**
12-24 months	-	309.06	-	**309.06**
upto 12 months	-	-	51.94	**51.94**
Total	**1,612.70**	**1,313.61**	**1,694.45**	**4,620.76**

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
26 OTHER FINANCIAL LIABILITIES		
Investor education and protection fund shall be credited by the following amounts (as and when due)		
- Unclaimed dividend	9.72	9.81
- Unclaimed matured deposits and interest accrued thereon	111.07	106.74
- Unclaimed matured debentures and interest accrued thereon	13.09	15.62
- Unclaimed matured subordinated debts and interest accrued thereon	9.08	36.43
Temporary credit balance in bank accounts	30.12	57.27
Payable on account of assignment	132.00	178.07
Payable to dealers	0.86	2.63
Payable to employees	132.59	134.51
Retention money and other sundry liabilities	303.48	342.15
Interim dividend payable	-	151.84
Other liabilities *	117.63	114.75
Total	**859.64**	**1,149.82**

* 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, 2022	As at March 31, 2021
27	**CURRENT TAX LIABILITIES (NET)**		
	For taxation [net of advance tax Rs. 692.91 crores (March 31, 2021: Rs. 3.10 crores)]	36.82	102.02
	Total	**36.82**	**102.02**

(Rs. in crores)

	Particulars	As at March 31, 2022	As at March 31, 2021
28	**PROVISIONS**		
	For employee benefits		
	- Gratuity (refer note 46)	2.24	2.07
	- Compensated absences (leave encashment and availment)	38.31	37.02
	For others		
	- Expected credit loss towards undrawn loan commitment	6.70	10.70
	- Taxes- contested	90.93	92.75
	Total	**138.18**	**142.54**

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 53.02 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 53.02.02.07.

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
	Stage 1 Collective	Stage 1 Collective
Internal rating grade		
Performing		
High grade	92.43	148.66
Total	**92.43**	**148.66**

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

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	Stage 1	Stage 1
Opening balance of outstanding exposure	148.66	311.87
New exposures	69.95	88.39
Exposures cancelled or disbursed (excluding write-offs)	(126.18)	(251.60)
Closing balance of outstanding exposure	**92.43**	**148.66**

28 PROVISIONS (Contd.)

Reconciliation of ECL balance in relation to other undrawn loan commitments is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2022 General approach Stage 1	Year ended March 31, 2021 General approach Stage 1
ECL allowance - opening balance	10.70	16.15
New exposures	4.21	5.13
Exposures cancelled or disbursed (excluding write-offs)	(8.21)	(10.58)
ECL allowance - closing balance	**6.70**	**10.70**

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
29 OTHER NON-FINANCIAL LIABILITIES		
Statutory dues payable	101.16	85.45
Advance from customers	23.26	13.81
Total	**124.42**	**99.26**

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
30 EQUITY SHARE CAPITAL		
Authorised:		
647,000,000 (March 31, 2021: 647,000,000) equity shares of Rs.10/- each	647.00	647.00
95,000,000 (March 31, 2021: 95,000,000) preference shares of Rs.100/- each	950.00	950.00
	1,597.00	**1,597.00**
Issued share capital		
270,519,713 (March 31, 2021: 253,067,654) equity shares of Rs. 10/- each *	270.52	253.07
Subscribed share capital		
270,519,713 (March 31, 2021: 253,061,513) equity shares of Rs. 10/- each	270.52	253.06
Paid up (fully paid up)		
Equity shares		
270,519,713 (March 31, 2021: 253,061,513) equity shares of Rs. 10/- each fully paid up	270.52	253.06
Total Equity	**270.52**	**253.06**

* Pursuant to the ordinary resolution passed by the shareholders of the Company on March 6, 2022 through postal ballot, 6,141 equity shares of face value of Rs. 10/- each not taken/agreed to be taken by any person in the Rights Issue of the Company made in the year 1995 were cancelled from the Issued Share Capital of the Company.

30 EQUITY SHARE CAPITAL (Contd.)

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, 2020	**226,882,736**	**226.88**
Issued during the year #	26,178,777	26.18
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**

On August 06, 2020, the Company allotted fully paid-up 26,178,777 Equity Shares of face value of Rs. 10/- each to the eligible equity shareholders at an issue price of Rs. 570/- per Equity Share (including premium of Rs. 560/- per Equity Share) in the Rights Issue, which opened on July 16, 2020 and closed on July 30, 2020. The entire proceeds of the Rights Issue have been utilised as per the objects stated in the offer document for the Rights issue. The fresh allotment of equity shares through Rights Issue as stated above has resulted in an increase of equity share capital by Rs. 26.18 crores and securities premium reserve by Rs. 1,446.46 crores (net of share issue expenses of Rs. 19.55 crores).

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 7, 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 8, 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 8, 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 dividend is subject to the approval of the shareholders in the ensuing annual general meeting.

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 its meeting held on April 28, 2022 have not recommended final dividend. As such the interim dividend aggregating to Rs. 20/-per share (i.e. 200 %) shall be the final dividend for the financial year 2021-22.

30 EQUITY SHARE CAPITAL (Contd.)

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.

Pursuant to the final equity dividend for the financial year 2020-21 approved by the shareholders at the 42nd Annual General Meeting held on June 24, 2021, the Company paid the final equity dividend of 60% (Rs. 6/- per equity share of nominal face value of Rs. 10/- each fully paid up) aggregating to Rs. 1,602,285,078/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders. The record date for payment of final equity dividend was June 17, 2021 and the payment was made on July 07, 2021. With this the total dividend for the financial year 2020-21 was Rs. 18 /- per share (i.e. 180 %).

The Board of Directors in their meeting held on March 25, 2021 declared second interim equity dividend of 60% (Rs. 6/- per equity share of nominal face value of Rs. 10/- each fully paid up) for the financial year 2020-21, amounting to Rs. 1,518,369,078/- (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 dividend was April 06, 2021 and the payment was done on April 16, 2021.

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:

Nil

d. Details of shareholders holding more than 5% equity shares in the Company

Details of shareholding	As at March 31, 2022		As at March 31, 2021	
Name of the shareholder	**Number of shares**	**% holding**	**Number of shares**	**% holding**
Equity shares of Rs. 10/- each				
Shriram Capital Limited	70,437,147	26.04%	66,964,947	26.46%
Life Insurance Corporation of India	18,004,597	6.66%	**	**

** holding less than 5% equity shares

e. Refer note 51- Capital management for the Company's objectives, policies and processes for managing capital

f. Proposed dividends on equity shares:

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Proposed dividend on equity shares for the year ended on March 31, 2022: Rs. Nil per share (March 31, 2021: Rs. 6.00 per share)	-	151.84
Total	**-**	**151.84**

g. Shareholding of Promoters

Year ended	Shares held by promoters at the end of the year			% Change during the year
	Promoter name	**No. of Shares**	**% of Total Shares**	
As at March 31, 2022	Shriram Capital Limited	70,437,147	26.04%	-1.59%
As at March 31, 2021	Shriram Capital Limited	66,964,947	26.46%	0.88%

30 EQUITY SHARE CAPITAL (Contd.)

h. Amount of per share dividend recognised as distribution to equity shareholders:-

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interim dividend for the year ended March 31, 2021 (Rs. per share)	-	12.00
Final dividend for the year ended March 31, 2021 (Rs. per share)	6.00	-
Interim dividend for the year ended March 31, 2022 (Rs. per share)	20.00	-
Final dividend for the year ended March 31, 2022 (Rs. per share)	-	-

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
31 OTHER EQUITY		
Share application money pending allotment	-	-
Statutory reserve (Pursuant to Section 45-IC of The RBI Act, 1934)		
Opening balance	**4,166.39**	**3,668.93**
Add: Transfer from retained earnings	541.59	497.46
Closing balance	**4,707.98**	**4,166.39**
Securities premium		
Opening balance	**3,201.27**	**1,754.81**
Add: Premium on shares issued during the year	2,482.54	1,466.01
Less: Share issue expenses incurred during the year	(21.43)	(19.55)
Closing balance	**5,662.38**	**3,201.27**
Capital reserve	**27.64**	**27.64**
Capital redemption Reserve	**53.88**	**53.88**
Debenture redemption Reserve		
Opening balance	**921.41**	**610.41**
Add: Transfer from retained earnings	170.31	337.87
Less: Transfer to retained earnings on account of redemption	(784.44)	(26.87)
Closing balance	**307.28**	**921.41**
General reserve		
Opening balance	**2,663.27**	**2,414.54**
Add: Transfer from retained earnings	270.80	248.73
Closing balance	**2,934.07**	**2,663.27**
Convertible Warrants		
Money received during the year	250.00	-
Shares allotted during the year	(250.00)	-
Closing balance	-	-
Remeasurement gain/(loss) on defined benefit plan (net of tax)		
Opening balance	**(9.12)**	**(9.32)**
Add: Addition during the year	(2.42)	-
Add: Share of other comprehensive income from associates (net of tax)	(0.02)	0.20
Closing balance	**(11.56)**	**(9.12)**
Other comprehensive income		
Effective portion of cash flow hedges		
Opening balance	**(93.02)**	-
Add: Addition during the year	(120.38)	(93.02)
Closing balance	**(213.40)**	**(93.02)**

(Rs. in crores)

	Particulars	As at March 31, 2022	As at March 31, 2021
31	**OTHER EQUITY (Contd.)**		
	Retained earnings		
	Opening balance	**10,532.51**	**9,394.54**
	Add: Profit for the current year	2,721.10	2,498.83
	Add /(Less): Appropriations		
	Transfer to statutory reserve as per Section 45-IC of The RBI Act, 1934	(541.59)	(497.46)
	Transfer to general reserve	(270.80)	(248.73)
	Transfer (to)/from debenture redemption reserve	614.13	(311.00)
	Interim dividend [March 31, 2022: Rs. 20.00 per share (March 31, 2021: Rs. 12.00 per share)]	(539.65)	(303.67)
	Final dividend (March 31, 2021: Rs. 6.00 per share)	(160.23)	-
	Total appropriations	**(898.14)**	**(1,360.86)**
	Retained earnings	**12,355.47**	**10,532.51**
	Total	**25,823.74**	**21,464.23**

Nature and purpose of reserves

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.

Capital reserve: Capital reserve is the excess of net assets taken over cost of consideration paid during amalgamation.

Capital redemption reserve: The Company has recognised Capital redemption reserve on redemption of non-convertible redeemable preference shares from its retained earnings. The amount in Capital redemption reserve is equal to nominal amount of the non-convertible redeemable preference shares redeemed. The Company may issue fully paid up bonus shares to its members out of the capital redemption reserve.

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. 170.31 crores (March 31, 2021: Rs. 337.87 crores). The Company subsequent to the year end has deposited a sum of Rs. 37.00 crores (March 31, 2021: Rs. 498.41 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.

General reserve: Under the erstwhile Companies Act, 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Statutory reserve: Every year the Company transfers a 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.

Retained earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve, debenture redemption reserve, general reserve, dividends distributions paid to shareholders and transfer from debenture redemption reserve.

Remeasurement gain/(loss) on defined benefit plan: 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. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

Other comprehensive income: Other comprehensive income includes effective portion of cash flow hedges
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.

(Rs. in crores)

Particulars	For the year ended March 31, 2022			Year ended March 31, 2021		
	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	18,028.13	-	**18,028.13**	16,611.31	-	**16,611.31**
Interest income from investments	275.11	40.85	**315.96**	264.82	3.75	**268.57**
Interest on deposits with banks						
- Margin money deposit	155.53	-	**155.53**	137.34	-	**137.34**
- Deposits with banks	88.14	-	**88.14**	37.22	-	**37.22**
Other interest income						
- Delayed payments by customers	28.79	-	**28.79**	42.40	-	**42.40**
- Unwinding of security deposit	3.17	-	**3.17**	3.07	-	**3.07**
- Direct assignment	26.54	-	**26.54**	28.23	-	**28.23**
Total	**18,605.41**	**40.85**	**18,646.26**	**17,124.39**	**3.75**	**17,128.14**

(Rs. in crores)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
33	**FEE AND COMMISSION INCOME**		
	Income from commission services - life insurance	16.52	20.66
	Income from commission services - general insurance	36.15	54.36
	Income from loan related and other commission services	47.41	40.84
	Total	**100.08**	**115.86**

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, 2022	Year ended March 31, 2021
Type of services or service		
Fee and commission income	100.08	115.86
Total revenue from contract with customers	**100.08**	**115.86**
Geographical markets		
- India	100.08	115.86
- Outside India	-	-
Total revenue from contract with customers	**100.08**	**115.86**
Timing of revenue recognition		
Services transferred at a point in time	100.08	115.86
Services transferred over time	-	-
Total revenue from contracts with customers	**100.08**	**115.86**

Contract balance

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables	5.35	8.92
Contract assets	-	-

The Company does not have any contract assets or liability, hence disclosures related to it has not been presented.

(Rs. in crores)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
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		
	- 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	236.83	22.87
	- Direct assignment	(15.13)	(1.07)
	Total Net gain/(loss) on fair value changes (C)	**221.70**	**21.80**

(Rs. in crores)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
34	**NET GAIN/ (LOSS) ON FAIR VALUE CHANGES (Contd.)**		
	Fair value changes:		
	- Realised	183.34	18.95
	- Unrealised	38.36	2.85
	Total Net gain/(loss) on fair value changes (D)	**221.70**	**21.80**

(Rs. in crores)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
35	**OTHER OPERATING INCOME**		
	Bad debt recovery	69.22	95.59
	Total	**69.22**	**95.59**

(Rs. in crores)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
36	**OTHER INCOME**		
	Interest others	0.15	1.74
	Miscellaneous income	18.91	14.21
	Total	**19.06**	**15.95**

(Rs. in crores)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
37	**FINANCE COSTS**		
	On Financial liabilities measured at amortised cost		
	Interest on deposits	1,710.15	1,169.47
	Interest on borrowings (other than debt securities)		
	- Loans from banks	1,042.07	1,239.18
	- Loans from institutions and others	377.99	153.59
	- External commercial borrowings	368.27	381.57
	- Interest paid on securitisation	1,766.19	2,161.71
	Interest on debt securities		
	- Debentures	1,780.59	1,768.36
	- Senior secured notes	90.86	102.06
	- External commercial bond	2,016.66	1,517.36
	- Commercial paper	40.90	3.63
	Interest on subordinated liabilities	508.66	525.27
	Other interest expense		
	- Interest on lease liability	31.97	32.06
	Total	**9,734.31**	**9,054.26**

(Rs. in crores)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
38	**FEES AND COMMISSION EXPENSES**		
	Brokerage	44.79	31.34
	Professional charges-resource mobilisation	24.14	28.47
	Processing charges on loans	4.52	1.85
	Professional charges on securitisation	18.29	17.23
	Total	**91.74**	**78.89**

(Rs. in crores)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
39	**IMPAIRMENT ON FINANCIAL INSTRUMENTS**		
	On financial instruments measured at amortised cost		
	Loans (refer note 63)*	3,865.02	3,128.29
	Investments	(2.00)	(4.22)
	Others		
	- Undrawn commitments	(4.00)	(5.45)
	- Other assets	1.84	(0.22)
	Total	**3,860.86**	**3,118.40**

* Includes loss on disposal of repossessed vehicles Rs. 492.30 crores for the year ended March 31, 2022 (March 31, 2021: Rs. 557.30 crores).

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, 2022 (Rs. in crores)

Particulars	General approach Stage 1 Collective	General approach Stage 2 Collective	General approach Stage 3 Collective	Simplified approach	Total
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)**
- Others assets	-	-	-	1.84	**1.84**
Total impairment loss	**1,222.00**	**76.37**	**2,560.65**	**1.84**	**3,860.86**

Year ended March 31, 2021 (Rs. in crores)

Particulars	General approach Stage 1 Collective	General approach Stage 2 Collective	General approach Stage 3 Collective	Simplified Approach	Total
Loans and advances to customers measured at amortised cost	1,290.89	538.51	1,298.89	-	**3,128.29**
Debt instruments measured at amortised cost	14.22	(18.44)	-	-	**(4.22)**
Others					
- Undrawn commitments	(5.45)	-	-	-	**(5.45)**
- Others assets	-	-	-	(0.22)	**(0.22)**
Total impairment loss	**1,299.66**	**520.07**	**1,298.89**	**(0.22)**	**3,118.40**

(Rs. in crores)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
40	**EMPLOYEE BENEFITS EXPENSES**		
	Salaries, other allowance and bonus	907.11	829.32
	Contribution to provident and other funds	59.60	53.36
	Staff welfare expenses	23.69	16.62
	Gratuity expenses (refer note 46)	6.69	6.95
	Total	**997.09**	**906.25**

(Rs. in crores)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
41	**DEPRECIATION, AMORTISATION AND IMPAIRMENT**		
	Depreciation of property, plant and equipment	44.91	48.26
	Depreciation of investment property	0.03	0.03
	Amortisation of intangible assets	1.57	1.34
	Depreciation on Right-of-use assets (refer note 18)	88.86	87.73
	Total	**135.37**	**137.36**

(Rs. in crores)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
42	**OTHER EXPENSES**		
	Rent (refer note 18)	3.24	9.24
	Rates and taxes	5.22	5.04
	Energy costs	16.45	15.21
	Repairs and maintenance	60.61	58.81
	Communication costs	34.28	39.97
	Printing and stationery	10.30	11.57
	Advertisement and publicity	7.31	2.01
	Director's fees, allowances and expenses	1.25	0.75
	Auditor fees and expenses (refer note 55, 56 and 57)		
	- As Auditor	0.99	0.93
	- For taxation matters	0.09	0.09
	- For other services (certification)	0.09	0.10
	- For reimbursement of expenses	0.02	-
	Legal and professional charges	111.54	111.27
	Other expenditure:		
	Travelling and conveyance	69.38	95.34
	Business promotion	93.16	59.30
	Outsourcing expenses	63.82	76.47
	Royalty	204.19	188.95
	Insurance	2.03	2.07
	Bank charges	38.51	34.40
	Loss on sale of property, plant and equipment (net)	0.79	0.65
	Service charges	50.35	47.95
	CSR expenses (refer note 61)	69.72	64.96
	Miscellaneous expenses	62.27	38.15
	Total	**905.61**	**863.23**

43 INCOME TAX

The components of income tax expense for the financial years ended March 31, 2022 and March 31, 2021 are:

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current tax	1,112.57	1,197.77
Adjustment in respect of current income tax of prior years	(82.32)	138.34
Deferred tax relating to origination and reversal of temporary differences	(188.93)	(545.36)
Total tax charge	**841.32**	**790.75**
Current tax	1,030.25	1,336.11
Deferred tax	(188.93)	(545.36)

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 years ended March 31, 2022 and March 31, 2021 is, as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Accounting profit before tax	3,549.25	3,278.01
At India's statutory income tax rate of 25.168% (2021: 25.168%)	893.28	825.01
Adjustment in respect of current income tax of prior years	(82.32)	138.34
Income subject to tax at special rate	-	-
Non-deductible expenses		
Corporate social responsibility expenditure not allowable for tax purpose	17.55	16.35
Adjustment in respect of prior years*	82.32	(138.34)
Others	(69.51)	(50.61)
Income tax expense reported in the statement of profit and loss	**841.32**	**790.75**

The effective income tax rate for is 23.70 % (March 31, 2021: 24.12%).

* Amount for the year ended March 31, 2021 includes adjustment on account of change in tax treatment of an item of deduction claimed in earlier assessment years under Income tax act, 1961 due to changes in facts and circumstances which had resulted in the reassessment of tax estimate as per Ind AS 12.

Deferred tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense:

(Rs. in crores)

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)	-

43 INCOME TAX (Contd.)

(Rs. in crores)

Particulars	Deferred tax assets As at March 31, 2022	Deferred tax liabilities As at March 31, 2022	Statement of profit and loss Year ended March 31, 2022	OCI Year ended March 31, 2022
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)**

The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense:

(Rs. in crores)

Particulars	Deferred tax assets As at March 31, 2021	Deferred tax liabilities As at March 31, 2021	Statement of profit and loss Year ended March 31, 2021	OCI Year ended March 31, 2021
Property, plant and equipment, intangible assets and investment property - carrying amount other than on account of fair valuation	22.67	-	(3.22)	-
Provision for post retirement benefits	9.84	-	(0.42)	-
Expenses allowable for tax purposes when paid	37.60	-	(0.34)	-
EIR impact on debt instrument in the nature of borrowings measured at amortised cost	-	7.61	(6.60)	-
Cash flow hedge reserve	31.29	-	-	(31.29)
Impairment allowance on loans and advances	532.32	-	(344.27)	-
Impairment allowance for undrawn commitments	12.26	-	(2.21)	-
Fair valuation of derivative financial instrument	-	11.80	11.80	-
Right-of-use assets	12.69	-	(3.88)	-
Other temporary differences	-	0.12	(196.22)	-
Total	**658.67**	**19.53**	**(545.36)**	**(31.29)**

Amounts recognised in respect of current tax / deferred tax directly in equity:

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Amounts recognised in respect of current tax/deferred tax directly in equity	-	-

Tax losses

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
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 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 March 31, 2022	Year ended March 31, 2021
Net Profit after tax as per Statement of Profit and Loss (Rs. in crores) **(A)**	2,721.10	2,498.83
Weighted average number of equity shares for calculating basic EPS (in crores) **(B)**	26.62	24.63
Weighted average number of equity shares for calculating diluted EPS (in crores) **(C)**	26.62	24.63
Basic earnings per equity share (in Rupees) (face value of Rs. 10/- per share) **(A) / (B)**	102.23	101.44
Diluted earnings per equity share (in Rupees) (face value of Rs. 10/- per share) **(A) / (C)**	102.23	101.44

45 INVESTMENT IN ASSOCIATES AND STRUCTURED ENTITIES

Associate of the Company is:

Name of the associate	Country of incorporation	Principal place of business	Principal activities	% equity interest March 31, 2022	% equity interest March 31, 2021
Shriram Automall India Limited (SAMIL)	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:

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021*
(a) share in profit or loss from continuing operations.	13.17	11.57
(b) share in post-tax profit or loss from discontinued operations.	-	-
(c) share in other comprehensive income.	(0.02)	0.20
(d) share in total comprehensive income.	13.15	11.77

*The financial statements of the associate for the financial year ended March 31, 2021 are as per unaudited financial statements provided by the management.

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. 50.66 crores (March 31, 2021: Rs. 42.95 crores) for Provident fund contributions and Rs. 8.80 crores (March 31, 2021: Rs. 10.30 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.

46 RETIREMENT BENEFIT PLAN (Contd.)

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, 2022, 94 % funds are invested in government securities and balance 6 % 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:

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Amounts recognised in statement of profit and loss in respect of defined benefit plans are as follows :		
Current service cost	6.56	6.73
Interest expense	4.61	4.15
Interest Income	(4.48)	(3.93)
Past Service Cost	-	-
Components of defined benefit costs recognised in statement of profit and loss (A)	**6.69**	**6.95**
Remeasurement of gains/(losses) in other comprehensive income:		
Return on plan assets (excluding amounts included in net interest expense)	(0.01)	(0.66)
Actuarial changes arising from changes in demographic assumptions	0.55	(1.40)
Actuarial changes arising from changes in financial assumptions	(3.57)	1.34
Experience adjustments	6.27	0.72
Components of defined benefit costs recognised in other comprehensive income (B)	**3.24**	-
Total (A+B)	**9.93**	**6.95**

Movement in the present value of the defined benefit obligation are as follows :

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Change in the obligation during the year ended		
Present value of defined obligation at the beginning of the year	72.88	63.25
Expenses recognised in statement of profit and loss :		
Current service cost	6.56	6.73
Interest expense/(income)	4.61	4.15
Recognised in other comprehensive income remeasurement gains/(losses)	3.25	0.66
Past service cost	-	-
Liability transferred in/acquisitions	-	0.01
Benefits paid from the fund	(5.10)	(1.92)
Present value of defined obligation at the end of the year	**82.20**	**72.88**

46 RETIREMENT BENEFIT PLAN (Contd.)

Change in the Fair value of plan assets :

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Fair value of plan assets at the beginning of the year	**70.80**	**59.88**
Interest income	4.48	3.93
Contributions by the employer	9.77	8.25
Benefits paid from the fund	(5.10)	(1.92)
Return on plan assets excluding interest income	0.01	0.66
Fair value of plan assets at the end of the year	**79.96**	**70.80**

Calculation of benefit liability/(asset) :

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Defined benefit obligation/ liability	82.20	72.88
Fair value of plan assets	79.96	70.80
Benefit liability	**2.24**	**2.08**

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	As at March 31, 2022	As at March 31, 2021
Expected return on plan assets	6.90%	6.33%
Rate of discounting	6.90%	6.33%
Expected rate of salary increase	5.00%	5.00%
Rate of employee turnover	For service 4 years and below 25.00% p.a. and for service 5 years and above 7.25% p.a.	For service 4 years and below 25.00% p.a. and for service 5 years and above 6.50% p.a.
Mortality rate during employment	Indian Assured Lives mortality (2012-14)	Indian Assured Lives mortality (2006-08)
Mortality rate after employment	N.A.	N.A.

Investments quoted in active markets:

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Government securities	75.16	60.76
Debt and other instruments	4.80	10.04
Total	**79.96**	**70.80**

46 RETIREMENT BENEFIT PLAN (Contd.)

(Rs. in crores)

Assumptions	Sensitivity level	Impact on defined benefit obligation March 31, 2022	Impact on defined benefit obligation March 31, 2021
Discount rate	1% increase	(5.63)	(5.50)
	1% decrease	6.46	6.37
Future salary increases	1% increase	6.44	6.32
	1% decrease	(5.70)	(5.55)
Attrition rate	1% increase	0.84	0.56
	1% decrease	(0.95)	(0.64)

(Rs. in crores)

Expected payment for future years	As at March 31, 2022	As at March 31, 2021
Within the next 12 months (next annual reporting period)	8.31	7.30
Between 2 and 5 years	29.15	22.48
Between 5 and 10 years	34.24	28.17
Beyond 10 years	83.99	80.13
Total expected payments	**155.69**	**138.08**

The Company expects to contribute Rs. 9.58 crores to the fund in the next financial year.

The weighted average duration of the defined benefit obligation as at March 31, 2022 is 9 years (March 31, 2021: 10 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, 2022	As at March 31, 2021
Rate of discounting	6.90%	6.33%
Expected rate of salary increase	5.00%	5.00%
Rate of employee turnover		
Service 4 years and below	25.00%	25.00%
Service 5 years and above	7.25%	6.50%
Mortality	Indian Assured Lives mortality (2012-14)	Indian Assured Lives mortality (2006-08)

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Expenses recognised in statement of profit and loss	17.32	15.33

46 RETIREMENT BENEFIT PLAN (Contd.)

The Company has not funded its compensated absences liability and the same continues to remain as unfunded as at March 31, 2022.

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, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	10,662.44	-	**10,662.44**	11,050.93	-	**11,050.93**
Bank balance other than above	5,133.24	559.48	**5,692.72**	4,886.78	504.11	**5,390.89**
Derivative financial instruments	-	201.40	**201.40**	100.51	68.74	**169.25**
Receivables						
(I) Trade receivables	5.35	-	**5.35**	8.92	-	**8.92**
(II) Other receivables	103.24	89.43	**192.67**	49.90	-	**49.90**
Loans	41,448.37	75,216.78	**116,665.15**	37,930.19	70,372.85	**108,303.04**
Investments	2,943.69	4,027.54	**6,971.23**	523.21	2,823.56	**3,346.77**
Other financial assets	-	51.45	**51.45**	2.07	46.96	**49.03**
Non-financial Assets						
Current tax asset	-	228.24	**228.24**	-	171.73	**171.73**
Deferred tax assets (net)	-	869.38	**869.38**	-	639.14	**639.14**
Investment property	-	1.97	**1.97**	-	2.00	**2.00**
Property, plant and equipment	-	110.56	**110.56**	-	124.44	**124.44**
Right-of-use assets	-	302.52	**302.52**	-	308.51	**308.51**
Other intangible assets	-	3.04	**3.04**	-	2.39	**2.39**
Other non-financial assets	41.50	268.54	**310.04**	124.16	169.16	**293.32**
Total assets	**60,337.83**	**81,930.33**	**142,268.16**	**54,676.67**	**75,233.59**	**129,910.26**
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	165.70	0.31	**166.01**	152.52	-	**152.52**
(II) Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	1.46	-	**1.46**	0.37	-	**0.37**
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1.21	-	**1.21**	0.54	-	**0.54**
Debt securities	11,901.72	29,354.83	**41,256.55**	12,471.61	27,590.26	**40,061.87**
Borrowings (other than debt securities)	19,869.86	26,807.07	**46,676.93**	20,285.69	24,995.68	**45,281.37**
Deposits	6,755.55	15,193.43	**21,948.98**	5,494.92	10,737.49	**16,232.41**
Subordinated liabilities	308.71	4,305.54	**4,614.25**	69.31	4,551.45	**4,620.76**
Lease liabilities	74.93	274.50	**349.43**	74.29	275.20	**349.49**
Other financial liabilities	755.06	104.58	**859.64**	1,014.97	134.85	**1,149.82**

47 MATURITY ANALYSIS OF ASSETS AND LIABILITIES (Contd.)

(Rs. in crores)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Non-financial Liabilities						
Current tax liabilities (net)	36.82	-	**36.82**	102.02	-	**102.02**
Provisions	99.87	38.31	**138.18**	105.52	37.02	**142.54**
Other non-financial liabilities	124.42	-	**124.42**	99.26	-	**99.26**
Total Liabilities	**40,095.33**	**76,078.57**	**116,173.90**	**39,871.02**	**68,321.95**	**108,192.97**
Net	**20,242.50**	**5,851.76**	**26,094.26**	**14,805.65**	**6,911.64**	**21,717.29**

48 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

(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**

(Rs. in crores)

Particulars	As at March 31, 2020	Cash flows	Changes in fair value	Exchange difference	Other	As at March 31, 2021
Debt securities	34,266.96	4,838.70	-	-	956.21	40,061.87
Borrowings (other than debt securities)	42,474.60	2,447.10	-	-	359.67	45,281.37
Deposits	11,960.12	4,206.86	-	-	65.43	16,232.41
Subordinated liabilities	5,670.07	(1,069.27)	-	-	19.96	4,620.76
Lease liabilities	362.81	(96.16)	-	-	82.84	349.49
Total liabilities from financing activities	**94,734.56**	**10,327.23**	**-**	**-**	**1,484.11**	**106,545.90**

49 CONTINGENT LIABILITIES AND COMMITMENTS

(A) Contingent liabilities

(Rs. in crores)

	Particulars	As at March 31, 2022	As at March 31, 2021
a.	In respect of Income tax demands where the Company and its associate have filed appeal before various authorities	175.46	133.64
b.	VAT demand where the Company and its associate have filed appeal before various appellates	117.54	117.54
c.	Service tax demands where the Company and its associate have filed appeal before various authorities	1,976.63	1,976.63
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		**2,274.63**	**2,232.81**

49 CONTINGENT LIABILITIES AND COMMITMENTS (Contd.)

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 and its associate to estimate the timings of the cash flows, if any, in respect of the above pending resolution of the respective proceedings. The Company and its associate do not expect any reimbursement in respect of the above contingent liabilities. The Company and its associate are 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 Company and its associate.

(B) Commitments not provided for

(Rs. in crores)

	Particulars	As at March 31, 2022	As at March 31, 2021
a.	Estimated amount of contracts remaining to be executed on capital account, net of advances	11.72	3.82
b.	Commitments related to loans sanctioned but undrawn	92.43	148.66

50 RELATED PARTY DISCLOSURES

Relationship	Name of the party
I Promoter	: Shriram Capital Limited
II Promoter Group	: Shriram Financial Ventures (Chennai) Private Limited Shriram Value Services Limited Novac Technology Solutions (P) Limited Shriram Fortune Solutions Limited Shriram General Insurance Company Limited Shriram Insight Share Brokers Limited Shriram Life Insurance Company Limited Shriram Asset Management Company Limited Shriram Financial Products Solutions (Chennai) Private Limited Insight Commodities and Futures Private Limited Shriram Credit Company Limited Shriram Overseas Investments Private Limited Shriram Wealth Limited (formerly known as Shriram Wealth Advisors Limited) Bharath Investments Pte. Ltd., Singapore SGI Philippines General Insurance Co. Inc. Novac Digital Service Private Limited Shriram LI Holdings Private Limited (formerly Snotter Technology Services Private Limited) SEA Funds Management India Private Limited Way2wealth Insurance Brokers Private Limited Way2wealth Securities Private Limited Way2wealth Brokers Private Limited Way2wealth Commodities Private Limited Shriram GI Holdings Private Limited (formerly Oner Infotech Services Private Limited) Shriram Investment Holdings Limited (w.e.f. October 11, 2021)

50 RELATED PARTY DISCLOSURES (Contd.)

III	Associates	: Shriram Automall India Limited (SAMIL) 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 (MD) Mr. S. Lakshminarayanan, Chairman Mr. Y. S. Chakravarti (w.e.f. December 13, 2021) Mr. Parag Sharma (w.e.f. December 13, 2021) Mrs. Kishori Udeshi Mr. S. Sridhar Mr. Pradeep Kumar Panja Mr. D. V. Ravi Mr. Ignatius Michael Viljoen Mr. S. Sunder (w.e.f. November 01, 2021) Mr. P. Sridharan (w.e.f. November 01, 2021) Mr. Sudarshan Holla (w.e.f. November 01, 2021) Mr. Nilesh Odedara (w.e.f. November 01, 2021) Mr. U. Balasundara Rao (w.e.f. November 01, 2021) Mr. Hardeep Singh Tur (w.e.f. November 01, 2021)
V	Relatives of Key Management Personnel*	: Mrs. Suchita U. Revankar (spouse of Vice Chairman & MD) Mrs. Geeta G. Revankar (mother of Vice Chairman & MD) Mr. Anil G. Revankar (brother of Vice Chairman & MD) Mr. Shreyas U. Revankar (son of Vice Chairman & MD) Mr. Shirish U. Revankar (son of Vice Chairman & MD) Mr. Jayendra Purshottamdas Udeshi (spouse of Director Mrs. Kishori Udeshi) Mrs. P Suchitra (sister of Director Mr. Pradeep Kumar Panja) Mrs. P Surekha (sister of Director Mr. Pradeep Kumar Panja) Mrs. Rama Sharma (mother of Director Mr. Parag Sharma) Ms. Atibhi Sharma (daughter of Director Mr. Parag Sharma) Mr. Amit Sharma (brother of Director Mr. Parag Sharma) Mrs. Sujatha Sunder (spouse of Joint Managing Director Mr. S. Sunder) Mrs. S. Arulmozhi (spouse of Joint Managing Director Mr. P Sridharan)
VI	Employees' Benefit Plan	: Shriram Transport Finance Co. Ltd. Employees Group Gratuity Assurance Scheme

*Names of relatives of Key Management Personnel with whom the Company has transactions

50 RELATED PARTY DISCLOSURES (Contd.)

Summary of related party transactions

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Payments/Expenses														
Payment to key management personnel	-	-	-	-	-	-	-	-	4.80	1.68	-	-	**4.80**	**1.68**
Royalty	-	-	187.67	173.35	-	-	-	-	-	-	-	-	**187.67**	**173.35**
Service charges	46.19	43.99	-	-	-	-	-	-	-	-	-	-	**46.19**	**43.99**
I.T & BPO charges	-	-	55.86	68.03	-	-	-	-	-	-	-	-	**55.86**	**68.03**
Rent	-	0.26	0.02	0.02	11.36	7.94	-	-	-	-	-	-	**11.38**	**8.22**
Business mobilisation expenses	-	-	-	-	0.07	0.02	-	-	-	-	-	-	**0.07**	**0.02**
Other administrative expenses	-	0.03	-	-	11.09	10.28	-	-	-	-	-	-	**11.09**	**10.31**
Insurance premium	-	-	9.62	9.46	-	-	-	-	-	-	-	-	**9.62**	**9.46**
Commission	-	-	100.94	67.55	1.10	-	-	-	-	-	-	-	**102.04**	**67.55**
Sales promotion	-	-	31.84	21.20	-	-	-	-	-	-	-	-	**31.84**	**21.20**
Unsecured loan and advances repaid	-	-	-	-	21.01	-	-	-	-	-	-	-	**21.01**	**-**
Valuation charges	-	-	-	-	0.72	0.44	-	-	-	-	-	-	**0.72**	**0.44**
Interest	0.91	0.01	60.60	47.17	3.52	5.46	-	-	0.83	0.20	0.09	0.01	**65.95**	**52.85**
Equity dividend	219.84	37.17	0.11	0.03	-	-	-	-	0.10	-	0.00	0.00	**220.05**	**37.20**
Non-convertible debenture (secured) matured	10.00	-	38.36	0.19	5.00	-	-	-	2.21	-	0.10	-	**55.67**	**0.19**
Fixed deposit matured	-	-	1.50	-	-	-	-	-	0.50	0.75	0.26	0.03	**2.26**	**0.78**
Subordinated debt matured	-	0.37	-	31.50	-	1.39	-	-	-	-	-	-	**-**	**33.26**
Employer contribution to employees group gratuity assurance scheme	-	-	-	-	-	-	9.77	8.25	-	-	-	-	**9.77**	**8.25**
Inter-corporate deposits repaid	-	-	-	-	84.60	90.85	-	-	-	-	-	-	**84.60**	**90.85**
Receipts/Income														
Recovery of common sharing expenses	0.02	0.01	0.95	1.12	0.59	0.47	-	-	-	-	-	-	**1.56**	**1.60**
Reimbursement of expenses	0.01	-	-	-	-	-	-	-	-	-	-	-	**0.01**	**-**
Sale of Property, Plant & Equipment	-	-	0.00	-	-	-	-	-	-	-	-	-	**0.00**	**-**
Rent & electricity	0.17	0.16	-	-	4.18	4.67	-	-	-	-	-	-	**4.35**	**4.83**
Commission	-	-	49.60	71.46	-	-	-	-	-	-	-	-	**49.60**	**71.46**
Non-convertible debenture (secured)	-	-	-	35.00	-	-	-	-	-	-	-	-	**-**	**35.00**
Fixed deposit	-	-	15.63	12.30	65.50	20.00	-	-	0.26	1.08	0.97	0.08	**82.36**	**33.46**
Unsecured loan and advances repaid	-	-	-	-	-	15.06	-	-	-	-	-	-	**-**	**15.06**
Received towards right issue	-	425.22	-	0.39	-	-	-	-	-	-	-	0.00	**-**	**425.61**
Received towards preferential issue	250.00	-	-	-	-	-	-	-	-	-	-	-	**250.00**	**-**
Received towards convertible warrants	250.00	-	-	-	-	-	-	-	-	-	-	-	**250.00**	**-**
Inter-corporate deposits received	-	-	-	-	62.75	102.30	-	-	-	-	-	-	**62.75**	**102.30**
Balance outstanding at the year end														
Share capital	70.44	66.96	1.06	0.06	-	-	-	-	0.05	-	0.00	0.00	**71.55**	**67.02**
Investment in equity shares	-	-	-	-	175.44	162.29	-	-	-	-	-	-	**175.44**	**162.29**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Unsecured loan and advances payable	-	-	-	-	0.91	1.23	-	-	-	-	-	-	**0.91**	**1.23**
Commission receivable	-	-	4.67	8.16	-	-	-	-	-	-	-	-	**4.67**	**8.16**
Prepaid for insurance premium	-	-	-	2.73	-	-	-	-	-	-	-	-	**-**	**2.73**
Outstanding expenses	11.41	11.16	88.84	72.96	-	0.03	-	-	-	-	-	-	**100.25**	**84.15**
Fixed deposit *														
Public deposit	-	-	-	-	-	-	-	-	1.47	1.70	1.55	0.19	**3.02**	**1.89**
Deposit from corporates	-	-	29.57	14.34	89.37	20.00	-	-	-	-	-	-	**118.94**	**34.34**
Subordinated debt *	-	-	516.07	495.36	-	-	-	-	-	-	-	-	**516.07**	**495.36**
Non-convertible debenture (secured)*														
Public issue	-	-	29.28	43.18	17.86	23.17	-	-	0.13	2.86	0.09	-	**47.36**	**69.21**
Privately placed	-	-	10.01	10.01	-	-	-	-	-	-	-	-	**10.01**	**10.01**
Inter-corporate deposits *	-	-	-	-	27.45	49.59	-	-	-	-	-	-	**27.45**	**49.59**

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 years ended March 31, 2022 and March 31, 2021.

* Refer note 22 Debt securities, note 24 Deposits and note 25 Subordinated liabilities, for terms and conditions of non-convertible debentures, fixed deposit, inter-corporate deposits and subordinated debt respectively.

Breakup of related party transactions

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Payments/Expenses														
Employee benefits for key management personnel														
- Short term benefits	-	-	-	-	-	-	-	-	3.22	0.83	-	-	**3.22**	**0.83**
- Post employment benefits	-	-	-	-	-	-	-	-	0.43	0.16	-	-	**0.43**	**0.16**
Commission & sitting fee paid to directors														
- Mr. S. Lakshminarayanan	-	-	-	-	-	-	-	-	0.31	0.16	-	-	**0.31**	**0.16**
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	0.26	0.18	-	-	**0.26**	**0.18**
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.30	0.17	-	-	**0.30**	**0.17**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.28	0.18	-	-	**0.28**	**0.18**
License fees														
- Shriram Value Services Limited	-	-	187.67	173.35	-	-	-	-	-	-	-	-	**187.67**	**173.35**
Service charges														
- Shriram Capital Limited	46.19	43.99	-	-	-	-	-	-	-	-	-	-	**46.19**	**43.99**
Voice call services														
- Novac Technology Solutions (P) Limited	-	-	8.91	24.37	-	-	-	-	-	-	-	-	**8.91**	**24.37**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
IT & BPO charges														
- Novac Technology Solutions (P) Limited	-	-	46.96	43.66	-	-	-	-	-	-	-	-	**46.96**	**43.66**
Rent				-										
- Shriram Automall India Limited	-	-	-	-	11.36	7.94	-	-	-	-	-	-	**11.36**	**7.94**
- Shriram Capital Limited	-	0.26	-	-	-	-	-	-	-	-	-	-	**-**	**0.26**
- Shriram Asset Management Company Limited	-	-	0.02	0.02	-	-	-	-	-	-	-	-	**0.02**	**0.02**
Business mobilisation expenses														
- Shriram Automall India Limited	-	-	-	-	0.07	0.02	-	-	-	-	-	-	**0.07**	**0.02**
Other administrative expenses														
- Shriram Capital Limited	-	0.03	-	-	-	-	-	-	-	-	-	-	**-**	**0.03**
- Shriram Automall India Limited	-	-	-	-	11.09	10.28	-	-	-	-	-	-	**11.09**	**10.28**
Insurance premium														
- Shriram Life Insurance Company Limited	-	-	5.99	5.40	-	-	-	-	-	-	-	-	**5.99**	**5.40**
- Shriram General Insurance Company Limited	-	-	3.63	4.06	-	-	-	-	-	-	-	-	**3.63**	**4.06**
Commission														
- Shriram Fortune Solutions Limited	-	-	82.04	51.21	-	-	-	-	-	-	-	-	**82.04**	**51.21**
- Adroit Inspection Service Private Limited	-	-	-	-	1.10	-	-	-	-	-	-	-	**1.10**	**-**
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	7.92	9.10	-	-	-	-	-	-	-	-	**7.92**	**9.10**
- Shriram Insight Share Brokers Limited	-	-	8.23	6.56	-	-	-	-	-	-	-	-	**8.23**	**6.56**
- Shriram Wealth Limited	-	-	2.56	0.68	-	-	-	-	-	-	-	-	**2.56**	**0.68**
- Way2wealth Securities Private Limited	-	-	0.19	-	-	-	-	-	-	-	-	-	**0.19**	**-**
Sales promotion														
- Shriram Fortune Solutions Limited	-	-	23.99	15.91	-	-	-	-	-	-	-	-	**23.99**	**15.91**
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	5.16	3.48	-	-	-	-	-	-	-	-	**5.16**	**3.48**
- Shriram Insight Share Brokers Limited	-	-	2.04	1.68	-	-	-	-	-	-	-	-	**2.04**	**1.68**
- Shriram Wealth Limited	-	-	0.59	0.13	-	-	-	-	-	-	-	-	**0.59**	**0.13**
- Way2wealth Securities Private Limited	-	-	0.05	-	-	-	-	-	-	-	-	-	**0.05**	**-**
Unsecured loan and advances repaid														
- Shriram Automall India Limited	-	-	-	-	21.01	-	-	-	-	-	-	-	**21.01**	**-**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Interest on Inter-corporate deposits														
- Shriram Automall India Limited	-	-	-	-	1.28	3.63	-	-	-	-	-	-	**1.28**	**3.63**
Valuation charges paid														
- Adroit Inspection Service Private Limited	-	-	-	-	0.72	0.44	-	-	-	-	-	-	**0.72**	**0.44**
Interest on fixed deposit														
- Key management personnel														
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	0.15	0.20	-	-	**0.15**	**0.20**
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.06	0.01	**0.06**	**0.01**
- Shriram Asset management Company Limited	-	-	0.26	-	-	-	-	-	-	-	-	-	**0.26**	-
Interest on subordinated debt														
- Shriram Automall India Limited	-	-	-	-	-	0.17	-	-	-	-	-	-	-	**0.17**
- Shriram Capital Limited	-	0.01	-	-	-	-	-	-	-	-	-	-	-	**0.01**
- Shriram Life Insurance Company Limited	-	-	12.38	10.36	-	-	-	-	-	-	-	-	**12.38**	**10.36**
- Shriram General Insurance Company Limited	-	-	34.41	32.27	-	-	-	-	-	-	-	-	**34.41**	**32.27**
Interest on non-convertible debenture - (secured)														
- Shriram Life Insurance Company Limited	-	-	3.22	3.22	-	-	-	-	-	-	-	-	**3.22**	**3.22**
- Shriram Asset Management Company Limited	-	-	1.42	1.27	-	-	-	-	-	-	-	-	**1.42**	**1.27**
- Shriram Insight Share Brokers Limited	-	-	0.05	0.05	-	-	-	-	-	-	-	-	**0.05**	**0.05**
- Shriram Automall India Limited	-	-	-	-	2.24	1.66	-	-	-	-	-	-	**2.24**	**1.66**
- 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	-	-	-	-	-	-	-	-	0.03	-	-	-	**0.03**	-
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.03	-	-	-	**0.03**	-
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	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	-	-	-	-	-	-	-	-	0.09	-	-	-	**0.09**	-
- Mr. S.Sunder	-	-	-	-	-	-	-	-	0.00	-	-	-	**0.00**	-
- Mr. P.Sridharan	-	-	-	-	-	-	-	-	0.00	-	-	-	**0.00**	-
- Mr. Sudarshan Holla	-	-	-	-	-	-	-	-	0.00	-	-	-	**0.00**	-
- Mr. U.Balasundara Rao	-	-	-	-	-	-	-	-	0.00	-	-	-	**0.00**	-
- Shriram Capital Limited	219.84	37.17	-	-	-	-	-	-	-	-	-	-	**219.84**	**37.17**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
- Shriram Financial Ventures (Chennai) Private Limited	-	-	0.11	0.03	-	-	-	-	-	-	-	-	**0.11**	**0.03**
Non-convertible debenture (secured) matured														
- Shriram Insight Share Brokers Limited	-	-	0.52	0.19	-	-	-	-	-	-	-	-	**0.52**	**0.19**
- Shriram Capital Limited	10.00	-	-	-	-	-	-	-	-	-	-	-	**10.00**	-
- Shriram Asset management Company Limited	-	-	12.84	-	-	-	-	-	-	-	-	-	**12.84**	-
- Shriram Automall India Limited	-	-	-	-	5.00	-	-	-	-	-	-	-	**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**	-
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.11	-	-	-	**0.11**	-
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.10	-	**0.10**	-
Fixed deposit matured														
- Key management personnel														
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	0.50	0.75	-	-	**0.50**	**0.75**
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.26	0.03	**0.26**	**0.03**
- Shriram Asset management Company Limited	-	-	1.50	-	-	-	-	-	-	-	-	-	**1.50**	-
Subordinated debt matured														
- Shriram Capital Limited	-	0.37	-	-	-	-	-	-	-	-	-	-	-	**0.37**
- Shriram Automall India Limited	-	-	-	-	-	1.39	-	-	-	-	-	-	-	**1.39**
- Shriram General Insurance Company Limited	-	-	-	25.00	-	-	-	-	-	-	-	-	-	**25.00**
- Shriram Life Insurance Company Limited	-	-	-	6.50	-	-	-	-	-	-	-	-	-	**6.50**
Employer contribution to employees group gratuity assurance scheme	-	-	-	-	-	-	9.77	8.25	-	-	-	-	**9.77**	**8.25**
Inter-corporate deposits repaid														
- Shriram Automall India Limited	-	-	-	-	84.60	90.85	-	-	-	-	-	-	**84.60**	**90.85**
TOTAL	**276.94**	**81.83**	**486.52**	**418.50**	**138.46**	**116.38**	**9.77**	**8.25**	**8.44**	**2.63**	**0.45**	**0.04**	**920.58**	**627.63**
Receipts/Income														
Recovery of common sharing expenses														
- Shriram Automall India Limited	-	-	-	-	0.59	0.47	-	-	-	-	-	-	**0.59**	**0.47**
- Shriram Capital Limited	0.02	0.01	-	-	-	-	-	-	-	-	-	-	**0.02**	**0.01**
- Shriram Asset Management Company Limited	-	-	-	0.06	-	-	-	-	-	-	-	-	-	**0.06**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
- Shriram Insight Share Brokers Limited	-	-	0.03	0.02	-	-	-	-	-	-	-	-	**0.03**	**0.02**
- Shriram Fortune Solutions Limited	-	-	0.92	1.04	-	-	-	-	-	-	-	-	**0.92**	**1.04**
Reimbursement of expenses														
- Shriram Capital Limited	0.01	-	-	-	-	-	-	-	-	-	-	-	**0.01**	-
Sale of Property, Plant & Equipment														
- Novac Technology Solutions (P) Limited	-	-	0.00	-	-	-	-	-	-	-	-	-	**0.00**	-
Rent & electricity														
- Shriram Capital Limited	0.17	0.16	-	-	-	-	-	-	-	-	-	-	**0.17**	**0.16**
- Shriram Automall India Limited	-	-	-	-	4.18	4.67	-	-	-	-	-	-	**4.18**	**4.67**
Commission														
- Shriram General Insurance Company Limited	-	-	33.08	50.80	-	-	-	-	-	-	-	-	**33.08**	**50.80**
- Shriram Life Insurance Company Limited	-	-	16.52	20.66	-	-	-	-	-	-	-	-	**16.52**	**20.66**
Non-convertible debenture - (secured)														
- Shriram Life Insurance Company Limited	-	-	-	35.00	-	-	-	-	-	-	-	-	-	**35.00**
Fixed deposit														
- Key management personnel														
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	0.25	0.93	-	-	**0.25**	**0.93**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	-	0.05	-	-	-	**0.05**
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	-	0.10	-	-	-	**0.10**
- Mr. Hardeep Singh Tur	-	-	-	-	-	-	-	-	0.01	-	-	-	**0.01**	-
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.97	0.08	**0.97**	**0.08**
- Shriram Asset Management Company Limited	-	-	15.63	12.30	-	-	-	-	-	-	-	-	**15.63**	**12.30**
- Shriram Automall India Limited	-	-	-	-	54.00	20.00	-	-	-	-	-	-	**54.00**	**20.00**
- Cartradeexchange Solutions Private Limited	-	-	-	-	11.50	-	-	-	-	-	-	-	**11.50**	-
Unsecured loan and advances repaid														
- Shriram Automall India Limited	-	-	-	-	-	15.06	-	-	-	-	-	-	-	**15.06**
Received towards right issue														
- Shriram Capital Limited	-	425.22	-	-	-	-	-	-	-	-	-	-	-	**425.22**
- Shriram Financial Ventures (Chennai) Private Limited	-	-	-	0.39	-	-	-	-	-	-	-	-	-	**0.39**
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	-	**0.00**	-	**0.00**
Received towards preferential issue														
- Shriram Capital Limited	250.00	-	-	-	-	-	-	-	-	-	-	-	**250.00**	-

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Received towards convertible warrants														
- Shriram Capital Limited	250.00	-	-	-	-	-	-	-	-	-	-	-	**250.00**	-
Inter-corporate deposits														
- Shriram Automall India Limited	-	-	-	-	62.75	102.30	-	-	-	-	-	-	**62.75**	**102.30**
TOTAL	**500.19**	**425.39**	**66.18**	**120.27**	**133.02**	**142.50**	-	-	**0.26**	**1.08**	**0.97**	**0.08**	**700.63**	**689.32**

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 years ended March 31, 2022 and March 31, 2021.

Breakup of related party transactions

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Balance outstanding at the year end														
Share capital														
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.00	0.00	**0.00**	**0.00**
- Key management personnel	-		-		-		-		-		-			
- Mr. Parag Sharma	-	-	-	-	-	-	-	-	0.05	-	-	-	**0.05**	-
- Mr. S.Sunder	-	-	-	-	-	-	-	-	0.00	-	-	-	**0.00**	-
- Mr. P.Sridharan	-	-	-	-	-	-	-	-	0.00	-	-	-	**0.00**	-
- Mr. Sudarshan Holla	-	-	-	-	-	-	-	-	0.00	-	-	-	**0.00**	-
- Mr. U.Balasundara Rao	-	-	-	-	-	-	-	-	0.00	-	-	-	**0.00**	-
- Shriram Capital Limited	70.44	66.96	-	-	-	-	-	-	-	-	-	-	**70.44**	**66.96**
- Shriram Financial Ventures (Chennai) Private Limited	-	-	-	0.06	-	-	-	-	-	-	-	-	-	**0.06**
- Shriram Value Services Limited	-	-	1.06	-	-	-	-	-	-	-	-	-	**1.06**	-
Investment in equity shares														
- Shriram Automall India Limited	-	-	-	-	175.44	162.29	-	-	-	-	-	-	**175.44**	**162.29**
Unsecured loan and advances payable														
- Shriram Automall India Limited	-	-	-	-	0.91	1.23	-	-	-	-	-	-	**0.91**	**1.23**
Commission receivable														
- Shriram General Insurance Company Limited	-	-	3.21	6.10	-	-	-	-	-	-	-	-	**3.21**	**6.10**
- Shriram Life Insurance Company Limited	-	-	1.46	2.06	-	-	-	-	-	-	-	-	**1.46**	**2.06**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Prepaid for insurance premium														
- Shriram General Insurance Company Limited	-	-	-	1.71	-	-	-	-	-	-	-	-	**-**	**1.71**
- Shriram Life Insurance Company Limited	-	-	-	1.02	-	-	-	-	-	-	-	-	**-**	**1.02**
Outstanding expenses														
- Shriram Capital Limited	11.41	11.16	-	-	-	-	-	-	-	-	-	-	**11.41**	**11.16**
- Shriram Value Services Limited	-	-	77.85	50.35	-	-	-	-	-	-	-	-	**77.85**	**50.35**
- Novac Technology Solutions (P) Limited	-	-	1.96	8.19	-	-	-	-	-	-	-	-	**1.96**	**8.19**
- Shriram Fortune Solutions Limited	-	-	6.37	11.05	-	-	-	-	-	-	-	-	**6.37**	**11.05**
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	1.85	2.17	-	-	-	-	-	-	-	-	**1.85**	**2.17**
- Shriram Insight Share Brokers Limited	-	-	0.65	1.03	-	-	-	-	-	-	-	-	**0.65**	**1.03**
- Adroit Inspection Service Private Limited	-	-	-	-	-	0.03	-	-	-	-	-	-	**-**	**0.03**
- Shriram Wealth Limited	-	-	0.08	0.17	-	-	-	-	-	-	-	-	**0.08**	**0.17**
- Way2wealth Securities Private Limited	-	-	0.08	-	-	-	-	-	-	-	-	-	**0.08**	-
Fixed deposit														
- Key management personnel	-		-		-		-		-		-			
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	1.27	1.55	-	-	**1.27**	**1.55**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.06	0.05	-	-	**0.06**	**0.05**
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.11	0.10	-	-	**0.11**	**0.10**
- Mr. Parag Sharma	-	-	-	-	-	-	-	-	0.00	-	-	-	**0.00**	-
- Mr. Hardeep Singh Tur	-	-	-	-	-	-	-	-	0.03	-	-	-	**0.03**	-
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	1.55	0.19	**1.55**	**0.19**
- Shriram Asset Management Company Limited	-	-	29.57	14.34	-	-	-	-	-	-	-	-	**29.57**	**14.34**
- Shriram Automall India Limited	-	-	-	-	77.45	20.00	-	-	-	-	-	-	**77.45**	**20.00**
- Cartradeexchange Solutions Private Limited	-	-	-	-	11.92	-	-	-	-	-	-	-	**11.92**	-
Non-convertible debenture (secured)														
- Key management personnel	-		-		-		-		-		-			
- Mr. Umesh Revankar	-	-	-	-	-	-	-	-	-	2.49	-	-	**-**	**2.49**
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	-	0.13	-	-	**-**	**0.13**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.13	0.24	-	-	**0.13**	**0.24**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.09	-	**0.09**	-
- Shriram Life Insurance Company Limited	-	-	36.71	36.71	-	-	-	-	-	-	-	-	**36.71**	**36.71**
- Shriram Asset Management Company Limited	-	-	2.50	15.85	-	-	-	-	-	-	-	-	**2.50**	**15.85**
- Shriram Insight Share Brokers Limited	-	-	0.08	0.63	-	-	-	-	-	-	-	-	**0.08**	**0.63**
- Shriram Automall India Limited	-	-	-	-	17.86	23.17	-	-	-	-	-	-	**17.86**	**23.17**
Subordinated debt														
- Shriram Life Insurance Company Limited	-	-	149.04	126.63	-	-	-	-	-	-	-	-	**149.04**	**126.63**
- Shriram General Insurance Company Limited	-	-	367.03	368.73	-	-	-	-	-	-	-	-	**367.03**	**368.73**
Inter-corporate deposits														
- Shriram Automall India Limited	-	-	-	-	27.45	49.59	-	-	-	-	-	-	**27.45**	**49.59**

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 years ended March 31, 2022 and March 31, 2021.

50 RELATED PARTY DISCLOSURES (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)

Sl No.	Loans and Advances in the nature of Loans	Maximum Amount Outstanding during the year March 2022	Maximum Amount Outstanding during the year March 2021
A)	To Associate		
	- Shriram Automall India Limited	-	0.38

II. Shriram Transport Finance Company Limited (STFC) holds 44.56 % of equity shares of the company. Disclosure relating to transactions with STFC is given above.

51 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.

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years except those incorporated on account of regulatory amendments. However, they are under constant review by the Board.

52 FAIR VALUE MEASUREMENT

52.01: 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 Note 6.1 (xiii).

52.02: 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, 2022

(Rs. in crores)

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Derivative financial instruments				
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**

52 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Financial assets held for trading				
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	-	-	-	-

As at March 31, 2021

(Rs. in crores)

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Derivative financial instruments				
Forward contracts	-	79.37	-	**79.37**
Currency swaps	-	(103.23)	-	**(103.23)**
Interest rate swaps	-	9.72	-	**9.72**
Cross currency interest rate swaps	-	181.54	-	**181.54**
Interest rate caps	-	1.85	-	**1.85**
Total derivative financial instruments	-	**169.25**	-	**169.25**
Financial assets held for trading				
Mutual funds	-	-	-	-
Equity instruments	-	-	6.74	**6.74**
Venture capital fund	-	1.54	-	**1.54**
Total financial assets held for trading	-	**1.54**	**6.74**	**8.28**
Total assets measured at fair value on a recurring basis	-	**170.79**	**6.74**	**177.53**
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	-	**170.79**	**6.74**	**177.53**

52 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	-	-	-	-

52.03: Valuation techniques

Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:

Investment 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.

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 Ltd (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 Ltd (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.

52.04: 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.

52.05: 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.

52 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:

(Rs. in crores)

Particulars	Equity instruments As at March 31, 2022	Equity instruments As at March 31, 2021
Opening balance	**6.74**	**3.36**
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	**17.15**	**3.38**
Closing balance	**23.89**	**6.74**

52.06: 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 As at March 31, 2022	Level 3 assets As at March 31, 2021		
Equity instruments	23.89	6.74	Based on the discounted cashflow	Based on the discounted cashflow

52.07: 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, 2022		As at March 31, 2021	
	Favourable changes 5% increase	Unfavourable changes 5% decrease	Favourable changes 5% increase	Unfavourable changes 5% decrease
Equity instruments based on the discounted cashflow	25.03	22.64	7.11	6.39

52 FAIR VALUE MEASUREMENT (Contd.)

52.08: 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.

(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	192.67	-	-	192.67	**192.67**
Loans (excluding impairment loss allowance)	125,699.03	-	-	124,404.71	**124,404.71**
Investments at amortised cost (excluding impairment loss allowance)	4,461.06	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	**146,940.16**	**9,119.41**	**9,828.13**	**125,902.99**	**144,850.53**
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**

(Rs. in crores)

As at March 31, 2021	Carrying amount	Fair value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	11,050.93	7,599.40	3,449.44	-	**11,048.84**
Bank balance other than cash and cash equivalents	5,390.89	161.65	5,126.81	-	**5,288.46**
Trade receivables	8.92	-	-	8.92	**8.92**
Other receivables	49.90	-	-	49.90	**49.90**
Loans (excluding impairment loss allowance)	116,191.59	-	-	114,238.50	**114,238.50**
Investments at amortised cost (excluding impairment loss allowance)	3,214.21	2,159.91	-	903.27	**3,063.18**
Other investments	162.29	-	-	162.29	**162.29**
Other financial assets	49.03	-	-	39.68	**39.68**
Total financial assets	**136,117.76**	**9,920.96**	**8,576.25**	**115,402.56**	**133,899.77**
Financial liabilities:					
Trade payables	152.52	-	-	152.52	**152.52**

52 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

As at March 31, 2021	Carrying amount	Fair value			
		Level-1	Level-2	Level-3	Total
Other payables	0.91	-	-	0.91	**0.91**
Debt securities	40,061.87	-	47,326.64	-	**47,326.64**
Borrowings (other than debt securities)	45,281.37	-	51,089.94	-	**51,089.94**
Deposits	16,232.41	-	-	16,559.97	**16,559.97**
Subordinated liabilities	4,620.76	-	6,265.88	-	**6,265.88**
Lease liabilities	349.49	-	-	349.49	**349.49**
Other financial liabilities	1,149.82	-	-	1,149.82	**1,149.82**
Total financial liabilities	**107,849.15**	**-**	**104,682.46**	**18,212.71**	**122,895.17**
Off-balance sheet items					
Other commitments	148.66	-	-	148.66	**148.66**
Total off-balance sheet items	**148.66**	**-**	**-**	**148.66**	**148.66**

Note:

The management assessed that cash and cash equivalents, trade receivables, trade payables, other receivables, other payables, bank overdrafts and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

52.09: 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. Loan and other similar arrangements with subsidiaries which are probable to be settled for a fixed number of equity share of the borrower for a fixed price are classified as equity investment. 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 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.

52 FAIR VALUE MEASUREMENT (Contd.)

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.

53 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.

53.01: Introduction and risk profile

53.01.01: 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.

53.01.02: 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.

53.01.03: 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.

53 RISK MANAGEMENT (Contd.)

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.

53.01.04: 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.

53.02: 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

53.02.01: 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.

53.02.02: 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 53.02.02.01).

-How the Company defines, calculates and monitors the probability of default, exposure at default and loss given default (Notes 53.02.02.02 to 53.02.02.04)

-When the Company considers there has been a significant increase in credit risk of an exposure (Note 53.02.02.05)

-The Company's policy of segmenting financial assets where ECL is assessed on a collective basis (Note 53.02.02.07)

-The details of the ECL calculations and categorisation of loans for stage 1, stage 2 and stage 3 assets (Note 6.1(xi))

53 RISK MANAGEMENT (Contd.)

53.02.02.01: 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.
- 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.

53.02.02.02: 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.

53.02.02.03: 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.

53.02.02.04: 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.

53.02.02.05: 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 53.02.02.01 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 53.02.02.07), the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

53 RISK MANAGEMENT (Contd.)

53.02.02.06: Forward looking information

The Company has incorporated forward looking information and macro-economic factors while calculating PD and LGD rate. Refer note 63 for impact of COVID-19 on estimate of PD, LGD and SICR.

53.02.02.07: 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. New vehicle finance

2. Pre owned vehicle finance

3. Business Loans

53.02.03: Analysis of risk concentration

The maximum credit exposure to any individual client or counterparty as of March 31, 2022 was Rs. 61.13 crores (March 31, 2021: Rs. 52.22 crores).

Credit risk exposure analysis

(Rs. in crores)

Particulars	As at March 31, 2022			
	Stage 1 collective	Stage 2 collective	Stage 3 collective	Total
Credit risk exposure	103,492.98	13,318.50	8,887.55	**125,699.03**

53.03: 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.

53 RISK MANAGEMENT (Contd.)

53.03.01: 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, 2022:

(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
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 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	29.03	27.62	46.59	81.92	7.51	-	**192.67**
Other financial assets	-	-	-	-	-	51.45	**51.45**
Total undiscounted financial assets	**31,876.36**	**15,718.66**	**28,507.62**	**73,163.01**	**18,269.67**	**4,525.23**	**172,060.55**
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)	**18,225.82**	**7,603.72**	**4,642.11**	**11,692.06**	**1,127.26**	**(6,191.74)**	**37,099.23**

*** includes future interest**

53 RISK MANAGEMENT (Contd.)

Maturity pattern of assets and liabilities as on March 31, 2021:

(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
Financial assets							
Cash and cash equivalents	11,050.93	-	-	-	-	-	**11,050.93**
Bank balance other than above	2,250.28	1,543.15	1,093.35	450.85	53.26	-	**5,390.89**
Derivative assets	-	-	100.51	38.26	-	30.48	**169.25**
Financial assets at fair value through profit and loss	-	-	-	-	-	8.28	**8.28**
Loans *	13,358.17	15,198.43	24,695.47	66,062.15	18,404.12	3,131.92	**140,850.26**
Financial investments at amortised cost	153.19	134.26	235.76	832.05	169.15	1,689.80	**3,214.21**
Trade receivables	8.92	-	-	-	-	-	**8.92**
Other receivables	49.90	-	-	-	-	-	**49.90**
Other financial assets	2.07	-	-	-	-	46.96	**49.03**
Total undiscounted financial assets	**26,873.46**	**16,875.84**	**26,125.09**	**67,383.31**	**18,626.53**	**4,907.44**	**160,791.67**
Financial liabilities							
Deposits *	920.83	1,541.32	3,817.22	9,090.96	3,814.50	-	**19,184.83**
Debt securities *	3,433.09	4,954.30	5,893.54	24,240.95	3,320.04	5,428.64	**47,270.56**
Borrowings (other than debt securities) *	6,348.78	5,469.99	11,980.12	23,455.05	4,790.82	365.83	**52,410.59**
Subordinated liabilities *	86.83	86.23	341.79	1,493.08	2,828.52	1,880.28	**6,716.73**
Trade payables	152.22	-	0.30	-	-	-	**152.52**
Other payables	0.54	-	-	-	-	-	**0.54**
Lease liabilities	25.98	25.26	49.72	161.50	92.89	91.87	**447.23**
Other financial liabilities	925.01	8.02	81.94	99.85	30.91	4.09	**1,149.82**
Total undiscounted financial liabilities	**11,803.95**	**12,078.19**	**22,152.11**	**58,505.60**	**14,859.35**	**7,753.77**	**127,332.82**
Net undiscounted financial assets/ (liabilities)	**15,069.51**	**4,797.65**	**3,972.98**	**8,877.71**	**3,767.18**	**(2,846.33)**	**33,458.85**

*** includes future interest**

53 RISK MANAGEMENT (Contd.)

The table below shows the expiry by maturity of the contingent liabilities and commitments of the Company 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, 2022							
In respect of Income tax demands where the Company and its associate have filed appeal before various authorities	-	-	-	-	-	175.46	**175.46**
VAT demand where the Company and its associate have filed appeal before various appellates	-	-	-	-	-	117.54	**117.54**
Service tax demands where the Company and its associate have 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**
As at March 31, 2021							
In respect of Income tax demands where the Company and its associate have filed appeal before various authorities	-	-	-	-	-	133.64	**133.64**
VAT demand where the Company and its associate have filed appeal before various appellates	-	-	-	-	-	117.54	**117.54**
Service tax demands where the Company and its associate have 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	3.82	-	-	-	-	-	**3.82**
Commitments related to loans sanctioned but undrawn	148.66	-	-	-	-	-	**148.66**
Total commitments	**152.48**	**-**	**-**	**-**	**-**	**2,232.81**	**2,385.29**

53 RISK MANAGEMENT (Contd.)

53.04: 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) 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, 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)**

As at March 31, 2021 (Rs. in crores)

Particulars	Carrying amount	Favourable change 1% increase	Unfavourable change 1% decrease
Debt instrument	5,776.24	572.78	(644.49)
Term loans	9,723.08	707.21	(665.36)
Total floating rate borrowings	**15,499.32**	**1,279.99**	**(1,309.85)**

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, 2022			As at March 31, 2021		
	Rate of interest	Notional Amounts	Maturity date	Rate of interest	Notional Amounts	Maturity date
Currency derivatives:						
- Spots and forwards	3 months LIBOR + 1.95%	22.19	June 10, 2022 to August 10, 2023	3 months LIBOR + 1.95%	37.05	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%	133.64	June 13, 2022 to December 11, 2026	6 months LIBOR + 2.50%	147.00	December 13, 2021 to December 11, 2026
TOTAL		**2,558.16**			**2,586.38**	

53 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 22 B - External commercial bond (ED) Secured and 23 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, 2022				As at March 31, 2021			
	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	8.65	685.38	536.60	36,134.01	10.58	837.69	479.50	35,593.99
Cross currency Interest rate swap / Forward exchange contracts	8.65	685.38	536.60	36,134.01	10.58	837.69	479.50	35,593.99
Net Exposure	-	-	-	-	-	-	-	-

Movement in Cash flow hedge reserve

(Rs. in crores)

Cash flow hedge reserve	As at March 31, 2022			As at March 31, 2021		
	Realised	Unrealised	Total	Realised	Unrealised	Total
Balance at the beginning of the year	-	**(93.02)**	**(93.02)**	-	-	-
Add: Changes in the fair value during the year	-	(160.87)	(160.87)	-	(124.31)	(124.31)
Less: Income tax relating to items that will be reclassified to profit or loss	-	40.49	40.49	-	31.29	31.29
Less: Amounts reclassified to Statement of profit and loss	-	-	-	-	-	-
Balance at the end of the year	-	**(213.40)**	**(213.40)**	-	**(93.02)**	**(93.02)**

Nature and terms and conditions of outstanding derivative contracts

(Rs. in crores)

Particulars	As at March 31, 2022				As at March 31, 2021			
	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	22.19	(0.56)	3 months LIBOR + 1.95%	June 10, 2021 to August 10, 2023	37.05	(0.30)
- Spots and forwards	4.15% to 5.95%	June 15, 2022 to June 15, 2027	17,018.41	98.39	4.15% to 5.95%	June 15, 2021 to June 15, 2027	13,789.85	79.67
- Currency swaps	4.15% to 5.10%	July 14, 2023 to July 18, 2025	2,320.47	(276.95)	4.40% to 5.10%	July 14, 2023 to March 13, 2024	2,320.38	(103.23)
- Cross currency interest rate swaps	3 months LIBOR + 1.95%	August 10, 2023	2,402.33	197.16	3 months LIBOR + 1.95%	August 10, 2023	2,402.33	32.81

53 RISK MANAGEMENT (Contd.)

(Rs. in crores)

Particulars	As at March 31, 2022				As at March 31, 2021			
	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 EURIBOR + 1.15%	April 26, 2022 to April 25, 2026	685.38	155.82	6 months EURIBOR + 1.15%	April 25, 2026	837.69	49.24
- Cross currency interest rate swaps	6 months LIBOR + 2.50%	June 13, 2022 to December 11, 2026	133.64	5.50	6 months LIBOR + 2.50%	December 13, 2021 to December 11, 2026	147.00	(1.76)
- Cross currency interest rate swaps	-	-	-	-	5.70%	February 28, 2022	2,849.90	101.25
- Cross currency interest rate swaps	SOFR + 2.10%	December 03, 2024	187.35	5.66	-	-	-	-
(ii) Interest rate derivatives:								
- Interest rate swaps	4.15% to 5.95%	October 24, 2022 to July 18, 2025	14,049.63	3.18	4.40% to 5.95%	October 24, 2022 to March 13, 2024	14,047.48	9.72
- Interest rate caps	6 months EURIBOR + 1.15%	April 26, 2022 to April 25, 2026	-	13.20	6 months EURIBOR + 1.15%	April 26, 2021 to April 25, 2026	-	1.85
TOTAL			**36,819.40**	**201.40**			**36,431.68**	**169.25**

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:

(a) 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

(b) 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.

54 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:

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
The principal amount remaining unpaid to supplier as at the end of the year	1.48	0.37
The interest due thereon remaining unpaid to supplier as at the end of the year	-	-

54 DISCLOSURE UNDER THE MSME ACT 2006, (AS PER THE INTIMATION RECEIVED FROM THE VENDOR) (Contd.)

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
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	-	-

55 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. 0.54 crores (March 31, 2021: Rs. 0.34 crores) shown under Legal and professional fees in note 42 Other expenses.

56 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. 0.33 crores (March 31, 2021: Rs. Nil) netted off against Securities premium under Other equity in note 31 Other equity.

57 DISCLOSURE REGARDING AUDITORS REMUNERATION DISCLOSED UNDER RIGHT 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 Right Shares of Rs. Nil crores (March 31, 2021: Rs. 0.27 crores) netted off against Securities premium under Other equity in note 31 Other equity.

58 SEGMENT REPORTING

The Company 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.

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Securitisation		
Carrying amount of transferred assets measured at amortised cost (held as collateral)	21,120.76	25,890.69
Carrying amount of associated liabilities (Borrowings (other than debt securities)- measured at amortised cost)	19,538.08	23,403.60
Fair value of assets	21,105.47	25,756.51
Fair value of associated liabilities	19,765.43	23,960.23
Net position at fair value	**1,340.04**	**1,796.28**

59 TRANSFER OF FINANCIAL ASSETS (Contd.)

Note 59.02: 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 :

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Direct assignment		
Carrying amount of transferred assets measured at amortised cost	1,599.67	1,300.31
Carrying amount of exposures retained by the Company at amortised cost	159.97	130.03

Note 59.03: 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.

60 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Resource mobilisation	36.63	23.03
Total	**36.63**	**23.03**

Remittances in foreign currencies

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Right issue expenses	-	0.26
Total	-	**0.26**

61 DETAILS OF CSR EXPENSES

(Rs. in crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a) Gross amount required to be spent by the Company during the year	69.12	62.91
b) Amount spent during the year		
- On purposes other than construction/acquisition of any asset		
Paid in cash	69.72	64.96
Yet to be paid in cash	-	-
Total	**69.72**	**64.96**

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, 2022 and March 31, 2021.

CSR activities include Education, Preservation of Art, Culture and Heritage, Preventive Healthcare, Scholarship Scheme, Training and Skill Development, Road Safety Awareness Program, Contribution towards Primary, Secondary and Higher Education 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, 2022 and March 31, 2021.

62 MOVEMENT IN PROVISIONS

(Rs. in crores)

Particulars	As at March 31, 2021	Additional provision made during the year	Utilisation/reversal during the year	As at March 31, 2022
Provision for taxes- contested	92.75	-	1.82	90.93

(Rs. in crores)

Particulars	As at April 01, 2020	Additional provision made during the year	Utilisation/reversal during the year	As at March 31, 2021
Provision for taxes- contested	92.75	-	-	92.75

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.

63 NOTE ON COVID

The significant increase in economic activities post easing of lockdown by the state governments due to COVID-19 had resulted in improvement in business operations of the Company. As a matter of prudence, during the financial year ended March 31, 2022, the Company has written off Rs. 799.92 crores by utilising the ECL provision created as management overlay on account of COVID-19. The ECL provision of Rs. 2,052.58 crores is retained by the company as at March 31, 2022 towards management overlay on account of COVID-19.

The additional ECL provision retained on account of COVID-19 is based on the Company's historical experience, collection efficiencies post lockdown, internal assessment and other emerging forward looking factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic. The Company's management is continuously monitoring the situation and the economic factors affecting the operations of the Company.

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 Company has created a floating charge on the statutory liquid assets comprising of investment in government securities (face value) to the extent of Rs. 3,354.44 crores (March 31, 2021: Rs. 2,003.76 crores) in favour of trustees representing the public deposit holders of the Company.

66 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 6, 2020 and May 5, 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.

66.01 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 6, 2020 and RBl/2021-22/31/DOR.STR.REC.11 /21.04.048/2021-22 dated May 05, 2021

(Rs. in crores)

Type of borrower	(A) Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	(B) Of (A), aggregate debt that slipped into NPA during the half-year	(C) Of (A) amount written off during the half-year	(D) Of (A) amount paid by the borrowers during the half- year	(E) Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans #	974.96	40.01	1.98	162.95	770.01
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**974.96**	**40.01**	**1.98**	**162.95**	**770.01**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

pertains to automobile loans

66.02 Disclosure as per the format prescribed as per the notification no. RBI/2020-21/17 DOR.NO.BP.BC/4/21.04.048/2020-21 on "Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances" having exposure less than or equal to Rs. 25 crores:

(Rs. in crores)

No. of accounts restructured	Amount
2,131	64.32

67 Hon'ble Supreme Court, in a public interest litigation (Gajendra Sharma vs. Union of India & Anr.) vide an interim order dated September 3, 2020, has directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. However, such accounts had been classified as stage 3 in accordance with Note No.63 and provision had been made accordingly. The interim order stood vacated on March 23, 2021 vide the judgement of the Hon'ble Supreme Court in the matter of Small Scale Industrial manufacturers Association v/s UOI & Ors. and other connected matters. In accordance with the instructions in paragraph 5 of the RBI circular no. RBI/2021-22/17 DOR. STR. REC. 4/ 21.04.048/ 2021-22, dated April 07, 2021 issued in this connection, the Company was already classifying the NPA accounts as Stage 3 and provision was made accordingly, without considering the above mentioned asset classification benefit for accounting purpose, there is no change in asset classification on account of the interim order dated March 23, 2021.

68 The Company had credited an ex-gratia amount of Rs. 231.28 crores for the payment of difference between the compound interest and simple interest to the accounts of borrowers in specified loan accounts between March 1, 2020 and August 31, 2020 as per the eligibility criteria and other features as mentioned in the notification dated October 23, 2020 issued by Government of India, Ministry of Finance, Department of Financial Services. The Company had filed a claim with the State Bank of India for reimbursement of the said ex-gratia amount as specified in the notification and same was received on March 31, 2021.

69 In accordance with the instructions in aforementioned RBI circular dated April 07, 2021, and the Indian Banks' Association ('IBA') advisory letter dated April 19, 2021, the Company had put in place a Board approved policy to refund/ adjust the interest on interest charged during the moratorium period of March 01, 2020 to August 31, 2020 to the eligible borrowers under the abovementioned circular and advisory during the financial year ended March 31, 2021. The Company had estimated the benefit to be extended to the eligible borrowers at Rs. 36.54 crores and created a liability / credited the Borrower's account towards the estimated interest relief and reduced the same from the interest income of the financial year March 31, 2021.

70 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.

71 REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES (ROC)

All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2022 and March 31, 2021. No charges or satisfactions are yet to be registered with ROC beyond the statutory period.

72 COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2022 and March 31, 2021.

73 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 said Scheme is effective upon approval of shareholders, creditors, Hon'ble National Company Law Tribunal, Reserve Bank of India and other regulatory and statutory approvals as applicable with an appointed date as of April 01, 2022. The Company has already initiated process for the approval of the Scheme by various statutory authorities. The Company has already received Observation letters dated March 15, 2022 and March 16, 2022 from BSE Limited (designated Stock Exchange) and National Stock Exchange of India Ltd. respectively. The financial statements are for the year ended March 31, 2022, which is prior to the appointed date i.e. April 01, 2022 and as such the approval/implementation of Scheme has no implications on these financial statements.

74 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.

75 UNDISCLOSED INCOME

There are no transactions not recorded in the books of accounts.

76 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.

77 CHANGE IN THE PROCESS OF NPA CLASSIFICATION

Pursuant to RBI circular RBI/2021-22/125 DOR/STR/REC.68/21.04.048/2021-22 dated November 12, 2021, on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications, the Company has revised its process of NPA classification to flagging of the borrower accounts as overdue as part of the day-end processes for the due date. Had the Company followed the earlier method, the profit before tax for the year ended on March 31, 2022 would have been higher by Rs. 407.65 crores.

78 TITLE DEEDS OF IMMOVABLE PROPERTIES NOT HELD IN NAME OF THE COMPANY

The Company does not possess any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company during the financial year ended March 31, 2022 and March 31, 2021.

79 DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

The Company has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2022 and March 31, 2021.

80 DETAILS OF BENAMI PROPERTY HELD

No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2022 and March 31, 2021.

81 WILFUL DEFAULTER

The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in the financial years ended March 31, 2022 and March 31, 2021.

82 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, 2022 and March 31, 2021 are given below:

(Rs. in crores)

Name of the struck off company	Balance outstanding as at		Relationship with the Struck off company
	March 31, 2022*	March 31, 2021*	
Receivables (Loans outstanding)			
ARRR Constructions Chennai Private Limited	0.02	0.04	Borrower
Kanta Tours and Travels Private Limited	-	0.14	Borrower
Pulse Electrical Solutions India Private Limited	-	0.01	Borrower
Rentacomfort Tours N Travels Private Limited	-	0.23	Borrower
Swift Equipments Private Limited	0.95	1.00	Borrower
Skilltech Services Private Limited	0.02	0.08	Borrower
VMK Infrastructure Projects India Private Limited	-	0.12	Borrower
Payables (Borrowings outstanding)			
Intercon Overseas Pvt Ltd	-	0.15	Deposit holder
Shares held by struck off company**			
Nasik Capital And Financial Services Private Limited	0.00	0.00	Equity shareholder
Rasi Leasing Company Private Limited	0.00	0.00	Equity shareholder

*0.00 denotes amounts less than Rs. 1.00 lacs

**In the financial years ended March 31, 2022 and March 31, 2021, 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.

83 PREVIOUS YEAR COMPARATIVES

Previous year's figures have been regrouped/reclassified wherever necessary, to conform to current year's classification.

As per our report of even date
For **Khimji Kunverji & Co LLP**
Chartered Accountants
ICAI Firm Registration No. 105146W/W-100621

Gautam Shah
Partner

Membership No. 117348
Mumbai
April 28, 2022

For **Sundaram & Srinivasan**
Chartered Accountants
ICAI Firm Registration No. 004207S

P Menakshi Sundaram
Partner

Membership No. 217914
Mumbai
April 28, 2022

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

S. Lakshminarayanan
Chairman
DIN: 02808698
Mumbai
April 28, 2022

Umesh Revankar
Vice Chairman &
Managing Director
DIN: 00141189
Mumbai
April 28, 2022

Parag Sharma
Joint Managing Director & CFO
DIN: 02916744
Mumbai
April 28, 2022

Vivek M. Achwal
Company Secretary
Mumbai
April 28, 2022

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 crore)	As % of Consolidated profit or loss	Amount (Rs. in crore)	As % of consolidated other comprehensive income	Amount (Rs. in crore)	As % of total comprehensive income	Amount (Rs. in crore)
1	2	3	4	5	6	7	8	9
Parent								
Shriram Transport Finance Company Limited	99.38%	25,932.19	99.52%	2,707.93	99.98%	(122.80)	99.49%	2,585.13
Subsidiaries								
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
Minority interests in all subsidiaries	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Associates (Investment as per the equity method)								
Indian								
Shriram Automall India Limited	0.57%	148.92	0.48%	13.17	0.02%	(0.02)	0.51%	13.15
Foreign	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Inter-company eliminations and consolidation adjustments	0.05%	13.15	0.00%	-	0.00%	-	0.00%	-
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%**	**26,094.26**	**100.00%**	**2,721.10**	**100.00%**	**(122.82)**	**100.00%**	**2,598.28**

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

S. Lakshminarayanan
Chairman
DIN: 02808698
Mumbai
April 28, 2022

Umesh Revankar
Vice Chairman & Managing Director
DIN: 00141189
Mumbai
April 28, 2022

Parag Sharma
Joint Managing Director & CFO
DIN: 02916744
Mumbai
April 28, 2022

Vivek M. Achwal
Company Secretary

Mumbai
April 28, 2022

SHRIRAM
Transport Finance Company Limited
A WINNING RELATIONSHIP

SHRIRAM TRANSPORT FINANCE COMPANY LIMITED

CIN: L65191TN1979PLC007874

Regd. Office: Sri Towers, 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.stfc.in Email id: secretarial@stfc.in.**

NOTICE

NOTICE is hereby given that the Forty-Third Annual General Meeting of the Members of SHRIRAM TRANSPORT FINANCE COMPANY LIMITED ('the Company') will be held on Thursday, June 23, 2022 at 2.00 p.m. through Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM') facility to transact the following business:

ORDINARY BUSINESS

1. **To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2022, 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, 2022, 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."

2. **To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, 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, 2022, 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."

3. **To confirm the payment of two interim dividends aggregating to Rs.20/- per Equity Share of Rs.10/- each, (i) first interim dividend of Rs.8/- per Equity Share of Rs.10/- each declared by the Board of Directors in its meeting held on October 29, 2021 and (ii) second interim dividend of Rs.12/- per Equity share of Rs.10/- each declared by the Board of Directors in its meeting held on March 5, 2022 already paid, as the final dividend for the Financial Year 2021-22 and in this regard, to pass the following resolution as an Ordinary Resolution:**

   "**RESOLVED THAT** the First Interim Dividend of Rs.8/- per equity share of face value of Rs.10/- each on 268783613 equity shares of face value of Rs.10 each fully paid-up absorbing Rs.215,02,68,904/- for the financial year ended March 31, 2021, paid to the eligible Members on November 24, 2021, subject to deduction of tax at source, as applicable be and is hereby noted and confirmed.

   RESOLVED FURTHER THAT the Second Interim Dividend of Rs.12/- per equity share of face value of Rs.10/- each on 270519713 equity shares of face value of Rs.10/- each fully paid-up absorbing Rs.324,62,36,556/- for the financial year ended March 31, 2022, paid to the eligible Members on March 24, 2022, subject to deduction of tax at source, as applicable be and is hereby noted and confirmed.

   RESOLVED FURTHER THAT the aforementioned interim dividends aggregating to Rs.20/- per equity share of face value of Rs.10/- each paid to the eligible Members, subject to deduction of tax at source, as applicable be and is hereby confirmed as the final dividend for the Financial Year 2021-22."

4. **To appoint a director in place of Mr. Ignatius Michael Viljoen (DIN 08452443), 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 of the Companies Act, 2013, Mr. Ignatius Michael Viljoen (DIN 08452443), 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."

5. **To appoint M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai (ICAI Firm Registration No. 004207S) as Joint Statutory Auditors of the Company and to fix their remuneration and in this regard,**

to pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 **("the Act")**, the Companies (Audit and Auditors) Rules, 2014 and Circular No.RBI/2021-22/25-Ref. No. DoS. CD.ARG/SEC.01/ 08.91.001/2021-22 dated April 27, 2021 **("RBI Guidelines")** issued by Reserve Bank of India (RBI) (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force), approval of the Members of the Company be and is hereby accorded, for appointment of M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai (ICAI Firm Registration No. 004207S) **("M/s. Sundaram & Srinivasan")** as joint Statutory Auditors of the Company 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.

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 appoint M/s. Khimji Kunverji & Co LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No. 105146W/W100621) as Joint Statutory Auditors of the Company and to fix their remuneration and in this regard, to pass the following resolution as an Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 **("the Act")**, the Companies (Audit and Auditors) Rules, 2014 and Circular No.RBI/2021-22/25-Ref. No. DoS. CD.ARG/SEC.01/ 08.91.001/2021-22 dated April 27, 2021 **("RBI Guidelines")** issued by Reserve Bank of India (RBI) (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force), approval of the Members of the Company be and is hereby accorded, for the appointment of M/s. Khimji Kunverji & Co LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No. 105146W/W100621) **("M/s. Khimji Kunverji & Co LLP")** as joint Statutory Auditors of the Company 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.

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."

SPECIAL BUSINESS

7. **Appointment of Mr. Y. S. Chakravarti (DIN 00052308) as a Director of the Company, liable to retire by rotation 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, if any, of the Companies Act, 2013 (the 'Act'), the Companies (Appointment and Qualification of Directors) Rules, 2014 and any other applicable rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force), Mr. Y. S. Chakravarti (DIN 00052308), who was appointed as an Additional Director of the Company with effect from December 13, 2021 by the Board of Directors of the Company in accordance with the provisions of Section 161(1) of the Act and Article 21 of the Articles of Association of the Company and who holds the office only upto the date of the next Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member under section 160 of the Act proposing his candidature for the office of Director of the Company, the consent of the Members of the Company be and is hereby accorded for appointment of Mr. Y. S. Chakravarti (DIN 00052308), being eligible, as a Non-Independent Director of the Company, liable to retire by rotation."

8. **Appointment of Mr. Parag Sharma (DIN 02916744) as a Director of the Company liable to retire by rotation 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, if any, of the Companies Act, 2013 (the 'Act'), the Companies

(Appointment and Qualification of Directors) Rules, 2014 and any other applicable rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force), Mr. Parag Sharma (DIN 02916744) who was appointed as an Additional Director of the Company with effect from December 13, 2021 by the Board of Directors of the Company in accordance with the provisions of Section 161(1) of the Act and Article 21 of the Articles of Association of the Company and who holds the office only upto the date of the next Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member under section 160 of the Act proposing his candidature for the office of Director of the Company, the consent of the Members of the Company be and is hereby accorded for appointment of Mr. Parag Sharma (DIN 02916744), being eligible, as a Non-Independent Director of the Company, liable to retire by rotation."

9. **Appointment of Mr. Parag Sharma (DIN 02916744) as a Whole-time Director designated as "Joint Managing Director and Chief Financial Officer" and in this regard, to pass the following Resolution as an Ordinary Resolution:**

"**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and any other Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Parag Sharma (DIN 02916744) be and is hereby appointed as Whole Time Director designated as Joint Managing Director and Chief Financial Officer of the Company for a period of five years with effect from December 13, 2021 to December 12, 2026 (both days inclusive) and that he shall perform such duties and exercise such powers as may from time to time be lawfully entrusted to and conferred upon him by the Board of Directors and he be paid a remuneration by way of salary, allowances and be entitled to the perquisites, benefits and amenities as detailed below in accordance with Schedule V to the Act or any statutory modification(s) or re-enactment thereof:

A. Basic Salary:

Basic salary of Rs. 2,50,000/- (Rupees Two Lakh Fifty Thousand only) per month from the date of appointment of the Joint Managing Director and Chief Financial Officer up to March 31, 2022 which was increased to Rs. 3,00,000/- (Rupees Three Lakh only) per month with effect from April 1, 2022 up to March 31, 2023. The same will be further increased over the tenure of his appointment up to Rs. 5,00,000/- (Rupees Five Lakhs only) per month. The annual increase in the basic salary will be effective from first day of every financial year commencing from April 1, 2022. The quantum of the annual increment will be decided by the Board of Directors on the recommendation of Nomination and Remuneration Committee (NRC Committee) on the basis of annual performance evaluation of the Joint Managing Director and Chief Financial Officer.

B. Allowances:

(i) House Rent Allowance – 60% of Basic Salary or free accommodation (Company owned/leased/rented) in lieu of House Rent Allowance, per month

(ii) Leave Travel Allowance – for the Joint Managing Director & Chief Financial Officer and family, up to one month basic salary, every year.

(iii) Other Allowance of Rs.1,50,000/- (Rupees One lacs Fifty Thousand) per month.

C. Perquisites:

(i) Personal Accident / Group Insurance applicable to other employees in accordance with policy of the Company.

(ii) Club Fees-Subscription limited to a maximum of two clubs. No life membership or admission fees shall be paid by the Company. All official expense in connection with such membership incurred would be reimbursed by the Company.

(iii) Contribution to Provident Fund -12% of Basic Salary and Contribution to National Pension Scheme - 10% of Basic Salary. These will not be considered or included for the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

(iv) Gratuity - Not exceeding half months' salary for each completed year of service.

(v) Encashment of leave as per policy of the Company.

(vi) The Company shall provide telephone, mobile, internet, data card and other communication facilities at the 'Joint Managing Director & Chief Financial Officer's residence. All the expenses incurred shall be paid or reimbursed as per the rules of the Company.

(vii) Leave as per the Company's policy.

(viii) Employees Stock Option - As may be decided by the Nomination and Remuneration Committee / Board of Directors from time to time according to the Employee Stock Option Scheme of the Company.

(ix) Expenditure on official entertainment would be on the Company's account.

(x) Other Terms – applicable to other employees in accordance with the Company's policy.

Those mentioned under (iii) and (iv) above will not be considered or included for the computation of ceiling on perquisites.

Other Applicable Terms:

(i) The Joint Managing Director and Chief Financial Officer shall not be paid any sitting fees for attending General Meetings and Meetings of the Board or Committee thereof.

(ii) The Board may revise, alter and vary the terms and conditions of his appointment, including his remuneration, subject to the applicable provisions of Schedule V to the Act.

(iii) Unless the Board decides otherwise, the Joint Managing Director and Chief Financial Officer will liable to retire by rotation at the Annual General Meeting.

RESOLVED FURTHER THAT if in any financial year, the Company has no profits or its profits are inadequate, Joint Managing Director and Chief Financial Officer shall be entitled to receive the basic salary, allowances, perquisites, benefits and amenities on the same terms as set out above, subject to compliance with the applicable provisions of Schedule V to the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

10. Payment of commission to the Independent Directors of the Company and in this regard, to pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** in supersession of the ordinary resolution passed by the Members at the 42nd Annual General Meeting of the Company and pursuant to Regulation 17(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the "Act") and Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded, for payment of commission to all Independent Directors of the Company for an aggregate amount not exceeding Rs.200 Lakhs for every financial year over the period of three financial years commencing from April 1, 2022 and ending on March 31, 2025 as may be decided by the Board of directors of the Company provided that the same shall not exceed 1% of the net profits of the Company in any financial year in terms of Section 197 of the Act and computed in the manner referred to in Section 198 of the Act."

By Order of the Board
For Shriram Transport Finance Company Limited

Mumbai
April 28, 2022

Vivek Achwal
Company Secretary
Membership No. : ACS 8061

CIN: L65191TN1979PLC007874

Regd. Office: Sri Towers, 14A, South Phase,

Industrial Estate, Guindy, Chennai 600 032, Tamil Nadu

Tel No: +91 44 4852 4666 Fax: +91 44 4852 5666.

Website: www.stfc.in Email id: secretarial@stfc.in.

Notes:

1. In view of the continuing COVID-19 pandemic, Ministry of Corporate Affairs ("MCA") have permitted conducting the Annual General Meeting through video conferencing ("VC") or other audio-visual means ("OAVM") upto June 30, 2022. MCA has issued Circular No. 14/2020 dated 8th April 2020, Circular No.17/2020 dated 13th April 2020, Circular No.20/2020 dated 5th May 2020, Circular No.02/2021 dated 13th January, 2021, Circular No.19/2021 dated 08th December, 2021 and Circular No.21/2021 dated 14th December, 2021 ("MCA Circulars"). In compliance with MCA Circulars, the 43rd Annual General Meeting ("43rd 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 physical 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 43rd 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 43rd AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

3. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the 43rd 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/authorization shall be sent to the Scrutinizer by email through its registered email address to stfc.scrutinizer@gmail.com and may also upload the same at https://evoting.kfintech.com.

4. The Explanatory Statement pursuant to Section 102(1) of the Act, in respect of the special business set out under item nos. 7 to 10 is annexed and forms a part of this Notice.

5. The brief detail of the directors, who are being appointed/ re-appointed, at this AGM is annexed hereto as per the requirements of Regulation 36(3) of the SEBI Listing Regulations, as amended and the Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India ('ICSI').

6. The Board of Directors had declared two interim dividends for the financial year 2021- 22 ,the first interim dividend of Rs.8/- per equity share of Rs.10/- each fully paid up at its meeting held on October 29, 2021. The payment was made on November 24, 2021 subject to deduction of tax at source.The Board of Directors at its meeting held on March 5,2022, had declared second interim dividend of Rs.12/- per Equity share of Rs.10/- each fully paid. The payment was made on March 24, 2022 subject to deduction of tax at source. The total dividend for the financial year 2021-22 is Rs.20/- per share (i.e.200%). The Board of Directors have not recommended final dividend. Thus, the interim dividend shall be the final dividend for the financial year 2021-22.

7. 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 Friday, June 17, 2022 to Thursday, June 23, 2022 (both days inclusive) for the purpose of 43rd AGM of the Company.

8. The facility of joining the 43rd AGM through VC/ OAVM will be opened 30 minutes before and will be open upto 15 minutes after the scheduled start time of the 43rd AGM, i.e. from 01.30 p.m. to 02.15 p.m.

9. Institutional investors, who are Members of the Company, are encouraged to attend and vote at the 43rd AGM of the Company

10. In terms of sections 101 and 136 of the Act read with the rules made thereunder, the listed companies may send the notice of 43rd AGM and the annual report, including financial statements, boards' report, etc. by electronic mode. In compliance with the aforesaid MCA Circulars, Notice of the 43rd AGM along with the Annual Report 2021-22 is being sent through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report for F.Y.2021-22 will also be available on the Company's website www.stfc.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 KFin Technologies Limited ('KFin') at https://evoting.kfintech.com.

11. 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 ("Integrated") for receiving the Notice of AGM and Annual Report alongwith the Login ID and Password by sending an email to the RTA at their email ID : csdstd@integratedindia.in.

12. Members attending the 43rd AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

13. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on Thursday, June 16, 2022 being Cut-off Date. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

14. (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. June 16, 2022, may obtain the login Id and password by sending a request at evoting@kfintech.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. June 16, 2022, holding shares in NSDL and CDSL should login through the sites of NSDL and CDSL can cast the votes during remote e-voting period.

    c) However, for VC/OAVM meeting the members should login at https://emeetings.kfintech.com to participate in the meeting and also to cast vote in case they have not voted during remote e-voting period.

    For details on login method of e-voting please refer the instructions below under the head **"Voting through electronic means"**

15. 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 43rd AGM.

16. Since the 43rd AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

17. The Company has been maintaining, inter alia, the following statutory registers at its registered office at Chennai, Tamil Nadu - 600 032:

    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 43rd AGM. Members seeking to inspect such documents can send an e-mail secretarial@stfc.in

18. The Board of Directors has appointed Mr. P. Sriram (Membership No. FCS 4862), Practising Company Secretary (PCS No. 3310) and failing him Ms. Nithya Pasupathy (Membership No. FCS 10601), Practising Company Secretary (PCS No. 22562) of SPNP & Associates, Chennai as the Scrutinizer to scrutinize the remote e-voting process and at the 43rd 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, has provided the norms for furnishing PAN,KYC details and Nomination by holders of physical securities. Pursuant to 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 and Form No. SH-13/Form ISR 3. The link for downloading the forms is is available on the Company's website https://tinyurl.com/2d8f4jje.

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. 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 website under the web link at https://tinyurl.com/yc2zfkxa.

    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 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. SEBI has recently mandated furnishing of PAN, KYC details (i.e., Postal Address with Pin Code, email address, mobile number, bank account details) and nomination details by holders of securities. With effect from January 01 2022, any service requests or complaints received from the member, will not be processed by RTA till the aforesaid details/ documents are provided to RTA. 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 April 01, 2023. Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company at https://tinyurl.com/2d8f4jje

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 Integrated 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 ('the Act'), as amended by the Finance Act, 2020, dividends declared or distributed or paid by a Company on or after April 1, 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 Act. 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 Integrated in case the shares are held by them in physical form.

26. Loss of Shares: In case of loss/misplacement of share certificates, Members should immediately lodge a complaint/FIR with the police and inform the Company's Registrar and Transfer Agent, Integrated 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 Registrar and Transfer Agent, Integrated. In respect of shares held in dematerialized 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 Dematerialized form:

    - Indian address for sending all communications, if not provided so far;
    - 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 dematerialized 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 dematerializing the shares to their demat account(s) after transmission of shares

in their name by the Registrar and Transfer Agent of the Company.

30. Members are requested to note that, dividends if not encashed for a consecutive period of 7 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. For details, please refer to corporate governance report which is a part of this Annual Report.

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.

32. Transfer of unclaimed dividend transferred to Investor Education and Protection Fund

(i) Pursuant to the provisions of Section 125 of the Companies Act, 2013, the dividends which remain unclaimed for a period of 7 years will be transferred by the Company to the "Investor Education and Protection Fund" (IEPF) established by the Central Government as and when they fall due. Shareholders 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 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 is being sent to the concerned shareholders.

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
2015	05/09/2022	-	2018	31/08/2025	07/12/2024
2016	01/09/2023	04/12/2022	2019	02/08/2026	30/11/2025
2017	04/08/2024	30/11/2023	2020	-	29/11/2026
			2021	30/07/2028	1. 04/12/2027
					2. 30/04/2028
			2022	-	1. 04/12/2028
					2. 10/04/2029

(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 seven consecutive years will be transferred to the IEPF Authority as per Section 124 of the Act, and the applicable rules. Accordingly, during the financial year 2021-2022 the Company had transferred 60,221 Equity shares of Rs. 10/- each in respect of which the following dividend was not claimed/remained unpaid for 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
2013-2014	Final Dividend	26,268	17/09/2021
2014-2015	Interim Dividend	33,953	24/12/2021

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, 2022, the Company had received requests from investors for claiming dividends, fixed deposits and equity shares from IEPF Authority. All the requests are duly attended. Information on the procedures to be followed for claiming the dividend/ shares/fixed deposits are available on the weblink: 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 SEBI Listing Regulations, and in terms of Circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 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.The e-voting facility on the date of AGM will be provided to the members by M/s KFin Technologies Limited ('KFin'), for voting on all the resolutions set out in this Notice.

The remote e-voting period commences on **Monday, June 20, 2022 (9.00 a.m. IST)** and ends on **Wednesday, June 22, 2022 (5:00 p.m. IST)**. During this period, members holding shares either in physical form or in dematerialized form, as on **Thursday, June 16, 2022 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. The e-voting module shall be disabled by Kfin for voting thereafter. Those members, who will be present in the 43rd 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 during the 43rd AGM.

The details of the process and manner for remote e-Voting for individuals, non- individuals and members holding in physical form are explained herein below:

LOGIN METHOD FOR E-VOTING :

I) Applicable only for Individual members holding securities in Demat

As per the SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual members holding securities in Demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual members holding securities in demat mode is given below:

NSDL	CDSL
1. User already registered for IDeAS facility:	**1. Existing user who have opted for Easi / Easiest**
I. URL: https://eservices.nsdl.com	I. URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com
II. Click on the "Beneficial Owner" icon under 'IDeAS' section.	II. Click on New System Myeasi
III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting"	III. Login with user id and password.
IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.	IV. Option will be made available to reach e-Voting page without any further authentication.
2. User not registered for IDeAS e-Services	V. Click on e-Voting service provider name to cast your vote.
I. To register click on link : https://eservices.nsdl.com	**2. User not registered for Easi/Easiest**
II. Select "Register Online for IDeAS"	I. Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration
III. Proceed with completing the required fields.	II. Proceed with completing the required fields.
3. User not registered for IDeAS e-Services	**3. By visiting the e-Voting website of CDSL**
I. To register click on link : https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp	I. URL: www.cdslindia.com
ii. Proceed with completing the required fields.	II. Provide demat Account Number and PAN No.
4. By visiting the e-Voting website of NSDL	III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account.
I. URL: https://www.evoting.nsdl.com/	IV. After successful authentication, user will be provided links for the respective ESP where the e- Voting is in progress.
II. Click on the icon "Login" which is available under 'Shareholder/Member' section.	

NSDL	CDSL
III. Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.	
IV. Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page.	
V. 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.	

Individual Members (holding securities in demat mode) login through their depository participants.

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Click on e-Voting option and you will be redirected to NSDL/CDSL Depository site after successful authentication. 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.

IMPORTANT NOTE:

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Members facing any technical issue - NSDL	Members facing any technical issue – CDSL
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43.

II) Applicable for non-Individual members and members holding shares in physical form

Login method for non-individual members and members holding shares in physical form are given below :

I. Procedure and Instructions for remote e-voting are as under:

(i) Initial password is provided in the body of the email.

(ii) Launch internet browser and type the URL: https://evoting.kfintech.com in the address bar.

(iii) Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, use your existing User ID and password for casting your votes.

(iv) After entering the details appropriately, click on LOGIN.

(v) You will reach the password change menu wherein you will be required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$,etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) You need to login again with the new credentials.

(vii) On successful login, the system will prompt you to select the EVENT i.e. Shriram Transport Finance Company Limited

(viii) On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/ dissenting to the resolution, enter all shares and click ‘FOR’/‘AGAINST’ as the case may be or partially in ‘FOR’ and partially in ‘AGAINST’, but the total number in ‘FOR’ and/or ‘AGAINST’ taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option ‘ABSTAIN’ and the shares held will not be counted under either head.

(ix) Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.

(x) Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.

(xi) Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (pdf/jpg format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutinizer through email at stfc.scrutinizer@gmail.com and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'STFCL_EVENT No.'.

(xii) In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for members and e-voting User Manual available at the 'download' section of https://evoting.kfintech.com or call KFin on 18003094001(toll free).You may also contact Mr. Vivek Achwal, Company Secretary to address the grievances connected with remote e-voting at Corporate Office, Tel. No. +91-022-40959508, Email-id- secretarial@stfc.in.

III) Process for those members whose email addresses are not registered with the depositories for obtaining login credentials for e-voting for the resolutions proposed in this Notice:

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 evoting@kfintech.com/csdstd@integratedindia.in

2. For Demat (Non Individual) shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to evoting@kfintech.com/csdstd@integratedindia.in

IV) Instructions for attending /joining the 43rd AGM through VC/OAVM are as under:

1. Members will be able to attend the 43rd AGM through VC/OAVM facility provided by KFin at https://emeetings.kfintech.com by clicking on the tab 'Video Conference' and using their remote e-voting login credentials. The link for AGM will be available in members login where the EVENT and the name of the Company can be selected.

2. 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.

3. Members are encouraged to join the meeting through Laptops with Google Chrome for better experience.

4. 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.

5. 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.

6. **AGM Questions prior to 43rd AGM:** Members who would like to express their views/ask questions during the 43rd AGM may log into https://emeetings.kfintech.com/ and click on "Post your Questions". Thereafter, the Members may post their queries/views in the window provided by mentioning the name, demat account number/folio number, email id, mobile number. "Post your Questions" shall commence on Sunday, June 19, 2022 (9:00 a.m. IST) and close on Tuesday, June 21, 2022 (5:00 p.m. IST). 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 AGM would require microphone and speakers / headphone.

7. **Speaker Registration during 43rd AGM session:** Members who would to express their views/ ask questions during the 43rd AGM may log into https://emeetings.kfintech.com and click on "Speaker Registration" by mentioning the demat account number/folio number, city, email id, mobile number and submit. The speaker registration shall commence on Sunday, June 19, 2022 (9:00 a.m. IST) and close on Tuesday, June 21,2022 (5:00 p.m. IST). Only those Members who have registered themselves as a speaker will be allowed to express their views/ask questions during the 43rd AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the 43rd AGM.
8. A video guide assisting the members attending 43rd AGM either as a speaker or participant is available for quick reference at: https://emeetings.kfintech.com/video/howitworks.aspx
9. Members who need technical assistance before or during the 43rd AGM can contact KFin at evoting@kfintech.com or helpline – 1800 309 4001

V) Instructions for e-voting at the 43rd AGM are as under:-

1. The e-Voting "Thumb sign" on the left hand corner of the video screen shall be activated upon instructions of the Chairman during the 43rd AGM proceedings. Members shall click on the same to take them to the "instapoll" page.
2. Members to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.
3. Only those Members, who will be present in the 43rd AGM through VC/OAVM facility and have not cast their vote through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting at the 43rd AGM.

VI) Scrutinizer's Report and declaration of results:

i. The Scrutinizer shall, immediately after the conclusion of voting at the 43rd 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, not later than 48(forty eight) hours of the conclusion of the 43rd AGM, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

ii. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.stfc.in and on the website of Kfin at https://evoting.kfintech.com immediately after the declaration of results by the Chairman and communicate to the National Stock Exchange of India Limited and BSE Limited. The resolutions shall be deemed to be passed at the 43rd AGM of the Company.

By Order of the Board
For Shriram Transport Finance Company Limited

Vivek Achwal
Company Secretary
Membership No. : ACS 8061

Mumbai
April 28, 2022

CIN: L65191TN1979PLC007874

Regd. Office: Sri Towers, Plot No.14A, South Phase,

Industrial Estate, Guindy, Chennai 600 032, Tamil Nadu

Tel No: +91 44 4852 4666 Fax: +91 44 4852 5666.

Website: www.stfc.in Email id: secretarial@stfc.in.

ANNEXURE TO NOTICE

Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013

ITEM NOS. 5 & 6

Reserve Bank of India **("RBI")** issued 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")**. Pursuant to RBI Guidelines, the Audit Firms completing tenure of three financial years in the NBFC were not eligible to continue to hold office as Statutory Auditors of the NBFC. Since the RBI Guidelines were being implemented for the first time for NBFCs from Financial Year 2021-22 and in order to ensure that there is no disruption, the RBI had given flexibility to NBFCs to appoint new Statutory Auditors in the second half of the financial year ending March 31, 2022.

In compliance with the aforesaid RBI Guidelines, the previous joint Statutory Auditors of the Company viz. M/s Haribhakti & Co. LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No. 103523W/ W100048) and M/s Pijush Gupta & Co. Chartered Accountants, Gurugram (ICAI Firm Registration No. 309015E) vide their respective letters dated August 3, 2021 had communicated to the Company their inability to continue to hold office as joint Statutory Auditors of the Company as they had already completed the tenure of four financial years on the date of coming into effect the RBI Guidelines and had communicated their intention to resign as the joint Statutory Auditors of the Company on conclusion of Extra-Ordinary General Meeting ("EGM") held by the Company on September 15, 2022 in compliance with the RBI Guidelines.

The Audit Committee and Board of Directors in their respective meetings held on August 3, 2021 took note of the said letters dated August 3, 2021 received from the previous joint Statutory Auditors and had passed resolutions to recommend to the Members of the Company for the approval of the appointment of M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai (ICAI Firm Registration No. 004207S) **("M/s. Sundaram & Srinivasan")** and M/s. Khimji Kunverji & Co LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No. 105146W/ W100621) **("M/s. Khimji Kunverji & Co LLP")**, as new joint Statutory Auditors of the Company for three consecutive financial years ending March 31, 2022, March 31, 2023 and March 31, 2024 in compliance with the RBI Guidelines:

First Term: from the conclusion of the Extra-Ordinary General Meeting (held on September 15, 2022) ("EGM") till the conclusion of this 43rd Annual General Meeting of the Company to conduct the audit of accounts of the Company for the financial year ending March 31, 2022.

Second Term: from conclusion of this 43rd Annual General Meeting till the conclusion of 44th Annual General Meeting of the Company to conduct the audit of accounts of the Company for the financial year ending March 31, 2023.

Third Term: from conclusion of 44th Annual General Meeting of the Company 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, 2024.

Accordingly and pursuant to Section 139(8)(i) of the Act, the Members of the Company appointed M/s. Sundaram & Srinivasan and M/s. Khimji Kunverji & Co LLP, as Joint Statutory Auditors of the Company at the Extra-Ordinary General Meeting held on September 15, 2021 to hold office from the conclusion of the EGM till the conclusion of this 43rd Annual General Meeting of the Company to conduct the audit of accounts of the Company for the Financial Year 2021-22.

Vide their respective letters dated April 18, 2022 and April 22, 2022, M/s. Sundaram & Srinivasan and M/s. Khimji Kunverji & Co LLP have confirmed that they continue to be eligible for appointment as joint Statutory Auditors for the Financial Years 2022-23 and 2023-24. The Audit Committee and the Board of Directors in their respective meetings held on April 28, 2022 have recommended to the Members that M/s. Sundaram & Srinivasan and M/s. Khimji Kunverji & Co LLP continue as joint Statutory Auditors of the Company for a further term of two years in compliance with RBI guidelines to hold office from conclusion of this 43rd Annual General Meeting till the conclusion of 44th Annual General Meeting of the Company to conduct the audit of accounts of the Company for the Financial Year 2022-23 **(Second Term)** and from conclusion of 44th Annual General Meeting of the Company till the conclusion of 45th Annual General Meeting of the Company to conduct the audit of accounts of the Company for the Financial Year 2023-24 **("Third Term")** 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.

Disclosure under Regulation 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Proposed statutory audit fee of joint statutory auditors for the Financial Year 2022-23	In view of the proposed Composite Scheme of Arrangement and Amalgamation involving amalgamation of Shriram Capital Limited and Shriram City Union Finance Limited with Shriram Transport Finance Company Limited ('the Scheme'), the volume, scale, complexity, scope of work , activities and functions of the joint statutory auditors for conducting audit of accounts of the Company may undergo substantial increase, upon approval of the Scheme by shareholders, creditors , National Company Law Tribunal and the statutory and other regulatory authorities and the Scheme becoming effective during the current financial year 2022-23. Hence, it is proposed that the audit fees of joint statutory auditors is fixed by the Board of Directors as may be mutually agreed upon between the Board of Directors of the Company and the said joint Statutory Auditors.
Term of appointment	From conclusion of 43rd Annual General Meeting till the conclusion of 44th Annual General Meeting of the Company to conduct the audit of accounts of the Company for the Financial Year 2022-23 **(Second Term)** and from conclusion of 44th Annual General Meeting of the Company till the conclusion of 45th Annual General Meeting of the Company to conduct the audit of accounts of the Company for the Financial Year 2023-24 **("Third Term")**.
Material change in fee payable to the joint Statutory Auditors for the financial year 2022-23	The audit fees will be determined by the Board of directors as may be mutually agreed upon between the Board of Directors and the said joint statutory auditors and the same will be commensurate with various parameters including the volume, scale, complexity, scope of work, activities and functions of the joint statutory auditors for conducting audit of accounts of the Company for the financial year 2022-23,
Basis of recommendation and auditor credentials	The recommendations made by the Audit Committee and the Board of Directors of the Company for appointment of the joint statutory auditors are in compliance with the RBI Guidelines and in fulfilment of the eligibility criteria prescribed under the Companies Act, 2013 and the applicable rules made under the Act with regard to the full time partners, statutory audit experience of NBFCs, capability, assessment of independence, etc. **<u>Brief Profile of Statutory Auditors</u>** **M/s. Sundaram & Srinivasan** M/s. Sundaram & Srinivasan is a Chartered Accountant (ICAI Firm Registration No. 004207S) established in 1943 and is one of the largest audit firms in South India having 13 partners and offices in Chennai, Madurai, Mumbai and Bangalore. The firm was established in 1943 with rich and deep experience for over 8 decades in sectors like Manufacturing, NBFC/HFC, Banks, Mutual Funds, Investment Services. Insurance, Healthcare, IT & ITES, Real Estate, Media, Public sector enterprises, Agriculture and charitable trusts rendering services for more than 350 clients. The audit firm has valid peer review certificate. **M/s. Khimji Kunverji & Co LLP** M/s. Khimji Kunverji and Co LLP is a Chartered Accountant Firm registered with Institute of Chartered Accountants of India with ICAI Firm Registration No.105146W/W100621. The firm was established in 1936 and is led by ten partners. The firm provides a range of services which include audit & assurance, taxation, advisory & accounting. The firm has significant experience in providing auditing, taxation & advisory services to banks and other financial services clients. The audit firm has valid peer review certificate.

The Board of Directors commends passing of the resolutions as set out item Nos. 5 & 6 of this Notice. None of the Directors or Key Managerial Personnel nor their relatives are concerned or interested financially or otherwise in the proposed resolutions.

ITEM NO. 7

On the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting held on December 13, 2021 appointed Mr. Y. S. Chakravarti (DIN 00052308) as an Additional director in the category of Non-Executive Non-Independent Director.

Mr. Y. S. Chakravarti is currently Managing Director and CEO of Shriram City Union Finance Limited (SCUF) and has gained vast experience in financial service sector including two-wheeler financing and expansion of branch network etc. Mr. Y. S. Chakravarti has been working in Shriram group for more than two decades in the senior management positions.

As an Additional Director, Mr. Y. S. Chakravarti will hold office up to the date of this Annual General Meeting. The Company has received from a Member the notice under Section 160 of the Act proposing the candidature of Mr. Y. S. Chakravarti for the office of director.

The Company has received from Mr. Y. S. Chakravarti (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and (ii) intimation in Form DIR-8 in terms of the said rules, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act and (iii) Declaration that he is not related to any director of the Company and not debarred from holding the office of Director by virtue of any SEBI Order or any other such authority. Mr. Y. S. Chakravarti meets the fit and proper criteria for appointment as director as prescribed under Master Direction - Non-Banking Financial Company - Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

The Board of Directors commends passing of this resolution as set out at item nos. 7 of this Notice.

Details of Mr. Y. S. Chakravarti is provided in the "Annexure" to the Notice pursuant to the provisions of (i) the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Except Mr. Y. S. Chakravarti, none of the Directors, Key Managerial Personnel of the Company nor their relatives are concerned or interested, financially or otherwise in the proposed resolution.

ITEM NO. 8 & 9

On the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting held on December 13, 2021 appointed Mr. Parag Sharma (DIN 02916744) as an Additional director and also as a Whole-time director designated as Joint Managing Director and Chief Financial Officer of the Company for a period of five years from December 13, 2021 to December 12, 2026, subject to approval of the Members of the Company, on terms and conditions including remuneration as mentioned in the resolution set out at item no. 9 of this Notice.

The Company has received from Mr. Parag Sharma (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of the said rules, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act and (iii) Declaration that he is not related to any director of the Company and not debarred from holding the office of Director by virtue of any SEBI Order or any other such authority. Mr. Parag Sharma fulfills the conditions for appointment as a Whole Time director as specified in the Act read with Schedule V to the Act. He meets the fit and proper criteria for appointment as a director as prescribed under Master Direction - Non-Banking Financial Company - Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

Mr. Parag Sharma has been working in Shriram group for more than three decades in the senior management positions and is playing key roles in the growth and expansion of business of the Company. Mr. Parag Sharma is a dynamic and accomplished Chief Financial Officer of Shriram Transport Finance Company Limited. He introduced innovative techniques and methods of raising funds through domestic as well as international sources and is expert in handling matters related to Finance & Accounts, MIS, Resource Mobilisation, Treasury Management, Planning and Budgeting, Corporate Strategy and relationships with Rating agencies, Banks, Investors, Regulators, etc. He is a member in various committees constituted by the Board including Asset Liability Management Committee, Banking & Finance Committee, Environment Social Governance Committee, Investment Review Committee, etc.

The Board considers that the remuneration proposed to be paid to Mr. Parag Sharma as a Whole Time director is reasonable and commensurate with his qualification and experience.

As an Additional Director, Mr. Parag Sharma will hold office up to the date of this Annual General Meeting. The Company has received from a Member the notice under Section 160 of the Act proposing the candidature of Mr. Parag Sharma for the office of director.

The Ordinary Resolution and the Explanatory Statement may be considered as a written Memorandum setting out terms and conditions of appointment and remuneration of Mr. Parag Sharma in terms of Section 190 of the Act.

The Board of Directors commends passing of this resolutions as set out at item nos. 8 & 9 of this Notice.

Details of Mr. Parag Sharma are provided in the "Annexure" to the Notice pursuant to the provisions of (i) the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Except Mr. Parag Sharma, none of the Directors, Key Managerial Personnel of the Company nor their relatives are concerned or interested, financially or otherwise in the proposed resolutions.

ITEM NO. 10

Pursuant to the ordinary resolution passed at the 42nd Annual General Meeting of the Company held on June 24, 2021, commission out of profits of the Company paid to independent directors is capped at Rs.75 lakhs in a financial year effective from financial year 2022-23 to financial year 2024-25 within the overall limit 1% of the net profits of the Company in any financial year in terms of Section 197 of the Companies Act, 2013 ('the Act').

The Company is being immensely benefited from the expertise, advice and inputs provided by the independent directors during the meetings. The independent directors also devote their valuable time for meetings with statutory auditors, credit rating agencies and other stake-owners as a part of their role, functions and duties of overseeing the independence of auditors, risk-management, internal financial control, maintaining highest standards of corporate governance and protection of interest of small shareholders. The Independent Directors deliberate with senior management personnel on the strategic and critical issues in the course of the Board and Committee meetings of the Company and give their valuable advices, suggestion and guidance to the management of the Company from time to time.

The Company is poised to become the country's largest retail financer with more than Rs.1,50,000 crore of asset under management upon successful implementation of on-going strategic business combinations proposed by the Board of Directors which will be effective on receipt of regulatory with consequent change in the composition of the board of directors involving increase the number of independent directors. Taking into account of the roles and manifold increase in responsibilities of independent directors, thrust on independent directors on account of merger and the dynamic regulatory environment, complexity and large scale of business operations, increasing expectations of stakeholders emanating from pursuit to achieve the highest standards of corporate governance, the Board of Directors of the Company at its meeting held on April 28, 2022 felt that the current ceiling of Rs.75 lakhs on the total commission of independent directors deserves further increase up to Rs. 200 lakhs such that it is commensurate with roles, responsibilities of independent directors and time devoted by them for attending to strategic matters, growth of business of the Company. The proposed increase in the ceiling for payment of commission shall be applicable for a period three financial years commencing from 1st April, 2022 to 31st March, 2025. It is clarified that the commission paid to independent directors is in addition to their sitting fees for attending the Board / Committee meetings. The details of the sitting fees paid to independent directors are given in the Corporate Governance report. The amount of commission proposed to be paid to the independent directors is in accordance with Remuneration policy of the Company.

The Board of Directors consider that the commission proposed to be paid to Independent Directors is reasonable and commensurate with the experience, expertise, skills and time devoted by Independent Directors for the business affairs of the Company and commends passing of the resolution as set out in item No.10 of the Notice.

Mr. S. Lakshminarayanan, Mr. S. Sridhar, Mrs. Kishori Udeshi and Mr. Pradeep Kumar Panja being Independent Directors may be considered as concerned or interested in this matter and passing of the Ordinary Resolution. No other director, Key Managerial Personnel of the Company nor their relative are concerned or interested, financially or otherwise in the proposed resolution.

For Shriram Transport Finance Company Limited

Vivek Achwal
Company Secretary
Membership No. : ACS 8061

Mumbai
April 28, 2022

CIN: L65191TN1979PLC007874

Regd. Office: Sri Towers,14A, South Phase,

Industrial Estate, Guindy, Chennai 600 032, Tamil Nadu

Tel No:+91 44 4852 4666 Fax:+91 44 4852 5666.

Website: www.stfc.in Email id: secretarial@stfc.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. Ignatius Michael Viljoen	Mr. Y. S. Chakravarti	Mr. Parag Sharma
Date of Birth and Age	January 14, 1973 and 49 years	June 10, 1963 and 58 years	July 12, 1969 and 52 years
DIN	08452443	00052308	02916744
Date of appointment / first appointment on the Board	May 14, 2019	December 13, 2021	December 13, 2021
Expertise in specific functional areas	Credit risk and credit portfolio management aspects across the various entities owned by the Sanlam Group outside of the Republic of South Africa.	Experience of more than two decades in operations in NBFC	Wide experience in the fields of Finance & Accounts, MIS, Resource Mobilisation, Treasury Management, Planning and Budgeting, Corporate Strategy, etc.
Qualifications	Master's degree in Economics with distinction from the University of the Free State, South Africa	B.Com	B.Com and Grad CWA
Directorship held in other companies	i. Sanlam Credit Fund Advisor (Pty) Limited; ii. Shriram City Union Finance Ltd.; iii. African Life Holdings Limited; iv. African Life Financial Services Zambia Limited; v. Aflife Properties Limited vi. Letshego Holdings Limited	i. Shriram City Union Finance Ltd. ii. Shriram Housing Finance Ltd.; iii. Shriram Chits (India) Pvt. Ltd.	NIL
Membership/ Chairmanship of Committees of other public companies (includes only Audit Committees and Stakeholders Relationship Committee)	NIL	Shriram City Union Finance Limited -Stakeholders Relationship Committee - Member	N.A.
Shareholdings in the Company including shareholding as a beneficial owner	NIL	NIL	46,628 Equity Shares
Disclosure of relationships between directors/ Key Managerial Personnel inter-se.	Not related to any Director/ Key Managerial Personnel		
Remuneration received from the Company in the F.Y. 2021-22	Nil being a Non-Executive Non-Independent Director	Nil being a Non-Executive Non-Independent Director	Total remuneration for financial year 2021-22 was Rs. 72,36,154/- out of which Rs. 24,34,983/- remuneration was paid for his appointment as Whole Time Director during the period December 13, 2021 to March 31, 2022.

Name of Director	Mr. Ignatius Michael Viljoen	Mr. Y. S. Chakravarti	Mr. Parag Sharma
Terms and conditions of re-appointment/ appointment alongwith details of remuneration sought to be paid	Director liable to retirement by rotation. No remuneration is paid to Non-Executive Non Independent Director	Being an Additional director Mr. Y. S. Chakravarti holds office of a director only up to the date of this AGM and is proposed to be appointed as a director, liable to retire by rotation. No remuneration is paid to Non-Executive Non Independent Director.	Being an Additional director Mr. Parag Sharma holds office of a director only up to the date of this AGM and is proposed to be appointed as a director, liable to retire by rotation and also as a Whole Time Director designated as Joint Managing Director for a period of five years up to December 12, 2026. Terms and conditions of appointment alongwith details of remuneration are mentioned in the resolution at Item no. 9 of this Notice.
The number of Meetings of the Board attended during the F.Y. 2021-22	Attended all Board Meeting during the Financial Year 2021-22 i.e. Attended 10 out of 10 Board Meetings held during F.Y. 2021-22	Attended all meetings from the date of appointment i.e. 2 out of 2 Meetings entitled to attend.	Attended all meetings from the date of appointment i.e. 3 out of 3 Meetings entitled to attend.
Brief Profile	Mr. Ignatius Michael Viljoen is a Head of Credit-Sanlam Pan Africa Portfolio Management, South Africa and is responsible for a range of credit risk and credit portfolio management aspects across the various entities owned by the Sanlam Group outside of the Republic of South Africa. He has been associated with Sanlam Group since September 2003. Sanlam is a 100 year old company with strong financials and management culture. Sanlam is a diversified financial services group, headquartered in South Africa, operating across number of selected global markets.	Kindly refer item no. 7 of the Explanatory Statement of this Notice	Kindly refer item nos. 8 & 9 of the Explanatory Statement of this Notice

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