

June 22, 2023

To,  
**The Secretary**  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001

**Scrip Code: 531359**

Dear Sir/Madam,

**Reg.: Submission of Annual Report-2022-2023 of Shriram Asset Management Company Limited as per Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

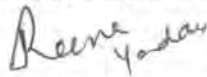
As per the Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the 'Annual Report' of our Company along with Notice of AGM for the Financial Year 2022-2023.

The same will be available on the Company's Website at [www.shriramamc.in](http://www.shriramamc.in)

You are requested to take the above information on record.

Thanking you, we remain,

Yours truly,  
for **SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

  
**REENA YADAV**  
**COMPANY SECRETARY**



Encl: As above

**Shriram Asset Management Company Limited**

SEBI Registration No. MF/D17/94/4, CIN : L65991MH1994PLC079874

Admin. Head Office : 511-512, 5th Floor, Meadows Building, Sahar Plaza, Andheri-Kurla Road, J. B. Nagar, Next to Chakala Metro Station,

Andheri (East), Mumbai 400059, Phone : +91-22-69473400

Regd. Office : 217, 2nd Floor, Swastik Chambers, Near Junction of S.T. & C.S.T. Road, Chembur, Mumbai - 400 071, Phone : +91-22-40060810/15

Mumbai Office : 515, Shiv Chambers, 'A' Wing, 5th Floor, Sector 11, C. B. D. Belapur, Navi Mumbai - 400614, Phone : +91-22-27579301/7556

Fax : +91-22-27566634, Email : [info@shriramamc.in](mailto:info@shriramamc.in), Website : [www.shriramamc.in](http://www.shriramamc.in)



# **SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**29<sup>th</sup>  
ANNUAL  
REPORT**  
**2022-2023**

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**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

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<b>Registered Office:</b>	217, 2nd Floor, Swastik Chambers, Near Junction of S.T. & C.S.T. Road, Chembur, Mumbai 400 071 Tel. No.: +91-22- 4006 0810/4006 0815 Fax: +91-22-2756 6634
<b>Administrative &amp; Head Office:</b>	511-512, 5th Floor, Meadows, Sahar Plaza, J. B. Nagar, Andheri (East), Mumbai -400 059 Tel. No.: +91-22-4979 4024 Website: www.shriramamc.in
<b>Board Of Directors:</b>	Mr. Ramamurthy Vaidyanathan - Chairman Mr. Gaurav Patankar - Vice Chairman Mr. Kartik Jain - Managing Director & Chief Executive Officer Mr. Dhruv Mehta Mrs. Jayashree Mahesh Mrs. Subhasri Sriram Mr. Marc Scott Irizarry Mr. Prem Haroomal Samtani
<b>Senior Fund Manager:</b>	Mr. Deepak Ramaraju
<b>Fund Manager:</b>	Mrs. Gargi Bhattacharyya Banerjee
<b>Chief Financial Officer:</b>	Mrs. Jaya Innani
<b>Company Secretary:</b>	Mrs. Reena Yadav
<b>Compliance Officer For Mutual Fund:</b>	Mrs. Sneha Jaiswal
<b>Auditors:</b>	M/s. G. D. Apte & Co. Chartered Accountants, D-509, Neelkanth Business Park, Nathani Road, Vidyavihar (West), Mumbai-400 086
<b>Registrar And Share Transfer Agents:</b>	Purva Sharegistry (India) Private Limited 9, Shiv Shakti Industrial Estate, J.R.Boricha Marg, Mumbai - 400 011 Tel. No.: +91-22-4961 4132 /3199 8810

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## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

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CIN: L65991MH1994PLC079874

Registered Office: 217, 2<sup>nd</sup> Floor, Swastik Chambers,  
near Junction of S.T. & C.S.T. Road, Chembur, Mumbai 400 071  
Tel. No.: +91-22-40060810/40060815 Fax: +91-22-27566634  
Email ID: [srmf@shriramamc.in](mailto:srmf@shriramamc.in) Website: [www.shriramamc.in](http://www.shriramamc.in)

### NOTICE

Notice is hereby given that the Twenty Ninth Annual General Meeting (AGM) of the Members of Shriram Asset Management Company Limited will be held on Wednesday, July 26, 2023 at 4.30 P.M. through Video- conference (VC) / Other Audio-Visual Means (OAVM) to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2023 and the Statement of Profit and Loss for the year ended on that date together with the Reports of the Directors and Auditors thereon;
2. To appoint a Director in place of Mr. Dhruv Mehta (DIN 02083226) who retires by rotation and being eligible, offers himself for reappointment;

#### SPECIAL BUSINESS:

##### 3. Approval of Related Party Transaction

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 (“the Act”) read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“the Listing Regulations”) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to such other approvals, consents, permissions and sanctions of other authorities as may be necessary, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board), to renew /enter into new/ further contracts/ arrangements/ agreements/ transactions (including any modifications, alterations, amendments or renewal thereto), in the ordinary course of business and on arm’s length basis with ‘Novac Technology Solutions Private Limited’ (NTSPL) and Shriram Finance Limited (SFL) being ‘Related Parties’ within the meaning of the Act and the Listing Regulations, as more particularly enumerated in the explanatory statement to the Notice and on such terms and conditions as may be agreed between the Company and NTSPL and SFL.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things and execute all such deeds, documents and writings, on an ongoing basis, as may be necessary, proper or expedient for the purpose of giving effect to the above resolution.”

By order of the Board of Directors  
For **Shriram Asset Management Company Limited**

**Reena Yadav**  
Company Secretary

Place: Chennai  
Date: May 09, 2023

#### NOTES:

1. The Ministry of Corporate Affairs, Government of India (“MCA”) vide its General Circular Nos. 20/2020 and 10/2022 dated May 05,2020 and December 28 ,2022, respectively, and other circulars issued in this respect (“MCA Circulars”) allowed, *inter-alia*, conduct of AGMs through Video Conferencing/ Other Audio-Visual Means (“VC/ OAVM”) facility on or before September 30, 2023, in accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular No. 20/2020. The Securities and Exchange Board of India (“SEBI”) also vide its Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05,2023 (“SEBI Circular”) has provided certain relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015 (“Listing Regulations”). In compliance with these Circulars, provisions of the Act and the Listing Regulations, the AGM of the Company is being held through VC/OAVM.

## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

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2. Notice of AGM along with Annual Report 2022-2023 is being sent through electronic mode to those Members whose email addresses are registered with the Company/Registrar and Share Transfer Agents (RTA)/ Depositories for communication purposes unless any member has requested for a hard copy of the same.
3. The Explanatory Statement pursuant to Section 102 of the Act which sets out details relating to Special Business at the meeting, is annexed hereto.
4. Pursuant to MCA and SEBI Circulars, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and cast their votes through e-voting.
5. Body Corporates whose Authorised Representatives are intending to attend the Meeting through VC/OAVM are requested to send to the Company on their email id [srmf@shriramamc.in](mailto:srmf@shriramamc.in), a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Meeting and through e-voting.
6. 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 Thursday, July 20, 2023 to Wednesday, July 26, 2023 (both days inclusive).
7. Additional information pursuant to Regulation 36 of the Listing Regulations in respect of Director seeking re-appointment at the AGM is furnished and forms a part of the Notice. The Director had furnished the requisite consents / declarations for his re-appointment.
8. In case of joint holders attending the meeting, only such joint holders who are higher in order of the names will be entitled to vote.
9. Members are requested to notify change in address, if any, in case of shares held in electronic form to the concerned depository participants quoting their Client ID nos. and in case of physical shares, to the RTA quoting their Folio Number.
10. The Notice and Annual Report 2022-2023 of the Company circulated to the Members of the Company, will be made available on the Company's website at [www.shriramamc.in](http://www.shriramamc.in) and also on the website of Stock Exchange [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting facility during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
11. All documents referred to in the accompanying Notice and Statement setting out material facts are open for inspection online on all working days during working hours up to the date of the 29<sup>th</sup>AGM.
12. Shareholders seeking any information with regards to Accounts are requested to send email at [srmf@shriramamc.in](mailto:srmf@shriramamc.in) at least 15 days in advance so as to keep the information ready at the Meeting.
13. The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 03, 2021. The aforesaid SEBI Circular is available on the RTA's website under the weblink at <https://purvashare.com/faqs>.  
Members holding shares in demat mode should submit their PAN to the Depository Participants (DPs) with whom they maintain their demat accounts. They should also submit their nomination with their DPs for availing this facility.
14. Members may please note that 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 RTA's website under the weblink at <https://purvashare.com/faqs>.  
Members holding equity shares of the Company in physical form are requested to 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.
15. Members holding physical shares may kindly note that if they have any dispute against the Company or the Registrar & Share Transfer Agent (RTA) on delay or default in processing the request, they may file for arbitration with the stock exchanges in accordance with SEBI circular dated May 30, 2022.
16. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.

**17. Voting through electronic means:**

Pursuant to the provisions of Section 108 of the Act, Rule 20 and Rule 21 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and sub clause (1) and (2) of Regulation 44 of Listing Regulations read with MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021, December 08, 2021, December 14, 2021, May 05, 2022 and December 28, 2022 the Company is pleased to provide members facility of 'remote e-voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote at the AGM. The business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL).

The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Registrars as on the cut-off date shall be entitled to vote. If a person has ceased to be the member on the cut-off date, he/she shall not be entitled to vote. Such person should treat this notice for information purpose only.

The Company has appointed Mr. Suhas S. Ganpule, Practicing Company Secretary, as the Scrutinizer for conducting the remote e-voting and the e-voting process at the AGM in a fair and transparent manner.

The Scrutinizer shall submit his report to the Chairman or any person authorised by him in writing. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company i.e. [www.shriramamc.in](http://www.shriramamc.in) and on the website of CDSL i.e. [www.evotingindia.com](http://www.evotingindia.com) after the declaration of the result by the Chairman or by the person authorised by him in this behalf. The results shall also be uploaded on the BSE Listing Portal.

It is hereby clarified that it is not mandatory for a Member to vote using the remote e-voting facility, and a Member may avail of the facility at his/her/it discretion, subject to compliance with the instructions prescribed below:

**THE INTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

**Step 1:** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2:** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(i) The voting period begins on Saturday, July 22, 2023 at 9.00 A.M. and ends on Tuesday, July 25, 2023 at 5.00 P.M. During this period shareholders of the Company holding shares either in physical form or in dematerialized form, as on Wednesday, July 19, 2023 the cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.

(iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.



**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**Step 1:** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

(iv) In terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at cdsl website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL) Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

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Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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**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.

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 1800225533.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 022-4886 7000 and 022-2499 7000

**Step 2:** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

<b>For Physical shareholders and other than individual shareholders holding shares in Demat</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

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

(vi) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided



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## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

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that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (vii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (viii) Click on the EVSN “SHRIRAM ASSET MANAGEMENT COMPANY LIMITED”.
- (ix) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (x) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xi) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xiv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xv) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvi) **Facility for Non- Individual Shareholders and Custodians –Remote Voting only.**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively, Non-Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz: [srmf@shriramamc.in](mailto:srmf@shriramamc.in), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

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## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

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6. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [srmf@shriramamc.in](mailto:srmf@shriramamc.in). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [srmf@shriramamc.in](mailto:srmf@shriramamc.in). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [srmf@shriramamc.in/support@purvashare.com](mailto:srmf@shriramamc.in/support@purvashare.com).
2. For Demat shareholders -Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository. If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 1800225533. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manger, (CDSL) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai- 400 013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 1800225533.

By order of the Board of Directors  
For **Shriram Asset Management Company Limited**  
**Reena Yadav**  
Company Secretary

Place: Chennai  
Date: May 09, 2023

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**

#### **Item No. 3:**

Pursuant to the provisions of Section 188 of the Companies Act, 2013 ("the Act"), read with the Companies (Meetings of Board and its Powers) Rules, 2014 ('Rules'), the Company is required to obtain consent of the Board of Directors and prior approval of the members by way of ordinary resolution, in case certain transactions with related parties exceeds such sum as is specified in the said Rules. The aforesaid provisions are not applicable in respect of transactions which are in the ordinary course of business and on arm's length basis.

Further, pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'), prior approval of the members through ordinary resolution is required for all material related party transactions, even if they are entered into in the ordinary course of business and on arm's length basis. For this purpose, a transaction is considered material, if the transaction/transactions to be entered into individually or taken together with previous transactions during a Financial Year exceeds 10% of the annual consolidated turnover of the Company, as per the last audited financial statements of the Company.

**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

All the Related Party Transactions entered into by the Company are on arm's length basis and in the ordinary course of business and approval of the Audit Committee / Board is obtained, wherever required.

Further, as required by Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 shareholders are apprised of the following in respect of the related party transaction:

<b>Sr. No.</b>	<b>Particulars</b>	<b>Novac Technology Solutions Private Limited</b>	<b>Shriram Finance Limited</b>
1.	Nature of Relationship with the Company including nature of its concern or interest (financial or otherwise);	Step Down Subsidiary of Ultimate Holding Company	Associate of Ultimate Holding Company
2.	The type, nature, duration of the contract and particulars of the contract or arrangement	A) Call Centre Services B) IT & Network Support Services Duration -5 years	Infrastructure Sharing including lease agreement for branch offices Duration -5 years
3.	Value of the proposed transaction	Maximum limit towards cost: ₹ 3.50 Cr. per annum (excluding applicable taxes)	Maximum limit towards cost: ₹ 50 Lac per annum (excluding applicable taxes)
4.	The percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction	566.51%	80.93%
5.	Justification as to why the RPT is in the interest of the Company	All charges to the Company for such services provided shall be based on NTSP's actual costs, without any allowance or margin for profit.	All charges to the Company for such services provided shall be based on SFL's actual costs, without any allowance or margin for profit.
6.	The material terms of the contract or arrangement including the value, if any	1) Consolidated fee of ₹ 35,000/- and Taxes as applicable per agent (Tele-Caller as well as the Team Leader). 2) The rates would undergo revision by 6% year on year (Every April) for five years.	Reimbursement of actual cost incurred.
7.	Any advance paid or received for the contract or arrangement, if any	NIL	NIL
8.	The manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract	Mutually agreed	Mutually agreed

**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

9.	Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors	All factors relevant to the contract have been considered	All factors relevant to the contract have been considered
10.	Any other information relevant or important for the Board to take a decision on the proposed transaction	N.A.	N.A.

The Company propose to enter an agreement with Novac Technology Solutions Private Limited (NTSPL) and Shriram Finance Limited (SFL) the transactions is in the ordinary course of business and at arm's length basis. However, the estimated value of arrangements/ transactions/ agreements to be entered with NTSPL and SFL is likely to exceed 10% of the annual consolidated turnover of the Company. Thus, these transactions would require prior approval of the Members by way of Ordinary Resolution. NTSPL and SFL are 'Related Parties' as per definition under Section 2(76) of the Companies Act, 2013 and Regulation 2 (1) (zb) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Approval of the members is also sought to enable the Board for renewing /entering into new/further contracts/ arrangements/ agreements/ transactions (including any modifications, alterations, amendments or renewal thereto) with NTSPL and SFL subject to the information / limits mentioned in the table below:

Sr. No.	Name of the Related Party	Nature of Relationship	Duration of Contract / Arrangement	Salient Features of Contract / Arrangement	Date of Approval of the Board /Audit Committee	Maximum Value / Limit of Contract / Arrangement
1	2	3	4	5	6	7
1	Novac Technology Solutions Private Limited ("NTSPL")	Step Down Subsidiary of Ultimate Holding Company	5 years	1. Call Center Services 2. IT and Network support	May 09,2023	Maximum limit towards cost: ₹ 3.50 crore per annum (excluding applicable taxes)
2	Shriram Finance Limited	Associate of Ultimate Holding Company	5 years	Infrastructure sharing including lease agreement for branch offices	May 09, 2023	Maximum limit towards cost: ₹ 50 Lacs per annum (excluding applicable taxes)

Regulation 23 (7) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides that the related parties shall not vote on such resolutions, therefore, none of the Promoter Group entities holding share(s) will vote on the above Resolution.

No Director, Key Managerial Personnel or their relatives are in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the Ordinary Resolution as set out in Item No.3 of this Notice for approval of the Members.

By order of the Board of Directors  
For **Shriram Asset Management Company Limited**

Place: Chennai  
Date: May 09, 2023

**Reena Yadav**  
Company Secretary

**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**Details of Directors seeking Appointment/Reappointment at the Annual General Meeting pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and clause 1.2.5 of the Secretarial Standard-2:**

<b>Name of the Director</b>	Mr. Dhruv Mehta
<b>Date of Birth</b>	July 26, 1961
<b>Date of Appointment</b>	February 14, 2012
<b>Qualifications</b>	He is A.C.A from The Institute of Chartered Accountants of India and AICWA from The Institute of Cost and Works Accountants of India.
<b>Expertise in specific functional area</b>	He has overall experience of 39 years in the field of finance and financial services and an independent financial advisor for over 18 years.
<b>Skills and capabilities of the Director</b>	Refer to the table below
<b>Directorships held in other companies</b>	<ul style="list-style-type: none"> <li>• Malabar Capital Private Limited</li> <li>• Malabar Capital Advisors Private Limited</li> <li>• Shriram Wealth Limited</li> <li>• Foundation of Independent Financial Advisors</li> <li>• Diamines and Chemicals Limited</li> <li>• Sapient Wealth Advisors and Brokers Private Limited</li> </ul>
<b>Membership/ Chairmanship of Committees of other public companies (including only Audit Committee and Stakeholders Relationship Committee)</b>	<b>Audit Committee</b> <ul style="list-style-type: none"> <li>• Diamines and Chemicals Limited*</li> </ul>
<b>The Listed entity from which Director has resigned in last three years</b>	Nil
<b>No. of Board Meetings attended during the last Financial Year 2022-2023</b>	6
<b>No. of shares held in the Company (#)</b>	Nil
<b>Relationship with other Directors and Key Managerial Personnel</b>	Mr. Dhruv Mehta is not related to any Director and Key Managerial Personnel

\* Chairman of the committee

# As on the date of Notice of AGM

**Skills and capabilities required for the role of the Director as identified by the Board and the manner in which the proposed person meets such requirements:**

<b>Sr. No.</b>	<b>Desired/Needed Skills, Experience, Attribute</b>	<b>DM</b>
1	Industry Expertise	Yes
2	Risk Management and Regulatory Expertise	Yes
3	Financial Markets Expertise	Yes
4	Business Strategy	Yes
5	Communication and Transparency Expertise	Yes
6	Behavioural Expertise	Yes
7	Financial and Management Expertise	Yes

**Please Note:**

DM= Mr. Dhruv Mehta.

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**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

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**DIRECTORS' REPORT****Dear Members,**

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

**Financial Summary & Highlights:**

Particulars	Year Ended March 31, 2023 (₹ In Lakhs)	Year Ended March 31, 2022 (₹ In Lakhs)
Gross Income for the year	583.61	489.28
Total Expenditure before Depreciation and Tax	995.71	532.59
Profit /(Loss) before Depreciation	(412.11)	(43.31)
Less: Depreciation	35.37	23.94
Tax Provisions for the Year	(44.40)	88.35
Profit /(Loss) after Depreciation and Tax	(403.08)	(155.60)
Other Comprehensive Income for the year	(2.58)	(6.52)
Balance brought forward from previous year	(1017.67)	(855.55)
Profit /(Loss) available for Appropriation	(1423.33)	(1017.67)
Balance carried to Balance Sheet	(1423.33)	(1017.67)

**Dividend:**

In the absence of profits, your Directors do not recommend payment of any dividend for the Financial Year 2022-2023. The Company doesn't have Dividend Distribution Policy as the provisions are not applicable to the Company.

**State of Company's Affairs:**

Some highlights of your Company's performance during the year under review are:

- The gross loss (before depreciation and tax) for the year was ₹ 412.11 lakhs as against ₹ 43.31 lakhs during the last year.
- Net loss after taxation for the year was ₹ 403.08 lakhs as against ₹ 155.60 lakhs in the last year.
- The total asset under management was ₹ 271.72 Crore as against ₹ 218.23 Crore in the last year.

Shriram Hybrid Equity Fund, launched in November 2013, delivered returns of 9.09% (at the end of March 2023 on a CAGR basis) since inception, accompanied by lower levels of volatility. Shriram Flexi Cap Fund, launched in September 2018, delivered returns of 10.22% (at the end of March 2023 on a CAGR basis) since inception. Shriram Long Term Equity Fund, launched in January 2019, delivered returns of 12.10% (at the end of March 2023 on a CAGR basis) since inception. Shriram Balanced Advantage Fund, launched in July 2019, delivered returns of 9.58% (at the end of March 2023 on a CAGR basis) since inception. Shriram Overnight Fund, launched in August 2022, delivered returns of 3.66% (at the end of March 2023 on a CAGR basis) since inception.

Assets under management (AUM) for mutual funds reached ₹ 39.42 lakh crores on March 31, 2023, an increase of 4.93% from March 2022. The contributions through Systematic Investment Plan (SIPs) in mutual fund continued to remain robust as it grew on a year-on-year basis. The contribution stood at ₹ 1,55,972 crores (April - March), up by 25.21%. Investor perception about the advantages of SIPs has been strengthened by increasing awareness of mutual funds through numerous initiatives and campaigns like "Mutual Funds Sahi Hai".

**Change in the Nature of Business:**

There was no change in the nature of the business.



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## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

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### Share Capital:

As on March 31, 2023, the Authorized Share Capital of the Company was ₹127 crores comprising of 23000000 Equity Shares of ₹10/- each, 500000000 Compulsory Convertible Preference Shares of ₹1/- each and 5400000 Redeemable Non-Convertible Preference Shares of ₹100/- each.

During the financial year under review, Company's paid-up share capital increased from ₹ 60,00,00,000/- to ₹ 60,44,32,200/- due to issuance of 443220 Equity Shares of ₹10/- each at an issue price of ₹124.30/- each (including premium of ₹114.30/- per share) upon conversion of 443220 convertible warrants issued on preferential basis to Mission1 Investments LLC.

As on March 31, 2023, the issued, subscribed and paid up Share Capital of the Company stood at ₹ 60,44,32,200/- (Rupees Sixty Crores Forty Four Lakhs Thirty Two Thousand and Two Hundred Only) comprising of 6443220 (Sixty Four Lakhs Forty Three Thousand Two Hundred and Twenty) Equity Shares of ₹ 10/- each, 500000000 (Fifty Crores) Compulsory Convertible Preference Shares of ₹ 1/- each and 400000 (Four Lakhs) Redeemable Non-Convertible Preference Shares of ₹ 100/- each.

The required details with respect to the 'Convertible Securities' issued during the Financial Year 2022-2023 have been provided in Corporate Governance Report.

The Company has not issued any shares with differential voting rights, Sweat equity shares during the year.

### Material Changes and Commitments:

No material changes or commitments affecting the financial position of the Company have taken place from March 31, 2023 till the date of this report.

### Particulars of Loans, Guarantees or Investments:

The details of the Investments and Loans covered under the provisions of Section 186 of the Companies Act, 2013 ("the Act") are given in the notes to the financial statements.

### Cash Flow Statement:

The Cash Flow statement for the year 2022-2023 is attached to the Balance Sheet.

### Directors:

Mr. Gaurav Patankar, was appointed as Director of the Company w.e.f. June 28, 2022, liable to retire by rotation. He was designated as Vice Chairman of the Board w.e.f. August 02, 2022. Mr. Marc Scott Irizarry and Mr. Prem Haroomal Samtani were appointed as Independent Director of the Company for a period of 5 years w.e.f. June 28, 2022 and January 09, 2023 respectively. The Board is of the opinion that Mr. Marc Scott Irizarry and Mr. Prem Haroomal Samtani have expertise and experience required for the role of Independent Director in the Company.

Mr. Kartik Jain, was appointed as Managing Director and Chief Executive Officer for a period of 3 years w.e.f. January 09, 2023, not liable to retire by rotation.

Mr. Dhruv Mehta who retires by rotation has offered himself for reappointment. Necessary proposal for his reappointment has been included in the notice convening the AGM and the said resolution is recommended for your approval.

All the Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16 (1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, hereinafter referred to as 'Listing Regulations'. In the opinion of the Board, they fulfil the conditions of independence as specified in the Act and the Listing Regulations and are independent of the management. Further, the Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act.

Profile of the Director, as required under Regulation 36 of the Listing Regulations, is given in the Notice of the 29<sup>th</sup> Annual General Meeting.

### Fixed Deposits:

During the year under report, your Company has not accepted any fixed deposits.

**Board Evaluation:**

Pursuant to the provisions of the Act and the Listing Regulations, the Board has carried out an annual performance evaluation of its own performance and the Directors individually as well as the evaluation of the working of its Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

**Policy on Directors' Appointment and Remuneration:**

The Board has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company.

The key features of the policy are as follows:

1. Criteria for appointment and removal of Director, Key Managerial Personnel and Senior Management.
2. Criteria for performance evaluation.
3. Criteria for fixing the remuneration of Director, Key Managerial Personnel and Senior Management.

The details of this policy are explained in the Corporate Governance Report and are also available at [www.shriramamc.in](http://www.shriramamc.in).

**Meetings:**

During the year 6 Board Meetings and 6 Audit Committee Meetings were convened and held. The details of the meetings are given in the Corporate Governance Report. The gap between the Meetings was within the period prescribed under the Act and as per Regulation 17(2) and 18(2) of the Listing Regulations respectively.

**Risk Management:**

Pursuant to the requirement of Regulation 21 of the Listing Regulations, the Company has constituted Risk Management Committee. The Company has in place a Risk Management Policy, commensurate with its size of operations, which lays down a process for identification and mitigation of risks that could materially impact its performance.

**Corporate Social Responsibility:**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

**Directors' Responsibility Statement:**

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

- a) In the preparation of Annual Accounts and Financial Statements for the year ended March 31, 2023, the applicable Accounting Standards have been followed along with proper explanations relating to material departures, if any;
- b) That such accounting policies as mentioned in Notes 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, 2023 and of the Loss of the Company for the year ended on that date;
- c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Annual Accounts have been prepared on an ongoing concern basis;
- e) That they have laid down internal financial controls commensurate with the size of the Company and that such financial controls were adequate and were operating effectively;
- f) That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

**Related Party Transactions:**

All related party transactions of the Company are at arm's length basis and are in the ordinary course of business. None of the related party transactions entered into by the Company were in conflict with the Company's interest. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large. Members approval for

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## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

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material Related Party Transaction, as defined under the Listing Regulations shall be obtained at the ensuing Annual General Meeting.

All Related Party Transactions are placed before the Audit Committee/Board, as applicable, for their approval. The particulars of contracts or arrangements with related parties in Form AOC -2 are annexed herewith as 'Annexure A'.

### **Significant and Material Orders Passed by the Regulators or Courts or Tribunals:**

During the year under report, there were no significant material orders passed by the Regulators/ Courts/ Tribunals impacting the going concern status and Company's operations in future.

### **Internal Financial Controls and their adequacy:**

The Company has put in place adequate internal financial controls with reference to the Financial Statements commensurate with the size of the Company.

### **Disclosures:**

#### **Audit Committee:**

The Audit Committee comprises of Mr. Ramamurthy Vaidyanathan (Independent Director) as Chairman, Mrs. Jayashree Mahesh (Independent Director) as Member and Mrs. Subhasri Sriram (Non-Independent Director) as Member. All the recommendations made by the Audit Committee were accepted by the Board.

#### **Vigil Mechanism / Whistle Blower Policy:**

As per the provisions of Section 177(9) of the Act, the Company is required to establish a Vigil Mechanism for Directors and employees to report genuine concerns. Regulation 4 (2) (d) (iv) of Listing Regulations also provides for establishment of vigil mechanism for Directors and employees for above mentioned matters. The Company has a Policy for Prevention, Detection and Investigation of Frauds and Protection of Whistle blower. The detail of the Vigil Mechanism is posted on the website of the Company i.e. [www.shriramamc.in](http://www.shriramamc.in).

#### **Establishment of Internal Complaints Committee:**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaints of sexual harassment were received during the year.

#### **Auditors and Auditors' Report:**

The Company's Statutory Auditors, M/s. G. D. Apte & Co., (Firm Registration No. 100515W) Chartered Accountants, Mumbai, were appointed as Statutory Auditors of the Company, for the second term of five consecutive years at the 28<sup>th</sup> Annual General Meeting held on July 28, 2022 on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors.

Pursuant to the amendments made to Section 139 of the Act, by the Companies (Amendment) Act, 2017 effective from May 07, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute.

In view of the above, ratification by the Members for continuance of their appointment at this AGM is not being sought. The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

No fraud has been reported by the Auditors to the Audit Committee or the Board.

#### **Secretarial Audit:**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed Mr. Suhas S. Ganpule, Practising Company Secretary, Proprietor of M/s. SG & Associates, to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "Annexure B". The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

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## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

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### **Subsidiaries, Joint Ventures or Associate Companies:**

During the year under report 'Shriram Asset Reconstruction Private Limited' become associate of the Company.

The Company does not have any subsidiary or joint venture.

### **Corporate Governance:**

The Report on Corporate Governance forms part of the Directors' Report and is annexed herewith.

As required by the Listing Regulations, Practising Company Secretary's Report on Corporate Governance and a declaration by the Chief Executive Officer with regards to Code of Conduct are attached to the said Report.

The Management Discussion and Analysis Report is given as a separate statement forming part of the Annual Report.

As required under Listing Regulations, a detailed report on Corporate Governance along with the Certificate from the Practising Company Secretary confirming compliance forms an integral part of this Report and certificate duly signed by the Managing Director & Chief Executive Officer and Chief Financial Officer (CFO) on the Financial Statements of the Company for the year ended March 31, 2023 was submitted to the Board of Directors at their Meeting held on May 09, 2023. These certificates are attached to the Report on Corporate Governance.

### **Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo:**

1. Conservation of Energy

The Company has no activity involving Conservation of Energy.

2. Technology Absorption

The Company has no activity involving Technology Absorption.

3. Foreign Exchange earnings and outgo

The Company did not have any foreign exchange earnings or outgo during the year under review.

### **Annual Return:**

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the draft of the Annual Return of the Company for the financial year March 31, 2023 is uploaded on the website of the Company and can be accessed at [www.shriramamc.in](http://www.shriramamc.in)

### **Compliance with Secretarial Standards:**

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (SS1 and SS2) respectively relating to Meetings of the Board and its Committees which have mandatory application.

### **Amount, if any, proposed to transfer to reserves:**

The Company has made no transfers to reserves during FY 2022-2023.

### **Employee Stock Option Plan (ESOP):**

Pursuant to the approval of the Members at the Extraordinary General Meeting held on March 02, 2022, the Company adopted the 'Shriram Asset Management Company Limited - Employees Stock Option Plan 2022'(ESOP 2022). In accordance with the terms of the ESOP 2022, employees are eligible for award of conditional rights to receive equity shares of the Company at the face value of ₹10/- each. The Company confirms that the 'ESOP 2022' complies with the provisions of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

The statement of detailed information on the options granted and vested under Company's ESOP Plan is provided under **Annexure C** to this report.

There is no material change in the Plan and is in compliance with the regulations.

The details of the Plan, including terms of reference, and the requirement specified under Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, are available on the Company's website at <https://www.shriramamc.in/Reports.aspx>

The Secretarial Auditors have certified that the ESOP Scheme has been implemented in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and in accordance with the resolution passed by the members. The said certificate is annexed herewith as "**Annexure D**" to this Report.

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## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

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### **Particulars of Employees:**

During the year under report, on the basis of recommendation of the Nomination and Remuneration Committee, Board of Directors appointed Mr. Kartik Jain as Managing Director & CEO and also fixed his remuneration. The same was approved by the shareholders by Postal Ballot.

The details required as per Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as “**Annexure E**”. As per the provisions of Section 136(1) of the Act, the Annual Report excluding the information required as per Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 on employee's particulars is being sent to the members which is, however, available for online inspection during working hours of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining such information may write to the Company Secretary in this regard.

### **Transfer to Investor Education and Protection Fund:**

The Company does not fall under the ambit for transferring any amount to the Investor Education & Protection Fund (IEPF) and no amount is lying in Unpaid Dividend A/c of the Company.

### **Credit ratings:**

The Company has not obtained any credit rating during the Financial Year 2022-2023.

### **Maintenance of Cost Records:**

Your Company is not required to maintain the Cost Records as specified by the Central Government under Section 148 (1) of the Act.

### **Application under Insolvency and Bankruptcy Code, 2016:**

During the year under report, your Company has not made any application and there are no proceedings pending under the Insolvency and Bankruptcy Code, 2016.

### **One Time Settlement:**

During the year under report, your Company has not done any one time settlement with Bank or Financial Institution.

### **Acknowledgement:**

The Board of Directors take this opportunity to express their sincere appreciation for the excellent support and co-operation received from the Securities and Exchange Board of India, Association of Mutual Funds of India, Stock Exchange Authorities, Auditors, Bankers, Distributors, other Service providers and Board of Trustees of Shriram Mutual Fund.

The Directors wish to place on record the continued enthusiasm, total commitment, dedication and efforts of the employees of the Company at all levels.

We are also deeply grateful to the Shareholders of the Company and also to the large body of investors of scheme of Shriram Mutual Fund for the continued confidence and the faith reposed in the Fund and look forward to their continued patronage.

Place: Chennai  
Date: May 09, 2023

By Order of the Board  
For **Shriram Asset Management Company Limited**  
**Ramamurthy Vaidyanathan**  
Chairman  
DIN No. 00221577

**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**Annexure 'A' to Directors' Report**

**FORM NO. AOC-2**

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

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

1. **Details of contracts or arrangements or transactions not at arm's length basis:** Nil  
2. **Details of material contracts or arrangement or transactions at arm's length basis:**

- (a) Name(s) of the related party and nature of relationship: Shriram Insight Share Brokers Limited – Fellow Subsidiary  
(b) Nature of contracts/arrangements/transactions:  
1) Infrastructure Sharing including Telecommunication Services- Kolkata Office  
2) Sub- Lease Agreement – Branch Offices  
3) Infrastructure Sharing including Telecommunication Services- Branch Offices  
(c) Duration of the contracts / arrangements/transactions:

<b>Salient Features of Contract / Arrangement</b>	<b>Duration of Contract/ Arrangement</b>	<b>With effect from</b>
Infrastructure Sharing including telecommunication services – Kolkata Office	3 years	April 01, 2023
Sub Lease Agreement-Branch Offices	3 years	April 01, 2023
Infrastructure Sharing including telecommunication services for Branch Offices	3 years	April 01, 2023

- (d) The material terms of the contracts or arrangements including the value, if any:

<b>Salient Features of Contract / Arrangement</b>	<b>Value of Contract/ Arrangement</b>
Infrastructure Sharing including telecommunication services – Kolkata Office	Maximum limit towards Infrastructure Sharing including telecommunication services: ₹12 lakhs per annum (excluding applicable taxes)
Sub Lease Agreement-Branch Offices	*Actual rent, as per the lease agreement between SISBL and original landlord, proportionately based on the space area utilized at such branch offices.
Infrastructure Sharing including telecommunication services -Branch Offices	*Actual costs, without any allowance or margin for profit to SISBL

\* Maximum limit towards Rent and Infrastructure Sharing including telecommunication cost for Branch Offices: ₹1.5 crore per annum (excluding applicable taxes)

- (e) Any advance paid or received for the contract or arrangement, if any: NIL  
(f) Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors: All factors relevant to the contract have been considered  
(g) Any other information relevant or important for the Board to take a decision on the proposed transaction: NA  
(h) Date(s) of approval by the Board, if any: January 09, 2023  
(i) Amount paid as advances, if any: NIL

By Order of the Board  
For **Shriram Asset Management Company Limited**  
**Ramamurthy Vaidyanathan**

Chairman

DIN No. 00221577

Place: Chennai  
Date: May 09, 2023



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**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

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**Annexure 'B' to Directors' Report**

**FORM NO. MR-3  
SECRETARIAL AUDIT REPORT**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]  
For the Financial Year ended March 31, 2023

To,  
The Members,  
**Shriram Asset Management Company Limited,**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Shriram Asset Management Company Limited (hereinafter called the Company).

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the Financial Year ended on March 31, 2023 has 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:

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

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. 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 (Mutual Funds) Regulations, 1996;
  - d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - f) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

We further state that there were no events/ actions in pursuance of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

1. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
2. 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;
3. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
4. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
5. The Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013;

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**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

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6. The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021.

We have also examined Compliance with the Applicable Clauses/Regulations of the following:

- Secretarial Standards issued by the Institute of Company Secretaries of India.

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

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

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 the decisions were carried out unanimously by the members of the Board and the same were duly recorded in the minutes of the meeting of the Board of Directors.

We 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 applicable laws, rules, regulations and guidelines.

We further report that the Company has complied with Standard Operating Process under SEBI (PIT) Regulations, 2015 for ensuring compliance with Structured Digital Database (SDD) compliance as applicable to the listed entities under Reg. 3(5) and 3(6) of SEBI (PIT) Regulations, 2015.

We further report that during the audit period the Company has:

- Allotted 1) 500000000 Compulsorily Convertible Preference Shares (CCPS) of Face Value of ₹ 1/- each 2) 18800 Compulsorily Convertible Debentures (CCDs) of Face Value of ₹10,000/- each and 3) 1481885 Warrants of Face Value of ₹ 124.30 each on May 27, 2022. These CCPS, CCDs and Warrants are unlisted.
- 137916 No. of Stock Options granted to the eligible employees of the Company at exercise price of ₹37.29 each to be converted into Equity Shares of face value of ₹10/- each.
- Allotted 443220 no. of Equity Shares of face value of ₹10/- (Rupees Ten Only) each, in lieu of conversion of 443220 no. of Warrants of face value of ₹124.30 (Rupees One Hundred and Twenty Four and Paise Thirty Only) each to Mission1 Investments LLC. Post Conversion, Company has balance of 1038665 numbers of Warrants pending for conversion.

We further report that during the audit period, there were no instances of:

- i. Public / Right/ debentures /sweat equity.
- ii. Redemption/ Buy-Back of securities.
- iii. Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- iv. Merger/ Amalgamation/ Reconstruction etc.
- v. Foreign technical collaborations.

For **SG & Associates**  
Practicing Company Secretaries  
**Suhas Ganpule**  
Proprietor  
Membership No: 12122  
C. P. No: 5722  
UDIN: A012122E000197771

Place: Mumbai  
Date: April 26, 2023

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**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

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**Annexure to Secretarial Audit Report**

To  
The Members,  
**Shriram Asset Management Company Limited,**

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial record. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the practices and processes, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained Management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, norms and standards is the responsibility of Management. Our examination was limited to the verification of procedure 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.

For **SG & Associates**  
Practicing Company Secretaries  
**Suhas Ganpule**  
Proprietor  
Membership No: 12122  
C. P. No: 5722  
UDIN:A012122E000197771

Place: Mumbai  
Date: April 26, 2023

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**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

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**Annexure 'C' to the Directors' Report****(Pursuant to Rule 12 of Companies (Share Capital and Debentures) Rules, 2014)****Details of Employee Stock Option as on March 31, 2023**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Details</b>	
1	Option Granted	137916	
2	Option Vested	Nil	
3	Options Exercised	Nil	
4	The total number of shares arising as a result of the exercise of an Option	Nil	
5	Option Lapsed/ Surrendered	Nil	
6	Exercise Price	₹ 37.29	
7	Variation of terms of Options	NA	
8	Money realized by exercise of Options	Nil	
9	Total number of Options in force	Nil	
10	Employee-wise details of options granted to	Name & Designation	Options
	i. Key Managerial Personnel	Mr. Kartik Jain – Managing Director and CEO	137916
	ii. any other employee who receives a grant of options in any one year of option amounting to 5% or more of options granted during that Year	Nil	
	iii. Identified employees who were granted options during one year equal or exceeding 1% of the issued capital of the Company at the time of granting	Same as (i)	
11.	Employee wise detail of options Exercised	Nil	

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**Annexure 'D' to the Directors' Report**

To,  
The Member,  
**Shriram Asset Management Company Limited**

This is to certify the “Shriram Asset Management Company Limited - Employees Stock Option Plan 2022” (“ESOP-2022”) of Shriram Asset Management Company Limited (CIN - L65991MH1994PLC079874), has been implemented in accordance with Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and in accordance with the resolution passed by the Company at its Extraordinary General Meeting held on March 02, 2022 wherein the aforesaid ESOP scheme was approved by the shareholders of the Company.

This Certificate is issued under Regulation 13 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

For **SG & Associates**  
Practicing Company Secretaries  
**Suhas Ganpule**  
Proprietor

Place: Mumbai  
Date: April 26, 2023

Membership No: 12122  
C. P. No: 5722  
UDIN:A012122E000188452

**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**Annexure 'E' to the Directors' Report**

**DISCLOSURE**

[Pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

Sr. No.	Particulars			Remarks
(i)	the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year:			
	Sr. No.	Name of Director / Key Managerial Personnel	Designation	Ratio of remuneration of each Director to the median remuneration of the employees
	1.	Mr. Kartik Jain *	Managing Director	5.95:1
	2.	Mrs. Reena Yadav	Company Secretary	7.53:1
	3.	Mrs. Chandana Dutt @	Chief Financial Officer	4.08:1
	4.	Mrs. Jaya Innani #	Chief Financial Officer	2.67:1
(ii)	the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;			
	a)	Managing Director *		79.80%
	b)	Chief Financial Officer @		51.53%
	c)	Company Secretary		76.08%
(iii)	the percentage increase in the median remuneration of employees in the financial year;			19.54%
(iv)	the number of permanent employees on the rolls of Company;			41
(v)	average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;			
	a)	Average % increase in Managerial personnel;		68.02%
	b)	Average % increase in other personnel:		21.63%
(vi)	affirmation that the remuneration is as per the remuneration policy of the Company.			Yes

\* Mr. Kartik Jain, appointed as Managing Director and Chief Executive Officer w.e.f. January 09, 2023.

@ Mrs. Chandana Dutt, resigned as Chief Financial Officer w.e.f. start of the business hours on December 12, 2022.

# Mrs. Jaya Innani, appointed as Chief Financial Officer w.e.f. start of the business hours on December 12, 2022.

**MANAGEMENT DISCUSSION AND ANALYSIS**

**Mutual Fund Industry Performance:**

The Indian equities market had a challenging year in FY23. The Value and Contra Funds outperformed in the equity mutual fund category. After a lengthy period of inactivity, value investing regained traction in the face of geopolitical concerns, supply chain disruptions, inflation, interest rates hikes by central banks to manage inflation across the globe and kept the stock markets at edge. During the year, the Value Fund category had average returns of 2.2%, while the Contra Fund category produced average returns of 5.3%.

As on March 31, 2023, there were 14.57 crores of folios altogether, up from 12.95 crores at the end of March 31, 2022. Assets under management (AUM) for mutual funds reached ₹39.42 lakh crores on March 31, 2023, an increase of 4.93% from March 2022. For FY22-23, the Systematic Investment Plan's (SIP) contribution was ₹1,55,972 crores. Investor perception about the advantages of SIPs has been strengthened by increasing awareness of mutual funds through numerous initiatives and campaigns like "Mutual Funds Sahi Hai". The industry witnessed net inflows of ₹1,82,055 crores during FY23, compared to ₹181,688 crores of inflow during FY22.

**Economic Overview:**

**Overview of Global Economy:**

Global economic recovery was affected as Advanced Economies (AEs), who were responsible for the majority of the global fiscal growth and monetary easing, saw inflation surpass record highs. Early in the second half of 2022, monetary tightening and rising inflation caused a decline in worldwide output. Since August 2022, the global PMI composite index has been in the contractionary range. We also witnessed the annual growth rates of international commerce, retail sales, and industrial production slow down dramatically. In its October 2022 update of the World Economic Outlook, the IMF revised its growth projections to reflect the resultant softening of the global economic outlook, which was also exacerbated by expectations of further increase in borrowing costs.

**Overview of Indian Economy:**

The Indian economy, on the contrary, appears to have recovered from the pandemic, staging a full recovery in FY22 ahead of many other countries and positioning itself to resume pre-pandemic growth in FY23. However, in the current year, India also faced the challenge of rising inflation, which has been exacerbated by the European crisis. Government and RBI actions, combined with a drop in global commodity prices, have finally managed to bring retail inflation below the RBI's upper tolerance target in November 2022. However, the challenge of the depreciating rupee continues to remain, with the possibility of further policy rate increases by the US Fed. The CAD may continue to widen as global commodity prices remain higher and the Indian economy's growth momentum remains strong. Export stimulus may be lost further as global growth and trade may get impacted from overall global slowdown. Meanwhile, many international agencies have revised their growth forecasts for the Indian economy downward. Amidst global geopolitical tensions and tighter domestic monetary policy, India is expected to grow at a rate of 6.5-7%. According to the Economic Survey 2022-23 presented by Ms. Nirmala Sitharaman in the Union Parliament on January 31, 2023, GDP for FY24 is expected to be in the range of 6-6.8%.

In January 2022, retail inflation in the nation surged above the RBI's tolerance level. Prior to slipping back to below the upper end of the target range of 6% in November 2022, it stayed above the target range for eleven months. To control inflation, the government reduced excise and customs taxes and limited exports, while the RBI, like other central banks, increased repo rates and reduced excessive liquidity.

The FY23 saw substantial volatility in most major currencies as a result of geopolitical issues, increase in oil import bill due to the on-going Russia-Ukraine War, the US Federal Reserve's rapid hike in interest rates and domestic inflation. The rupee was not spared and fell 8.02% against USD, and depreciated against GBP by 2.89%, EURO by 8.36% and YEN by 2.03% in FY23, Yet, it has outperformed numerous other currencies, including the Chinese -Yuan, South Korean -Won, Malaysian -Ringgit, and Philippine -Peso.

The GST collections remained robust throughout FY23, as economic activity gradually picked up, and it hit an all-time high of ₹1.6 lakh crores in March 2023, a rise of 12.36% over the same month of the previous year. It is encouraging



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## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

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to note that the gross GST collection crossed the ₹1.5 lakh crores mark in March 2023 for the fourth time in the current fiscal and became the second-highest collection since the introduction of the GST.

Meanwhile, the budget deficit of the Union government between the months of April 2022 and February 2023 increased to 82.8% of the whole fiscal year's target. The government pegged fiscal deficit target of 6.4% of GDP for FY23 while for FY24, it is expected to come down to 5.9%.

### Equity Market Performance:

The benchmark indices ended FY23 almost flat, Nifty 50 down by 0.6% to 17,359 while BSE Sensex gained a mere 0.72% to 58,991. A rather disappointing performance after almost a 19% and 17% gain by Nifty and Sensex, respectively, during the previous fiscal. However, the domestic market performance is much better when compared to several other international markets – Dow Jones (-4.05%), FTSE 100 (+1.34%), Hang Seng (-7.26%), Kospi Composite (-10.18%), Shanghai Composite (+0.43%) and Bovespa (-15.10%). The stance of all Central Banks during the year was fiscal tightening to control the rise in inflation.

The US Fed raised interest rate for nine times continuously as a result of which rates have risen to 4.75%-5%, the highest since 2007. The rate was almost zero a year ago. The same situation is across the globe. India's RBI also raised repo rates by 250 bps since May 2022 to bring it to 6.5% level. However, in a surprising move, RBI took a pause for the time being in the April MPC meeting, and has decided to assess the impact of rate hikes taken so far.

### Performance of the Sectorial Indices were mixed during FY2023

Nifty Auto	Nifty Bank	Nifty Consumer Durable	Nifty CPSE	Nifty FMCG	Nifty Pharma	Nifty IT	Nifty Metal	Nifty Oil & Gas	Nifty Reality
16.03%	11.64%	-11.44%	16.62%	26.50%	-11.54%	-20.98%	-14.42%	-8.69%	-16.44%

Nifty IT fell due to fears of recession in the developed markets of US, UK and Europe. Moreover, fear of a global slowdown impacting discretionary spending also weighed on the sector. Good performance by Banks was driven by stable loan growth and better asset quality while FMCG gained being defensive amidst turmoil in the global economy. The Auto sector growth was bolstered on the back of domestic demand recovery across all segments and new product launches in EV space.

### Outlook:

India's conviction in its economic durability has been strengthened in FY23. Without losing impetus for growth, the economy overcame the problems of external imbalances arising from the Russia-Ukraine conflict, rise in commodity inflation, supply chain issues and volatile crude prices. Despite FIIs withdrawing ₹24,751 crores in FY23 from India equities due to weak global outlook and rising interest rate scenario, DIIs gave stability by pumping in ₹1,49,573 crores. India's inflation rate remained under control due to Government and RBI measures. Turbulence in advance economies have put emerging countries especially India in a sweet spot for investors. The prospects for economic and social stability and long-term growth are further supported by a strong consumption rebound, strong revenue collections, sustained capex in both the public and private sectors, rising employment levels in urban and rural areas, and targeted social security measures.

### Mutual Fund Industry as it was in FY 2022-2023:

- Assets under Management (AUM) of Indian Mutual Fund Industry as on March 31, 2023 stood at ₹ 39.42 lakh crores.
- The SIP contributions for FY22-23 stood at ₹ 155,972 crores.
- The MF Industry's AUM has grown from ₹ 7.01 lakh crores as on March 31, 2013 to ₹ 39.42 lakh crores as on March 31, 2023, around 5 fold increase in a decade.
- The total number of accounts (or folios as per mutual fund parlance) as at March 31, 2023 stood at 14.57 crores.

**Mutual Fund Industry- Steps taken by the Regulators in FY 2022-2023:**

There were some important changes in the regulation pertaining to the mutual fund industry during FY 2022-2023; the highlights of some of the changes are as given below:

- **Nomination for Mutual Fund Unit Holders**

In order to bring uniformity in practices across all constituents in securities market, vide circular No. SEBI/HO/IMD/IMD-II/DOF3/P/CIR/2022/82 dated June 15, 2022 read with circular no. SEBI/HO/IMD/IMD-I/DOF1/P/CIR/2022/105 dated July 29, 2022 and circular no. SEBI/HO/IMD/IMD-I/POD1/P/CIR/2023/47 dated March 28, 2023, in case of nomination for eligible Mutual Fund Unit Holders, SEBI has decided as follows:

Investors subscribing to mutual fund units on or after October 01, 2022, shall have the choice of:

- a) Providing nomination in the format specified in fourth schedule of SEBI (Mutual Funds) Regulations, 1996; or
- b) Opting out of nomination through a signed Declaration form as provided in Annexure - A to the above circular.

All the AMCs had been advised to set deadline as September 30, 2023 for nomination /opting out of nomination for all the existing individual unit holder(s) holding mutual fund units either solely or jointly as mentioned at para 1 above, failing which the folios would be frozen for debits.

- **Disclosure of usage of Pool Accounts for transactions in the units of Mutual Funds, Two Factor Authentication ('2FA') For redemption and other related requirements**

SEBI vide its circular no. SEBI/HO/IMD/IMD-I/DOF5/P/CIR/2021/635 dated October 04, 2021 announced the following changes:

Pooling of funds and/ or units by stock brokers / clearing members in any form or manner to be discontinued for mutual fund transactions.

Similar to mechanisms for transactions in mutual fund units by MFDs and IAs, stock exchanges to put necessary mechanisms in place for stock brokers / clearing members also, to ensure that funds pay-in is directly received by the clearing corporation from the investor account and funds pay-out is directly made to the investor account. Pay-in / pay-out of funds not to be handled by the stock brokers / clearing members. In the same manner, for both demat and non-demat mode transactions, the units to be credited and debited directly to/ from the investors' demat account/ folio account without routing it through the pool account of the stock brokers / clearing members. However, for redemption of units held in dematerialised mode, the practice of issuance of Delivery Instruction Slip ('DIS') (physical or electronic) to the Depository Participant to debit the units for delivery to clearing corporation may continue.

The provisions of this Circular was to be applicable with effect from April 01, 2022. However, in the interest of the investors, SEBI, vide its another circular no. SEBI/HO/IMD/IMD-I/DOF5/P/CIR/2022/41 dated March 31, 2022 decided to extend the date of applicability of aforesaid circulars including the clauses relating to 2FA for redemption and source account verification to July 01, 2022.

Two-Factor Authentication for redemption of Mutual Fund units has been implemented with effect from June 01, 2022 for transactions outside stock exchange platforms and from July 01, 2022 for transactions on stock exchange platforms.

- **Two-factor authentication for transactions in units of mutual Funds**

In order to further safeguard interest of investors, SEBI, vide its another circular no. SEBI/HO/IMD/IMD-I/DOF1/P/CIR/2022/132 dated September 30, 2022 decided to extend the Two-Factor Authentication for subscription transactions in the units of Mutual Funds as well. Accordingly, In case of subscription and redemption of units, Two-Factor Authentication (for online transactions) and signature method (for offline transactions) shall be used for authentication.

This circular was made applicable with effect from April 01, 2023.

## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

- **Folios without PAN / PEKRN (PAN exempted KYC reference number)**

This is in reference to SEBI's letter no. SEBI/HO/OW/IMD/PoD/P/2022/ 48112 /1 dated September 12, 2022 on the captioned subject received by AMFI.

Pursuant to the aforesaid SEBI letter, AMFI, vide its circular no. AMFI/ 35P/ MEM-COR/ 46 / 2022-23 dated September 21, 2022 advised all AMCs to ensure that –

- a) No investments (Systematic transaction, lump sum, redemption) shall be permitted in such folios wherein PAN/ PEKRN details are not available.
- b) All necessary steps are taken to populate such folios with PAN or PEKRN (as may be applicable) before March 31, 2023 by obtaining PAN / PEKRN from the concerned unitholders.
- c) Non-PAN and Non-PEKRN folios would be liable to be frozen from April 01,2023. Frozen Folios shall be able to lodge grievance or avail service request only after furnishing the details.

AMC to continue to report the progress and steps taken to clean up the Non-PAN and Non-PEKRN folios to the Trustee in their quarterly report.

- **Timelines for transfer of dividend and redemption proceeds to unitholders**

SEBI has amended Regulation 53 of SEBI (Mutual Funds) Regulations, 1996 vide Gazette Notification No.SEBI/ LAD-NRO/GN/2022/106 dated November 15, 2022. Consequent to the above amendment the following has been decided.

- 1) Transfer of dividend payments: - Within seven working days from the record date. Record date shall be two working days from the date of issue of public notice.
- 2) Transfer of redemption or repurchase proceeds: - Within three working days from the date of redemption or repurchase. For schemes investing at least 80% of total assets in permissible overseas investments, the transfer of redemption or repurchase proceeds to the unitholders shall be made within five working days from the date of redemption or repurchase. AMFI, vide its letter no. AMFI/ 35P/ MEM-COR/ 74 / 2022-23 dated January 16, 2023 has further published the list of exceptional situations and the additional timelines for making redemption payment prepared by AMFI in consultation with SEBI.
- 3) Interest on Delay Payment: - 15% per annum along with the proceeds of redemption or repurchase or dividend. Such interest shall be borne by AMCs. Investors shall also be informed about the rate and amount of interest paid to them.

- **T+2 redemption payment cycle in respect of Equity Schemes w.e.f. February 01, 2023**

As per the communication issued by the stock Exchange regarding Equity market moving to T+1 Settlement cycle from January 27, 2023 all AMCs had been advised to move to T+2 redemption payment cycle for equity schemes, and implement this uniformly with effect from February 01, 2023, (i.e, for all transaction received before cut off timing on February 01, 2023 and proceeds at closing NAV for February 01, 2023) after allowing a couple of days for the settlement cycle/ process to stabilize.

### Performance of your Company

The performance of the Company for year ended March 31, 2023 is given in brief below:

Particulars	Year Ended March 31,2023 (₹ In lakhs)	Year Ended March 31,2022 (₹ In lakhs)
Total Income	583.61	489.28
Total Expenditure	1031.08	556.53
Profit Before Tax	(447.48)	(67.25)
Tax Provision for the Year	(44.40)	88.35
Balance brought forward from previous year	(1017.67)	(855.55)
Balance carried to Balance Sheet	(1423.33)	(1017.67)

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## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

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During the year 2022-2023, the Company's total income increased by 19.28% to ₹583.61 lakhs as compared to ₹489.28 lakhs in 2021-2022. However, since the Company is still in expansion mode investing in infrastructure & resources to augment future business revenue, loss before tax increased by 565% to ₹447.48 lakhs in 2022-2023, as compared to ₹67.25 lakhs in 2021-2022.

AUM of Shriram Mutual Fund has increased by 24.51% from ₹ 218.23 Crores in FY 2021-2022 to ₹ 271.72 Crores in FY 2022-2023 and corresponding Management Fees increased from ₹ 52.34 lakhs in FY 2021-2022 to ₹ 61.78 lakhs in FY 2022-2023.

### **Performance of Schemes of Shriram Mutual Fund:**

Shriram Hybrid Equity Fund, launched in November 2013, delivered return of 9.09% (at the end of March 2023 on a CAGR basis) since inception accompanied by lower levels of volatility. Shriram Flexi Cap Fund, launched in September 2018, delivered return of 10.22% (at the end of March 2023 on a CAGR basis) since inception. Shriram Long Term Equity Fund, launched in January 2019, delivered return of 12.10% (at the end of March 2023 on a CAGR basis) since inception. Shriram Balanced Advantage Fund, launched in July 2019, delivered return of 9.58% (at the end of March 2023 on a CAGR basis) since inception. Shriram Overnight Fund, launched in August 2022, delivered return of 3.66% (at the end of March 2023 on a CAGR basis) since inception.

### **Risks and concern:**

The Risk Management Manual sets out an enterprise wise risk management framework for Shriram Asset Management Company Limited and Shriram Mutual Fund. This Manual is intended to serve as a model, which will help the AMC and the Mutual Fund to monitor and mitigate the risks faced by the Company in the discharge of its business and also use risk management to increase value for investors.

### **Internal control system:**

The Company has adequate system of internal controls commensurate with its size and level of operations to ensure that all assets of the Company are safeguarded and protected and that transaction of the Company are authorised, recorded and reported correctly, and also to ensure the efficiency of operations, compliance with internal policies and applicable laws and regulations as well as protection of resources. Moreover, the Company continuously upgrades these systems in line with the best available practices. The internal control system is supplemented by internal audits, regular reviews by management and standard policies and guidelines to ensure reliability of financials and all other records to prepare financial statements and other data. The Audit Committee of the Board reviews internal audit reports given along with management comments. The Audit Committee also monitors the implementation of suggestions given by the Committee.

### **Human Resources:**

Employee Relations remained cordial throughout the year at all levels. Your Company would like to place its appreciation for all the hard work, dedication and efforts put in by all the employees. As on March 31, 2023, the Company had an employee strength of 41.

### **Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along explanations therefor, including:**

- (i) Debtors Turnover – 9.48
- (ii) Inventory Turnover - NA
- (iii) Interest Coverage Ratio - NA
- (iv) Debt Equity Ratio - NA
- (v) Operating Profit Margin (%) – 44%
- (vi) Net Profit Margin (%) -69%

**Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof:** Return on net worth is (6.14%) for FY 2022-23 as compared to (2.85%) for FY 2021-22 since the Company is still in expansion mode investing in infrastructure & resources to augment future business revenue.

**REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED MARCH 31, 2023**

**I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

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
  - Adopting and implementing prudent risk management techniques and thereby safeguarding the interest of shareholders, creditors, investors and employees at large.
- (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.
  - Reviewing periodically the existing systems, procedures and controls for further improvements.

**II. BOARD OF DIRECTORS**

**Composition**

The Board of Directors of the Company consists of professionals from varied disciplines. The day-to-day management of the affairs of the Company is managed by the Managing Director, who functions under overall supervision, direction and control of the Board of Directors of the Company. The Board meets regularly to discuss, review and decide upon the matters such as policy formulation, setting up of goals and appraisal of management performances with the goals and control functions, etc. Some of the powers of the Board have also been delegated to Committee/s. The Board thus exercises effective control over the overall functioning of the Company with a view to enhance the shareholder value.

During the year under review, six meetings of the Board of Directors were held on 18.05.2022, 28.06.2022, 02.08.2022, 10.11.2022, 09.01.2023 and 07.02.2023. The maximum gap between any two meetings was not more than one hundred and twenty days. The Twenty Eighth Annual General Meeting was held on July 28, 2022.

As mandated by Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 hereinafter called as "Listing Regulations", as on March 31, 2023, none of the Director is a Member of more than ten Board level Committees and no such Director is a Chairman of more than five Committees of the Listed Companies in which he is a Director. The Directors have made the necessary disclosures regarding Committee positions.

There is no relationship between the Directors inter-se.

As of March 31, 2023, the Company's Board comprised of 8 (Eight) members. The Company has 7 Non-Executive Directors out of which 4 are Independent Directors. The Chairman of the Board is Non-Executive Director. The Managing Director is an Executive of the Company.

The agenda papers along with the explanatory notes for Board Meetings are sent in advance to the Directors. In some instances, documents are tabled at the meetings and presentations are also made by the respective executives on the matters related to them at the Board or Committee Meetings.

The information as specified in the Listing Regulations is made available to the Board, whenever applicable, for discussion and consideration.

The names and categories of Directors, their attendance at Board Meetings held during the year and at the last Annual General Meeting (AGM) and number of memberships/chairmanships of Directors in other Boards and Board Committees are as follows:

**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**Composition of Board**

Name of the Director and Category of Directorship	No. of Board Meetings attended	Whether attended the last AGM	Total No. of other Director Ships	Total No. of Memberships of the Committees of Board		Total No. of Chairmanships of the Committees of Board	
				Membership in Audit / Stakeholders Relationship Committees	Membership in other Committees	Chairmanship in Audit/ Stakeholders Relationship Committees	Chairmanship in other Committees
Mr. Ramamurthy Vaidyanathan- Chairman- Non- Executive and Independent	6	YES	8	2	3	1	1
Mr. Gaurav Patankar - Vice Chairman - Non-Executive and Non-Independent (@)	5	YES	1	1	2	NIL	NIL
Mr. Kartik Jain- Managing Director and CEO - Executive and Non-Independent (*)	2	N.A.	NIL	NIL	NIL	NIL	NIL
Mr. Dhruv Mehta - Non-Executive and Non - Independent	6	YES	6	1	1	1	NIL
Mrs. Jayashree Mahesh - Non-Executive and Independent	6	YES	NIL	NIL	NIL	NIL	NIL
Mrs. Subhasri Sriram - Non-Executive and Non-Independent	6	YES	17	3	7	1	NIL
Mr. Marc Scott Irizarry - Non-Executive and Independent (#)	5	YES	NIL	NIL	NIL	NIL	NIL
Mr. Prem Haroomal Samtani- Non-Executive and Independent (**)	2	N.A.	NIL	NIL	NIL	NIL	NIL
Mr. M. R. Shashibhushan- Non-Executive and Non-Independent (##)	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

**Notes:**

- While considering the total number of directorships, their directorships in private companies, Section 8 companies, if any, have been included and their directorship in the Company has been excluded.
- The memberships and chairmanships of Directors in committees do not include their memberships and chairmanships in the Company.

(\*) Mr. Kartik Jain, appointed as Managing Director and Chief Executive Officer of the Company with effect from January 09, 2023

(@) Mr. Gaurav Patankar, appointed as Director of the Company with effect from June 28, 2022. He was designated as Vice Chairman of the Board with effect from August 02, 2022.

(#) Mr. Marc Scott Irizarry, appointed as an Independent Director of the Company with effect from June 28, 2022

(\*\*) Mr. Prem Haroomal Samtani, appointed as an Independent Director of the Company with effect from January 09, 2023

(##) Mr. M.R. Shashibhushan, appointed as Director of the Company with effect from February 02, 2022. He resigned as Director of the Company with effect from April 20, 2022.

**Name of other listed entities where Directors of the Company are Directors and the category of Directorship as of March 31, 2023:**

Sr. No.	Name of Director	Name of the Listed Company in which the concerned Director is a Director	Category of Directorship
1	Mr. Ramamurthy Vaidyanathan DIN No. 00221577	Shriram Properties Limited	Non-Executive and Independent Director
2	Mr. Gaurav Patankar DIN No.02640421	Niyogin Fintech Limited	Non-Executive and Non-Independent Director
3	Mr. Kartik Jain DIN No.09800492		Nil



**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

4	Mr. Dhruv Mehta DIN No.02083226	Diamines And Chemicals Limited	Non-Executive and Independent Director
5	Mrs. Jayashree Mahesh DIN No.06993492		Nil
6	Mrs. Subhasri Sriram DIN No.01998599	1) TVS Electronics Limited 2) Niyogin Fintech Limited	1) Non-Executive and Independent Director 2) Non-Executive and Independent Director
7	Mr. Marc Scott Irizarry DIN No. 09578499		Nil
8	Mr. Prem Haroomal Samtani DIN No.09782200		Nil

**The Board identified, inter alia, the following core skills/expertise/competencies to ensure the Board's effective composition to discharge its responsibilities and duties required to govern the Company and also be compliant with the applicable regulations:**

Sr. No.	Desired/Needed Skills, Experience, Attribute	RV	GP	KJ	DM	JM	SS	MI	PS
1	Industry Expertise	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
2	Risk Management and Regulatory Expertise	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
3	Financial Markets Expertise	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Business Strategy	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
5	Communication and Transparency Expertise	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6	Behavioural Expertise	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes
7	Financial and Management Expertise	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

**Please Note:**

RV= Mr. Ramamurthy Vaidyanathan, GP= Mr. Gaurav Patankar, KJ= Mr. Kartik Jain, DM= Mr. Dhruv Mehta, JM= Mrs. Jayashree Mahesh, SS= Mrs. Subhasri Sriram, MI= Mr. Marc Scott Irizarry and PS= Mr. Prem Haroomal Samtani .

**Familiarisation programme for Independent Directors:**

The Company familiarises its Independent Directors pursuant to the requirement of Listing Regulations with their roles and rights, responsibility in the Company, nature of the industry in which the Company operates and business model of the Company etc. The details of the familiarisation programme imparted to the Independent Directors of the Company during Financial Year 2022-2023 are available on the website of the Company at [www.shriramamc.in](http://www.shriramamc.in)

**Policy for prohibition of Insider Trading:**

In compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and to preserve the confidentiality and prevent misuse of unpublished price sensitive information, the Company has formulated Code of Practices and procedure for fair disclosure of unpublished price sensitive information. It allows the formulation of a trading plan subject to certain conditions and requires pre-clearance for dealing in the Company's shares. It also prohibits trading of Company's shares by the Directors, Designated Employees and Connected Persons while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

**III. COMMITTEES OF DIRECTORS**

**i) AUDIT COMMITTEE**

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of the Listing Regulations read with Section 177 of the Companies Act, 2013.

**Terms of Reference**

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

- Overseeing the financial reporting process.
- To ensure proper disclosure in the quarterly, half yearly and Annual Financial Statements.
- To recommend appointment, re-appointment of Auditors and the fixing of their remuneration. Approval of payment to Statutory Auditors for any other services rendered by them.
- Reviewing, with the management, the Annual Financial Statements before submission to the Board with particular reference to:
  - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report to the shareholders in terms of clause (3) (c) of Section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and
  - g. Qualifications in the draft audit report.
- Reviewing, with the management, performance of Statutory and Internal Auditors, adequacies of internal control systems.
- Discussing with Internal Auditors on any significant findings and follow up thereon.
- 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.
- Discussing with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussions to ascertain any area of concern.
- To discuss with management, the Internal Auditors and the Statutory Auditors the Company's major risk exposures and guidelines and policies to govern the processes by which risk assessment and risk management is undertaken by the Company, including discussing the Company's major financial risk exposures and steps taken by management to monitor and mitigate such exposures and from time to time conferring with another Committee/s of the Board about risk exposures and policies within the scope of such other Committee's oversight.
- To look into the reasons for substantial defaults in the payment to the shareholders (in case of non payment of declared dividends) and creditors, if any.
- To review the functioning of the Whistle Blower Mechanism.
- Review of half yearly and yearly financials of Mutual Fund Schemes.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Scrutiny of Inter-corporate Loans and Investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.

The Audit Committee is vested with the necessary powers, as defined in its Charter, to achieve its objectives. The Chairman of the Audit Committee was present at the 28<sup>th</sup> Annual General Meeting held on July 28, 2022.

During the year under review, the Committee met six times on 18.05.2022, 28.06.2022, 02.08.2022, 10.11.2022, 09.01.2023 and 07.02.2023. The maximum gap between any two meetings was not more than one hundred and twenty days.

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## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

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The necessary quorum was present for all the meetings.

### Composition

Name of the Member	Appointment / Cessation Date	Category	No. of Meetings Attended
Mr. Ramamurthy Vaidyanathan -Chairman	Appointed w.e.f. March 09, 2022	Non-Executive and Independent	6
Mrs. Jayashree Mahesh	Appointed w.e.f. October 21, 2014	Non-Executive and Independent	6
Mrs. Subhasri Sriram	Appointed w.e.f. March 09, 2022	Non-Executive and Non-Independent	6

### Note:

The Company Secretary acts as the Secretary for the Audit Committee. The Statutory Auditors and the Managing Director of the Company also attend and participate in the meetings of the Audit Committee.

## ii) NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company is constituted in line with the Regulation 19 of the Listing Regulations read with Section 178 of the Companies Act, 2013.

Two-third of the Members of the Committee, including the Chairman are Independent Directors.

### Terms of Reference

The terms of reference of the Nomination and Remuneration Committee, inter alia includes:

### Executive Remuneration

The Committee is responsible for assisting the Board of Directors in the Board's overall responsibilities relating to determination on their behalf and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages and any compensation payment for the Managing Director/Whole-time Directors, Executive Directors, Key Managerial Personnel and Senior Management Personnel. The role of the Committee includes:

- Identifying persons who are qualified to become the Directors / hold other senior management position and formulating criteria for determining qualities / positive attributes of Independent Directors.
- Recommending to the Board and periodically reviewing Remuneration Policy.
- Formulation of criteria for evaluation of Independent Directors and the Board and devising Board diversity policy.
- Determine the Company's policy on specific remuneration packages for Whole-time Directors / Executive Directors, Key Managerial Personnel and Senior Management Personnel.
- To provide independent oversight of and to consult with Company management regarding the Company's compensation, bonus, pension and other benefit plans, policies and practices applicable to the Company's executive management.
- To develop guidelines for and annually review and approve (a) the annual basic salary, (b) the annual incentive and bonus, including the specific goals and amount.
- To review and approve (a) Employment Agreement and severance arrangement (b) any other benefits, compensation or arrangement for the Managing Director.

During the year under review, the Committee met four times on 18.05.2022, 10.11.2022, 09.01.2023 and 07.02.2023.

The necessary quorum was present for the meeting.

**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**Composition**

Name of the Member	Appointment / Cessation Date	Category	No. of Meetings Attended
Mrs. Jayashree Mahesh -Chairman	Appointed w.e.f. October 21, 2014	Non-Executive and Independent	4
Mr. Ramamurthy Vaidyanathan	Appointed w.e.f. March 09, 2022	Non-Executive and Independent	4
Mrs. Subhasri Sriram	Appointed w.e.f. March 09, 2022 and resigned on June 28, 2022	Non-Executive and Non-Independent	1
Mr. Gaurav Patankar	Appointed w.e.f. June 28, 2022	Non-Executive and Non-Independent	3

**Notes:**

**Remuneration Policy of the Company**

**For Managing Director**

The appointment and remuneration of Managing Director is governed by the recommendation of the Nomination and Remuneration Committee, resolutions passed by the Board of Directors and Shareholders of the Company. The remuneration of the Managing Director comprises of salary, perquisites, allowance and contributions to provident fund, medical expenses and other retirement benefits as approved by the shareholders at the General Meetings. As per the Remuneration Policy the Committee shall take into consideration the experience, previous contributions, targets and market conditions while recommending the appointment and remuneration of the person as Managing Director.

**For Non-Executive Directors**

**Sitting Fees:**

The Non- Executive Directors are compensated by way of sitting fees.

The Board of Directors at its Meeting held on June 28, 2022 revised the Sitting Fees payable to the Directors for attending Board and Committee Meetings

The Sitting Fees payable to the Directors for attending Board as well as Committee Meetings is as under:

- a) Board Meeting - ₹ 50,000/- per meeting
- b) Committee Meeting - ₹ 25,000/- per meeting

The details of sitting fees/remuneration paid to the Directors during the year 2022-2023, are as under:

Sr. No.	Name of the Director	Sitting Fees (₹)	Salary, Perquisites (₹)	Commission (₹)	Total (₹)
1	Mr. Ramamurthy Vaidyanathan - (Chairman)	577,000	NIL	NIL	577,000
2	Mr. Gaurav Patankar- (Vice- Chairman)	NIL	NIL	NIL	NIL
3	Mr. Kartik Jain -Managing Director (*)	NIL	24,75,299	NIL	24,75,299
4	Mr. Dhruv Mehta	347,000	NIL	NIL	347,000
5	Mrs. Jayashree Mahesh	603,000	NIL	NIL	603,000
6	Mrs. Subhasri Sriram	NIL	NIL	NIL	NIL
7	Mr. Marc Scott Irizarry	275,000	NIL	NIL	275,000
8	Mr. Prem Haroomal Samtani	125,000	NIL	NIL	125,000

(\*) Mr. Kartik Jain, was appointed as Managing Director and Chief Executive Officer for a period of 3 years with effect from January 09, 2023. His remuneration includes salary of ₹ 24,75,299/-and contribution to Provident Fund of ₹ 1,31,613/-. The appointment may be terminated by giving three months notice in writing or salary in lieu thereof.

The Company adopted Shriram Asset Management Company Limited - Employees Stock Option Plan 2022 ("ESOP 2022") pursuant to the approval of shareholders at Extra Ordinary General Meeting held on March 02, 2022. 137916 options in accordance with Employees Scheme Option Plan 2022 were granted to Mr. Kartik Jain at an exercise price of ₹ 37.29/- which is 70% discount to the conversion price of warrants / Compulsory Convertible

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## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

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Preference Shares i.e. ₹ 124.30/-. The same is to be vested equally across three years from the date of grant and may be exercised within 5 years of vesting.

Except the shares held, none of the Non-Executive Directors have any other pecuniary interest in the Company, as disclosed to us.

**Details of Shares and convertible instruments held by the Directors as on March 31, 2023 are as below:**

Name of the Director	Shareholding
Mr. Ramamurthy Vaidyanathan	NIL
Mr. Gaurav Patankar	NIL
Mr. Kartik Jain	NIL
Mr. Dhruv Mehta	NIL
Mrs. Jayashree Mahesh	NIL
Mrs. Subhasri Sriram	NIL
Mr. Marc Scott Irizarry	NIL
Mr. Prem Haroomal Samtani	NIL

The Company has not issued any GDRs/ADRs which are pending for conversion. However, during 2022-2023 Company has allotted the following securities on May 27, 2022 which are pending for conversion:

- 500000000 (Fifty Crores) fully paid-up Compulsorily Convertible Preference Shares (CCPS) of the face value of ₹1/- (Indian Rupees One Only) each at a price of ₹1/- (Indian Rupees One Only) per CCPS aggregating to ₹ 50,00,00,000/- (Indian Rupees Fifty Crores Only) which is convertible into 4022526 equity shares arrived at basis the issue price (i.e. ₹124.30) determined as per Regulation 166A(1) read with Regulation 164 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 (SEBI ICDR Regulations), as amended, to Shriram Credit Company Limited;
- 18800 (Eighteen Thousand Eight Hundred) fully paid-up Compulsorily Convertible Debentures (CCDs) of the face value of ₹10,000 /- (Indian Rupees Ten Thousand only) each at a price of ₹10,000 /- (Indian Rupees Ten Thousand only) per CCDs aggregating to ₹18,80,00,000 /- (Indian Rupees Eighteen Crore Eighty Lakh only) which is convertible into 1512469 equity shares arrived at basis the issue price (i.e., ₹124.30) determined as per Regulation 166A(1) read with Regulation 164 of SEBI ICDR Regulations, as amended, to Mission1 Investments LLC;
- 1481885 (Fourteen Lakh Eighty One Thousand Eight Hundred Eighty Five) warrants at a price of ₹124.30 (Indian Rupees One Hundred Twenty Four and Paise Thirty only) per warrant aggregating to ₹18,41,98,305.50 (Indian Rupees Eighteen Crore Forty One Lakh Ninety Eight Thousand Three Hundred Five and Paise Fifty only) which is convertible into 1481885 equity shares arrived at basis the issue price (i.e., ₹124.30) determined as per Regulation 166A(1) read with Regulation 164 of SEBI ICDR Regulations, as amended, to Mission1 Investments LLC\*;

\*Out of the total consideration receivable towards Warrants i.e. ₹18,41,98,305.50, the Company had received ₹ 4,60,49,576.38 i.e. 25% of the Issue Price before allotment of Warrants. The balance 75% shall be payable at the time of conversion of Warrants.

During the year under review, 443220 number of warrants were converted to 443220 number of equity shares on March 31, 2023, accordingly, 1038665 number of warrants are pending for conversion.

'**Conversion Date**' for the above purposes means the earlier of the occurrence of the following events: (a) at the expiry of 18 months from the date of issuance of the Subscription Securities; or (b) the Investors exercising their right to convert all the Subscription Securities into equity shares.

## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

### UTILISATION OF THE FUNDS RAISED

Pursuant to Regulation 32(7A) the details of the funds utilized during the year are as follows:

<b>Mode of Fund Raising</b>	Preferential issue of 500000000 Compulsorily Convertible Preference Shares (CCPS), 18800 Compulsorily Convertible Debentures (CCDs) and 1481885 Warrants	Conversion of 443220 number of warrants to 443220 number of equity shares
<b>Date of Raising Funds</b>	Date of Allotment : May 27, 2022	Date of Allotment of Equity Shares: March 31, 2023
<b>Amount Raised</b>	₹ 73,40,49,576.38	₹ 4,13,19,184.50 (i.e. 75% of the amount of the above warrants paid at the time of exercise of option)
<b>Funds Utilised during the year</b>	₹ 53,40,49,576.38	Nil
<b>Original Object</b>	Company shall utilise the proceeds from the preferential issue of (i) CCPS for redemption of Redeemable Non-Convertible Preference Shares (RNCPS) of the Company held by the Promoter i.e., Shriram Credit Company Limited together with Shriram Financial Products Solutions (Chennai) Private Limited and Way2Wealth Brokers Private Limited; (ii) CCDs for other general corporate purposes and (iii) warrants for other general corporate purposes including redemption of remaining Redeemable Non-Convertible Preference Shares of the Company.	
<b>Amount of Variation / Deviation</b>	Nil	

### PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning primarily covering the following:

1. Adequacy of the composition of the Board and its Committees.
2. Board culture.
3. Execution and performance of Specific duties
4. Attendance of Board Meetings and Board Committee Meetings
5. Quality of contribution to Board deliberations
6. Strategic perspectives or inputs regarding future growth of Company and its performance
7. Providing perspectives and feedback going beyond information provided by the management
8. Commitment to shareholder and other stakeholder interests.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman on parameters such as effectiveness of leadership, impartiality and ability to keep shareholders' interest in mind etc. and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

### iii) STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee of the Company is constituted in line with the Regulation 20 of the Listing Regulations read with Section 178 of the Companies Act, 2013.

The Committee comprises of two Independent Directors and two Non-Independent Directors. Chairman of the Committee is Non-Executive Director.

The Chairman of the Stakeholders Relationship Committee was present at 28<sup>th</sup> Annual General Meeting.



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## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

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### Terms of reference

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

### The Committee in particular looks into:

- The Shareholders' and investors' complaints on matters relating to transfer of shares, non-receipt of annual report, non-receipt of dividends and matters related thereto.
- The matters that can facilitate better investor services and relations.
- Attending to investors' queries and complaints regarding transfer, annual reports etc.
- Attending to complaints of investors routed by SEBI/ Stock Exchange.

During the year under review, the Committee met four times on 18.05.2022, 02.08.2022, 10.11.2022 and 07.02.2023

The necessary quorum was present for all the meetings.

### Composition

Name of the Member	Appointment / Cessation Date	Category	No. of Meetings Attended
Mr. Ramamurthy Vaidyanathan -Chairman	Appointed w.e.f. March 09, 2022	Non-Executive and Independent	4
Mr. Dhruv Mehta	Appointed w.e.f. February 14, 2012	Non-Executive and Non-Independent	4
Mrs. Jayashree Mahesh	Appointed w.e.f. October 21, 2014	Non-Executive and Independent	4
Mr. Gaurav Patankar	Appointed w.e.f. June 28, 2022	Non-Executive and Non-Independent	3

### Note:

The status of investor grievances is monitored by the Committee periodically and the minutes of the Committee are made available to the Board. The complaints received from the Shareholder, SEBI, Stock Exchange and others are reviewed and they are replied to by the Company/ Share Transfer Agents regularly. The status of the pending complaints as well as the system of redressal mechanism is reviewed by the Committee periodically.

No complaints were received during the year and there were no complaints pending for redressal at the beginning of the year 2022-2023.

Mrs. Reena Yadav, Company Secretary is the "Compliance Officer" of the Company and Mrs. Sneha Jaiswal is the "Compliance Officer" for Mutual Fund Schemes.

### iv) RISK MANAGEMENT COMMITTEE

The Risk Management Committee is constituted in line with the Regulation 21 of Listing Regulations comprising of 3 Members.

The Risk Management Committee is inter-alia responsible for risk identification, evaluation and mitigation and control process for such risks, oversight the enterprise risk management system and internal control process; monitoring and reviewing risk management plan of the Company and reviewing the foreseeable trends that could significantly impact the Company's overall business objectives and mitigants thereof.

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**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

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**Composition**

Name of the Member	Appointment / Cessation Date	Category
Mrs. Jayashree Mahesh- Chairman	Appointed w.e.f. March 09, 2022	Non-Executive and Independent
Mrs. Subhasri Sriram	Appointed w.e.f. March 09, 2022	Non-Executive and Non-Independent
Mr. Ramamurthy Vaidyanathan	Appointed w.e.f. March 09, 2022	Non-Executive and Independent
Mr. Rohit Chawda	Appointed w.e.f. March 09, 2022 Ceased to be member w.e.f. February 14, 2023	Chief Operating Officer

**v) SECURITIES ISSUE COMMITTEE****Terms of reference**

The Committee is responsible for assisting the Board of Directors in the Board's overall responsibilities in connection with the offer, invitation and allotment of Securities of the Company including deciding on the terms and conditions of the offer, invitation and allotment of securities, including the form, timing etc.

During the year under review, the Committee met on 27.05.2022 and 31.03.2023.

The necessary quorum was present for the meeting.

**Composition**

Name of the Member	Appointment / Cessation Date	Category	No. of Meetings Attended
Mrs. Subhasri Sriram –Chairman	Appointed w.e.f. March 09, 2022	Non-Executive and Non-Independent	2
Mrs. Jayashree Mahesh	Appointed w.e.f. October 21, 2014	Non-Executive and Independent	2
Mr. Dhruv Mehta	Appointed w.e.f. April 20, 2022	Non-Executive and Non-Independent	1
Mr. Gaurav Patankar	Appointed w.e.f. June 28, 2022	Non-Executive and Non-Independent	-

**vi) INTERNAL COMPLAINTS COMMITTEE**

The Internal Complaints Committee as stipulated under Section 4 of CHAPTER II of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been constituted with object to provide protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment and for matters connected therewith or incidental thereto.

During the year under review, the Committee met on 07.02.2023.

**vii) OTHER COMMITTEES**

Company also has other committees as Operations Committee, Broker Empanelment Committee, Investment Committee, Valuation Committee and Risk Management Committee which have been formed as per Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.

As required by Section 149(8) and Schedule IV of the Companies Act, 2013 and also by Regulation 25(3) of the Listing Regulations, the Independent Directors of the Company met on 07.02.2023.

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## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

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### GENERAL BODY MEETINGS

Details of location and time of holding the last three AGMs:

Year	AGM	Location	Date	Time
2019-2020	26 <sup>th</sup>	Through Video- conference (VC) / Other Audio-Visual Means (OAVM)	September 04, 2020	11.30 A.M.
2020-2021	27 <sup>th</sup>	Through Video- conference (VC) / Other Audio-Visual Means (OAVM)	July 28, 2021	11.30 A.M.
2021-2022	28 <sup>th</sup>	Through Video- conference (VC) / Other Audio-Visual Means (OAVM)	July 28, 2022	4.00 P.M.

- A) At 26<sup>th</sup> AGM held on September 04, 2020- following Special Resolutions were passed:
- 1) Re-appointment of Mr. Prabhakar Karandikar as an Independent Director for second term and to hold office upto February 13, 2022.
  - 2) Approval of Related Party Transactions (Ordinary Resolution)
  - 3) Approval of Loan to Shriram Insight Share Brokers Limited.
  - 4) Increase in Authorised Share Capital of the Company and alteration to Memorandum of Association.
  - 5) Issue of Redeemable Non- Convertible Preference Shares by way of Private Placement.
- B) At 27<sup>th</sup> AGM held on July 28, 2021- following Special Resolutions were passed:
- 1) Appointment of Mr. Akhilesh Kumar Singh as Managing Director for a period of 1 year with effect from February 14, 2021.
  - 2) Approval of Related Party Transactions (Ordinary Resolution)
- C) At Extra Ordinary Meeting held on March 02, 2022- following Special resolutions were passed:
- 1) Increase/Reclassification of Authorised Share Capital of the Company (Ordinary Resolution)
  - 2) Approval of Issue, Offer and Allotment of Compulsorily Convertible Preference Shares, Compulsorily Convertible Debentures and Warrants Convertible into Equity Shares on Preferential Basis and matters related therewith.
  - 3) Approval of Employees Stock Option Plan 2022.
  - 4) Reclassification / re-designation of Mrs. Jayashree Mahesh as an Independent Director.
  - 5) Appointment of Mrs. Subhasri Sriram as Director (Ordinary Resolution)
  - 6) Appointment of Mr. Ramamurthy Vaidyanathan as an Independent Director.
  - 7) Appointment of Mr. M.R. Shashibhushan as Director (Ordinary Resolution)
  - 8) Approval of Related Party Transaction (Ordinary Resolution)
  - 9) Approval to invest the funds in excess of limit under Section 186 of the Companies Act, 2013.
- D) At 28<sup>th</sup> AGM held on July 28, 2022- following Special Resolutions were passed:
- 1) Appointment of G.D. Apte & Co., as Statutory Auditors for Second Term of five years (Ordinary Resolution)
  - 2) Amendment of Articles of Association.
  - 3) Appointment of Mr. Gaurav Patankar, as Director (Ordinary Resolution)
  - 4) Appointment of Mr. Marc Scott Irizarry, as an Independent Director
  - 5) Approval of Related Party Transactions (Ordinary Resolution)
- E) Postal Ballot

**Voting Pattern and Procedure for Postal Ballot:**

During the Financial Year 2022-2023, one Postal Ballot was conducted as per Section 110 of the Companies Act, 2013. Company at its meeting held on January 09, 2023, appointed Mr. Suhas S. Ganpule as the Scrutinizer for conducting the postal ballot voting process.

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## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

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In compliance with Sections 108, 110 and other applicable provisions of the Act, read with the Rules issued thereunder, the Company provided electronic voting (e-voting) facility to all its Shareholders. The Company engaged the services of Central Depository Services (India) Limited (“CDSL”) for the purpose of providing e-voting facility to all its members.

The postal ballot notice was sent to Shareholders in electronic form to the email addresses registered with the depository participants/Company’s Registrar & Share Transfer Agents. The Company also published a notice in the newspapers declaring the details of completion of dispatch and other requirements under the Secretarial Standards issued by the Institute of Company Secretaries of India, the Act, and the Rules issued thereunder. Voting rights were reckoned on the paid up value of shares of the Company registered in the names of the Shareholders as on the cut-off date. Members desiring to exercise their votes by electronic mode were requested to vote before the close of working hours on February 16, 2023 the last date and time fixed by the Company for receipt of the e-voting.

The Scrutinizer submitted his report, after the completion of scrutiny and the consolidated results of the voting by postal ballot was announced on February 17, 2023 by the Company. The results were displayed on the website of the Company at [www.shriramamc.in](http://www.shriramamc.in) besides being communicated to the Stock Exchange. The following Resolutions were passed with requisite majority on February 16, 2023 by the Members by way of Postal Ballot:

- 1) Ordinary Resolution: Appointment of Mr. Kartik Jain as a Director of the Company
- 2) Special Resolution: Appointment of Mr. Prem Haroomal Samtani as an Independent Director of the Company
- 3) Special Resolution: Appointment of Mr. Kartik Jain as Managing Director and Chief Executive Officer of the Company and fixing the remuneration.
- 4) Ordinary Resolution: Approval of Related Party Transactions

At the ensuing Annual General Meeting, there is no resolution proposed to be passed through postal ballot.

F) **Subsidiary Company**

The Company does not have any subsidiary.

### **DISCLOSURES**

The Company has followed the relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 while preparing Financial Statements.

There are no materially significant related party transactions with the Company’s Promoters, Directors, Key Managerial Personnel or their relatives, which may have potential conflict with the interest of the Company at large. The Company has framed policy on dealing with the related party transactions; the policy is available on the website of the Company i.e. [www.shriramamc.in](http://www.shriramamc.in).

Disclosures on transactions with related parties as required under Ind (AS) - 24 have been incorporated in the Notes to Financial Statements.

In terms of the amendments made to the Listing Regulations, the Board of Directors confirms that during the year, it has accepted all recommendations received from its mandatory committees.

There are no instances of non-compliance by the Company, penalties or strictures imposed on the Company by the Stock Exchange and SEBI, or any matter related to capital markets during the last three years.

The Company has complied with all applicable mandatory requirements of the Listing Regulations. The Company has also fulfilled the following discretionary requirements as provided in Listing Regulations:

- a. **The Board:** The Company does not maintain separate office for Non-Executive Chairman however the expenses incurred by him in connection with the performance of his duties as Chairman are reimbursed.
- b. **Shareholders Rights:** The Quarterly financial results are published in the newspaper and not sent to individual shareholders on a half-yearly basis. Financial Results are also available on the website of the Company and of Stock Exchange where the Equity shares of the Company are listed.

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## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

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- c. **Modified Opinion(s) in Audit Report:** There are no modified opinions in audit report.
- d. **Separate Posts of Chairman and CEO:** The Board of Directors of Shriram Asset Management Company Limited has a Non-executive Chairman (Independent Director) i.e. Mr. Ramamurthy Vaidyanathan and Mr. Kartik Jain is the Managing Director and Chief Executive Officer.
- e. **Reporting of Internal Auditor:** M/s. Datta Roy & Associates, Chartered Accountants, Kolkata, acts as the Internal Auditor of the Company pursuant to Section 138 of the Act read with the Companies (Accounts) Rules, 2014. The Internal Auditors directly present their report to the Audit Committee for its consideration.

The Company has duly complied with the requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

All the Directors of the Company have given a declaration stating that they are not debarred or disqualified by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority from being appointed or continuing as Directors of Companies. Mr. Suhas Ganpule, Practising Company Secretary has submitted a certificate to this effect.

Total fees for all services paid by the Company to the Statutory Auditor and all entities in the network firm / network entity of which Statutory Auditor is part are given in Note No. 22 (1) to the Financial Statements.

The Company has adopted Code of Conduct ('Code') for the Members of the Board and Senior Management Personnel as required under Regulation 26(3) of the Listing Regulations. All the Board Members and the Senior Management Personnel have affirmed compliance of the Code. The Annual Report of the Company contains a declaration to this effect signed by the Managing Director. Further, the Code of Conduct of the Company applicable to the Board and Senior Management Personnel is also posted on the website of the Company.

**Loans and Advances in the nature of Loans to firms/companies in which Directors are interested:** There are no Loans and Advances given by the Company to any firm/companies in which Directors are interested.

### **Policy for Prevention, Detection and Investigation of Frauds and Protection of Whistle blowers (the Whistle blower Policy)/ Vigil Mechanism**

The Company is committed to provide an open, honest and transparent working environment and seeks to eliminate fraudulent activities in its operations. To maintain high level of legal, ethical and moral standards and to provide a gateway for employees to report unethical behaviour and actual or suspected frauds, the Company has adopted the Whistle blower Policy/ Vigil Mechanism in line with Regulation 22 of the Listing Regulations. No personnel have been denied access to the Audit Committee. The Whistle blower Policy/ Vigil Mechanism broadly cover a detailed process for reporting, handling and investigation of fraudulent activities and providing necessary protection to the employees who report such fraudulent activities / unethical behaviour.

### **CAPITAL AUDIT**

As stipulated by SEBI a Qualified Practising 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 report thereon is submitted to the BSE Limited and to the Board of Directors.

### **RISK MANAGEMENT**

The Company has in place a Risk Management Policy, commensurate with its size of operations, which lays down a process for identification and mitigation of risks that could materially impact its performance. The Audit Committee reviews the risk management and mitigation plan from time to time.

### **CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER**

Certification by the Managing Director and Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) in their capacity as such is provided elsewhere in the Annual Report.

## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

### MEANS OF COMMUNICATION

All important information relating to the Company, its performance, shareholding pattern, business, quarterly results, other information as per the Listing Regulations, are regularly posted on Company's website and also forwarded to the stock exchange. The quarterly, half-yearly and annual financial results of the Company are published in one English (Free Press Journal, Mumbai) and in one Marathi newspaper (Navashakti, Mumbai). They are also available on the Company's Website: [www.shriramamc.in](http://www.shriramamc.in) and website of BSE Limited: [www.bseindia.com](http://www.bseindia.com).

### GENERAL SHAREHOLDER INFORMATION

(As required by Regulation 34(3) of the Listing Regulations)

#### 29<sup>th</sup> Annual General Meeting

a.	<b>Date and Time</b>	Wednesday, July 26, 2023 at 4.30 P.M.
b.	<b>Venue</b>	Meeting will be conducted through Video Conference or Other Audio - Visual Means
c.	<b>Book Closure Date</b>	From Thursday, July 20, 2023 to Wednesday, July 26, 2023 (both days inclusive)
d.	<b>Dividend</b>	The Board of Directors has not recommended any dividend for the year 2022-2023
e.	<b>Name and Address of Stock Exchange where Company's shares are listed</b>	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001
f.	<b>Financial Calendar</b>	2023-2024
	Annual General Meeting	July 2024
	Unaudited results for the quarter ending June 30, 2023	Last week of July 2023
	Unaudited results for the quarter/ half - year ending September 30, 2023	Last week of October 2023
	Unaudited results for the quarter ending December 31, 2023	Last week of January 2024
	Audited results for the year ending March 31, 2024	May 2024
g.	<b>Stock Code</b>	
	BSE Limited (BSE)	531359
	Demat ISIN in NSDL & CDSL	INE777G01012

#### Payment of Listing Fees

The Company has paid the annual listing fees for the Financial Year 2022-2023 to the above stock exchange.

#### Custodial Fees to Depositories

The annual custodial fees for the Financial Year 2022-2023 have been paid to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

The Management Discussion and Analysis Report is forming part of the Directors' Report.

#### h. Stock Market Data

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

BSE Limited			
Month	Share price		Volume
	High (₹)	Low (₹)	
April-2022	170.30	130.00	60435
May-2022	148.90	122.00	38131
June-2022	177.00	130.35	63279
July-2022	168.30	143.15	29926

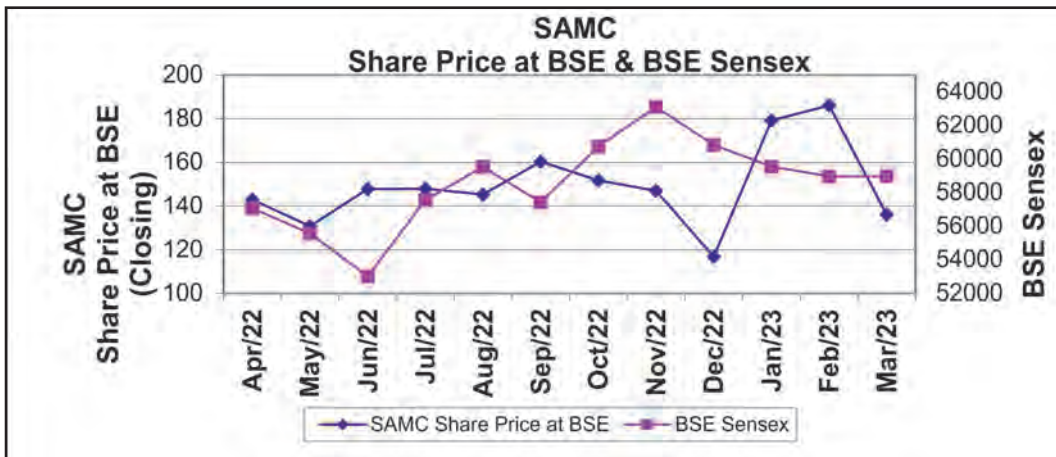


**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

August -2022	158.00	135.05	73283
September-2022	195.00	145.00	94124
October-2022	179.95	150.00	43023
November-2022	169.95	130.50	44060
December-2022	151.70	104.00	100498
January-2023	243.45	93.00	947563
February -2023	216.15	166.00	66309
March-2023	194.70	135.50	140690

i. **Shriram Asset Management Company Limited (SAMC) Share Price performance in comparison to BSE Sensex**

The Company's closing share price movement during the Financial Year 2022-2023 on BSE Sensex:



j. **Registrar and Share Transfer Agents**

The Registrar and Share Transfer Agents of the Company are:

**Purva Sharegistry (India) Private Limited**

9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Mumbai - 400 011

Tel. No.: +91-22-4961 4132/ 3199 8810

k. **Share Transfer System**

The authority to approve share transfers/transmissions has been delegated by the Board of Directors to the Registrar and Share Transfer Agents. Requests received for transfer of shares are processed within 30 days of receipt.

l. **Distribution of Shareholdings as on March 31, 2023**

No. of Equity Shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 500	1508	81.78	152526	2.37
501-1000	166	9.00	141582	2.20
1001-2000	75	4.07	115106	1.78
2001-3000	18	0.98	43741	0.68
3001- 4000	14	0.76	50613	0.79
4001- 5000	13	0.70	61199	0.95

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**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

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5001- 10000	21	1.14	145126	2.25
10001 and above	29	1.57	5733327	88.98
<b>Total</b>	<b>1844</b>	<b>100.00</b>	<b>6443220</b>	<b>100.00</b>

**m. Category of Shareholders as on March 31, 2023**

<b>Category of Shareholders</b>	<b>No. of Shares held</b>	<b>% of Shareholding</b>
Promoters and Promoter Group	4120010	63.94
Individuals	1712763	26.58
Bodies Corporate	513247	7.97
State Government	5000	0.08
LLP	21647	0.34
Trust	1624	0.02
NRI	1888	0.03
HUF	42796	0.66
Clearing Members	24245	0.38
<b>Total</b>	<b>6443220</b>	<b>100</b>

**n. Dematerialisation of shares and liquidity**

The Company's scrip forms part of the compulsory demat segment for all investors effective January 20, 2005. To facilitate 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 Purva Sharegistry (India) Private Limited. As on March 31, 2023 total of 6234760 equity shares constituting 96.76% of the paid up capital, have been dematerialised.

**o. Address for correspondence and Registered Office**

**Registered Office:** 217, 2<sup>nd</sup> Floor, Swastik Chambers, near Junction of S.T. & C.S.T. Road, Chembur, Mumbai 400 071 Tel. No.: +91-22-40060810/40060815  
Website: [www.shriramamc.in](http://www.shriramamc.in), Email ID: [srmf@shriramamc.in](mailto:srmf@shriramamc.in)  
CIN No.: L65991MH1994PLC079874

**Administrative and Head Office:** 511-512, 5<sup>th</sup> Floor, Meadows, Sahar Plaza, J. B. Nagar, Andheri (East), Mumbai 400 059  
Tel. No.: +91 -22-4969 6944  
E-mail ID for investor grievance: [srmf@shriramamc.in](mailto:srmf@shriramamc.in)

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## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

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### MANAGING DIRECTOR (CHIEF EXECUTIVE OFFICER)

I, Kartik Jain, in my capacity as the Managing Director and Chief Executive Officer and, to the best of my knowledge and belief, certify that:

- a) I have reviewed financial statements and the cash flow statement for the year ended March 31, 2023 and that to the best of my knowledge and belief;
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii. These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of my knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and I have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- d) I have indicated to the Auditors and the Audit Committee:
  - i. Significant changes in internal control over financial reporting during the year;
  - ii. Significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  - iii. That there are no instances of significant fraud of which I have become aware.

Place: Chennai  
Date: May 09, 2023

**Kartik Jain**  
Managing Director & CEO

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### CHIEF FINANCIAL OFFICER

I, Jaya Innani, in my capacity as the Chief Financial Officer, to the best of my knowledge and belief, certify that:

- a) I have reviewed financial statements and the cash flow statement for the year ended March 31, 2023 and that to the best of my knowledge and belief;
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii. These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of my knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and I have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- d) I have indicated to the Auditors and the Audit Committee:
  - i. Significant changes in internal control over financial reporting during the year;
  - ii. Significant changes if any, in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  - iii. That there are no instances of significant fraud of which I have become aware.

Place: Chennai  
Date: May 09, 2023

**Jaya Innani**  
Chief Financial Officer

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

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2023.

Place: Chennai  
Date: May 09, 2023

**Kartik Jain**  
Managing Director & CEO

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**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

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**CERTIFICATE ON CORPORATE GOVERNANCE**

To

**The Members of Shriram Asset Management Company Limited**

We have examined the compliance of the conditions of Corporate Governance by SHRIRAM ASSET MANAGEMENT COMPANY LIMITED ("the Company"), for the year ended on March 31, 2023 as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with corporate governance requirements by the Company.

Based on our examination of the relevant records and according to the information and explanations provided to us and the 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 para C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2023.

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.

**For S G & Associates**  
Practicing Company Secretary  
**Suhas S. Ganpule**  
Proprietor  
Membership No: 12122  
CP No: 5722  
UDIN No: A012122E000188606

Place: Mumbai  
Date: April 26, 2023

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**Practicing Company Secretaries' Certificate pursuant to Regulation 34 and Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To,

**The Members of Shriram Asset Management Company Limited**

**Subject: Declaration by Practicing Company Secretary pursuant to Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, regarding non-disqualification of the Directors.**

Pursuant to Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and on the basis of the declaration received from the Directors of Shriram Asset Management Company Limited (the 'Company'), I Mr. Suhas Sadanand Ganpule, Company Secretary in Practice hereby declare that the understated Directors of the Company are not debarred or disqualified from being appointed or to continue as Directors of the Company by the SEBI/ Ministry of Corporate Affairs or any other Statutory Authority for the year ended March 31, 2023:

Name of the Director	DIN
Mr. Ramamurthy Vaidyanathan	00221577
Mr. Gaurav Patankar	02640421
Mr. Kartik Jain	09800492
Mr. Dhruv Lalit Mehta	02083226
Mrs. Jayashree Mahesh	06993492
Mrs. Subhasri Sriram	01998599
Mr. Marc Scott Irizarry	09578499
Mr. Prem Haroomal Samtani	09782200

**For S G & Associates**  
Practicing Company Secretary  
**Suhas S. Ganpule**  
Proprietor  
Membership No: 12122  
CP No: 5722  
UDIN No: A012122E000188188

Place: Mumbai  
Date: April 26, 2023

**INDEPENDENT AUDITORS' REPORT**

**To**  
**The Members of Shriram Asset Management Company Limited**  
**Report on the financial Statements**

**Opinion**

We have audited the accompanying financial statements of Shriram Asset Management Company Limited ("the Company"), which comprise the Balance sheet as at March 31, 2023 the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, notes to the financial statement and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, these aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its profit and other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

**Basis of Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143 (10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements Section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (the 'ICAI') together with the ethical / independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAI's 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 financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<p><b>Valuation of Investments in Mutual Fund Schemes</b></p> <p>Since the Company is an Asset management company, it has investments in its own Mutual fund schemes as per SEBI (Mutual Funds), Regulation 1996 and also investment in other mutual fund schemes.</p> <p>As on the balance sheet date, investments are valued as per the requirements of Ind AS 109 – Financial Instruments.</p> <p>Investments comprise of the most significant asset in the Company's financial statements. In view of significance of investments of the Company as specified above, we consider investment valuation to be a significant key audit matter.</p>	<p>Our audit procedures, to assess the reasonableness of valuation of investments, includes the following:</p> <ul style="list-style-type: none"> <li>• Ensuring that the accounting policy as adopted by the Company for valuation of its investments is in accordance with the requirement of the relevant Ind AS.</li> <li>• Verification of the valuation of investments as carried out by the Company is in accordance with the requirement of <b>Ind AS 109 - Financial Instruments</b>, where in investments are carried at fair value through profit and loss.</li> <li>• Verification of the relevant observable and unobservable inputs if any used in the valuation of investments as per requirement of <b>Ind AS 113 - Fair Value Measurement</b> such as Net Asset Value (NAV) of the Mutual fund schemes as declared on the reporting date.</li> <li>• We have reviewed the disclosures related to investments in the financial statements as required by the relevant Ind AS.</li> </ul> <p>We have carried out the following procedures in respect of impairment:</p> <ul style="list-style-type: none"> <li>• Reviewed the indicators and factors which affects the recoverability of the investments and in case of existence of such indicators, whether sufficient impairment loss was provided in the books by the Company.</li> </ul>

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe actions applicable in the applicable laws and regulations. We have nothing to report in this regard.

### **Management's Responsibilities for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the Financial Position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the Audit of Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- 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 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.



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## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

- I. As required by the Companies (Auditor's Report) Order, 2020 ("the order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "**Annexure A**", a statement of the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
- II. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.
  - e) On the basis of the written representations received from the directors as on March 31, 2023 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**" to this report.
  - g) With respect to the other matters to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanation given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provision of Section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note No. 28 to the Financial Statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there are any material foreseeable losses: and
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv) a) the Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been 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 or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities

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## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

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- 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 represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - c) Based on audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement
- v. The Company has not declared or paid dividend during the year. Hence, this Clause is not applicable.
  - vi. No comments have been offered as regards the maintenance of books of account using accounting software which has a feature of recording audit trail (edit log) facility under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 since the said requirements under proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 are not applicable to the Company for the financial year ended on March 31, 2023.

**For G. D. Apte & Co.**  
**Chartered Accountants**  
Firm Registration No.: 100515W  
**Chetan R. Sapre**  
Partner  
Membership No.: 116952  
UDIN:23116952BGTHWM9108

Place: Mumbai  
Date: May 09, 2023

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### **ANNEXURE – A to the Independent Auditors' Report on the Financial Statements of Shriram Asset Management Company Limited**

(Referred to in paragraph I under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Shriram Asset Management Company Limited on the Financial Statements for the year ended March 31, 2023)

- i. In respect of the Company's Property plant & equipment:
    - a) A) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment for the year.
    - B) The Company has maintained proper records showing full particulars of intangible assets.
  - b) The Company has physically verified its property, plant and equipment during the year and no material discrepancies were noticed on such verification.
  - c) According to the information and explanations given to us, the title deeds of all immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company.
  - d) The Company has neither revalued its PPE (including Right of Use assets) nor intangible assets or both during the year.
  - e) As per the information and explanation provided to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii.
    - a) The Company is primarily engaged in rendering Asset Management Services, and it does not hold any inventories. Accordingly, reporting requirement under Clause (ii)(a) of the Order is not applicable.
    - b) According to the information and explanations given to us, the Company has not availed working capital limits from banks or financial institutions on the basis of security of its' current assets.
  - iii.
    - a) According to the information and explanations given to us, the Company had granted unsecured loan to one of its' fellow subsidiary namely Shriram Insight Share Brokers Limited (SISBL), covered in the register maintained under Section 189 of the Act which has been repaid during the FY 2022-23, in respect of which
      - A. The aggregate amount of loan given during the FY 2022-23 to fellow subsidiary was ₹ 15.50 Crores and balance outstanding as on March 31, 2023 was NIL.
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## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

- B. During the year, Company has provided loans to its employees amounting to ₹ 5.84 Lakhs and aggregate amount of loans provided to employees outstanding as on March 31, 2023 is ₹ 9.91 Lakhs
- b) The terms and conditions of the grant of such loans were not prejudicial to the Company's interest.
  - c) In the case of loan granted to fellow subsidiary, the terms of arrangements do not stipulate any repayment schedule and the loans were repayable on demand. Payment of interest had been stipulated, and the receipts thereof were regular. And in the case of loan granted to employees, the terms of arrangements stipulate repayment schedule along with interest, and the receipts thereof were regular.
  - d) There were no overdue amounts for more than ninety days in respect of the loans granted.
  - e) According to the information and explanation given to us, there are no any loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
  - f) According to the information and explanation given to us, the Company has granted loans or advances to its fellow subsidiary in the nature of loans either repayable on demand or without specifying any terms or period of repayment. As mentioned in Clause iii(a) above, the aggregate amount of loans granted was ₹ 15.50 Crores to Shriram Insight Share Brokers Limited (SISBL), which comprises of 100% of loans granted.
- iv In our opinion and according to the information and explanation given to us, the Company has complied with the Section 185 and Section 186 of the Act in respect of loans given and investments made, and guarantee provided. According to the information and explanation given to us the Company has not provided any guarantee or security.
  - v. The Company has not accepted any deposits or the amounts deemed to be deposit as the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 of the Act and the rules framed there under. Accordingly, Clause (v) of the Order is not applicable to the Company.
  - vi. To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Clause 148(1) of the Companies Act, 2013, for the Company, and therefore the provisions of Clause (vi) of the Order is not applicable to the Company
  - vii
    - a) According to the information and explanations given to us and according to the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and any other statutory dues, wherever applicable. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at March 31, 2023 for a period of more than 6 months from the date they became payable.
    - b) According to the information and explanations given to us, there were no dues in respect of statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute except the following:

(₹ in lakhs)

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which amount relates (Assessment Year)	Gross Amount involved	Amount Paid under protest	Amount Unpaid
Income Tax Act, 1961	Tax and Interest	Commissioner of Income Tax (Appeals)	2018-2019	0.68	0.14	0.54
Income Tax Act, 1961	Penalty	Commissioner of Income Tax (Appeals)	2013-2014	1.32	-	1.32
Income Tax Act, 1961	Tax and Interest	Commissioner of Income Tax (Appeals)	2017-2018	0.17	-	0.17
Income Tax Act, 1961	TDS	Income Tax Officer	2008-2009	0.62	-	0.62
<b>Total</b>				<b>2.79</b>	<b>0.14</b>	<b>2.65</b>

- viii According to the information and explanations given to us, no transactions or income, not recorded in the books of account, 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 and according to the information and explanation given to us, the Company has not defaulted in repayments of dues or other borrowings or in the payment of interest thereon to any lender during the year.
  - b) According to the information and explanation given to us, the Company has not been declared as wilful defaulter by any bank or Financial Institution or any lender.

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## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

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- c) According to the information and explanation given to us, the Company has not borrowed new term loans during the year. Therefore, requirement of this Clause is not applicable to the Company.
- d) According to the information and explanation given to us, the Company has not raised any funds on short term basis. Therefore, requirement of this Clause is not applicable to the Company.
- e) According to the information and explanation given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) According to the information and explanation given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x. a. According to the information and explanations given to us and on the basis of examination of records of the Company, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence the reporting requirement under Clause (x)(a) of the Order is not applicable to the Company.
- b. According to the information and explanations given to us and on the basis of examination of records of the Company, the Company has issued Compulsory Convertible Preference Shares, Compulsory Convertible Debentures and Share warrants fully convertible into Equity shares, during the year and the requirements of Section 42 and Section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which it was raised.
- xi. a. According to the information and explanation given to us, no fraud on or by the Company, has been noticed or reported during the course of our audit.
- b. No report U/s 143 (12) of the Companies 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 explanation given to us, no whistle-blower complaints have been received during the year by the Company.
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company thus reporting requirements under Clause (xii) (a), (b) & (c) of the Order are not applicable.
- xiii. According to the information and explanations given to us and based on our examination of records of the Company, the transactions entered with related parties are in compliance with provisions of Section 177 and 188 of the Companies Act where applicable and the details of such transactions are disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. a. According to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- b. The reports of the Internal Auditors of the Company issued till date for the period under audit were considered by us.
- xv. According to the information and explanations given to us and based on our examination of records of the Company, the Company during the year has not entered into any non-cash transactions with directors or persons connected with the directors covered under the provisions of Section 192 of the Act and accordingly the provisions of Clause (xv) of the Order are not applicable to the Company.
- xvi. a. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).
- b. According to the information and explanation given to us, the Clause pertaining to the conduct of Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934, is not applicable to the Company.
- c. According to the information and explanation given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence the Clause (xvi)(c) of the Order is not applicable.
- d. According to the information and explanation given to us, there are four unregistered Core Investment Company (CIC) as part of the Group.
- xvii. According to the information and explanation given to us, the Company has incurred cash losses in the financial year and in the immediately preceding financial year amounting to ₹ 402.60 lakhs and ₹ 89.07 lakhs respectively.

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## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

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- xviii. There has been no resignation of the Statutory Auditors during the year and hence the provision of Clause (xviii) of the Order is not applicable to the Company.
- xix. According to the information and explanation given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, and our knowledge of the BOD and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report and that Company is capable of meeting its liabilities existing as at the date of balance sheet as and when they fall due within a period of 1 year from the balance sheet date.
- xx a. As the Company's net worth/turnover/net profit is below the requirements of Section 135, the provisions of Corporate Social responsibility are not applicable. Hence, requirements of Clause (xx)(a) of the Order is not applicable.
- b. As the Company's net worth/turnover/net profit is below the requirements of Section 135, the provisions of Corporate Social responsibility are not applicable. Hence, requirements of Clause (xx)(b) of the Order is not applicable.
- xxi. The Company is not required to prepare consolidated financial statements and hence the provisions of Clause (xxi) of the Order is not applicable.

**For G. D. Apte & Co.**

**Chartered Accountants**

Firm Registration No.: 100515W

**Chetan R. Sapre**

Partner

Membership No.: 116952

UDIN:23116952BGTHWM9108

Place: Mumbai  
Date: May 09, 2023

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### ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS OF SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

(Referred to in paragraph II (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Shriram Asset Management Company Limited on the Financial Statements for the year ended March 31, 2023)

#### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Shriram Asset Management Company Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining

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## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

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an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and Directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**For G. D. Apte & Co.**

**Chartered Accountants**

Firm Registration No.: 100515W

**Chetan R. Sapre**

Partner

Membership No.: 116952

UDIN:23116952BGTHWM9108

Place: Mumbai

Date: May 09, 2023



## SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

### BALANCE SHEET AS AT MARCH 31, 2023

(₹ In Lakhs )

Particulars	Note No.	As at March 31,2023	As at March 31,2022
<b>I. ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash and cash equivalents	2	434.71	7.96
(b) Receivable			
(i) Trade Receivable	3	6.52	4.67
(ii) Trade Receivable	3	0.02	0.02
(c) Loans	4	9.91	17.58
(d) Investment	5	6,597.64	5,057.07
(e) Other Financial Assets	6	803.39	369.02
<b>Total Financial Assets</b>		<b>7,852.19</b>	<b>5,456.32</b>
<b>(2) Non -Financial Assets</b>			
(a) Current Tax Assets (Net)		5.40	26.69
(b) Investment Property	7	11.81	12.75
(c) Property, plant and equipment	8	15.58	4.20
(d) Right of Use Asset	8	121.34	29.82
(e) Other Intangible Assets	8	0.08	-
(f) Other Non- Financial Assets	9	113.39	63.86
<b>Total Non -Financial Assets</b>		<b>267.59</b>	<b>137.32</b>
<b>TOTAL ASSETS</b>		<b>8,119.78</b>	<b>5,593.64</b>
<b>II. LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(1) Financial Liability</b>			
<b>(A) Trade payables</b>			
Total Outstanding Dues of Micro Enterprises and Small Enterprises	10	-	0.07
Total Outstanding Dues to Creditors Other than Micro Enterprises and Small Enterprises	10	16.19	12.32
<b>(B) Other Financial Liabilities</b>			
(a) Lease Liability		122.59	35.81
(b) Othe Financial Liabilites	11	164.19	31.52
<b>Total Financial Liability</b>		<b>302.97</b>	<b>79.72</b>
<b>(2) Non- Financial Liability</b>			
(a) Current Tax Liability (Net)		-	-
(b) Provisions	12	63.60	56.50
(c) Deferred tax liabilities (Net)	13	6.24	75.09
<b>Total Non -Financial Liability</b>		<b>69.84</b>	<b>131.59</b>
<b>EQUITY</b>			
(a) Share Capital	14	1,044.32	6,000.00
(b) Instruments Entirely Equity in Nature	14	6,880.00	-
(c) Other Equity	15	(177.35)	(617.67)
<b>Total Equity</b>		<b>7,746.97</b>	<b>5,382.33</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>8,119.78</b>	<b>5,593.64</b>

Summary of Significant Accounting Policies

1

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

**FOR G. D. APTE & CO.**

CHARTERED ACCOUNTANTS

FIRM REGISTRATION No.100515W

**FOR SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**KARTIK JAIN**  
MANAGING DIRECTOR & CEO  
DIN No. 09800492

**SUBHASRI SRIRAM**  
DIRECTOR  
DIN No. 01998599

**CHETAN R. SAPRE**  
PARTNER  
MEMBERSHIP No.116952

**REENA YADAV**  
COMPANY SECRETARY

**JAYA INNANI**  
CHIEF FINANCIAL OFFICER

Place : Mumbai  
Date : May 09, 2023

Place : Chennai  
Date : May 09, 2023

**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023**

(₹ In Lakhs )

Particulars	Note No.	For the Year Ended March 31,2023	For the Year Ended March 31,2022
<b>Income</b>			
<b>I. Revenue from operations</b>			
Asset Management Services	16	61.78	52.34
Interest Income	17	472.22	338.73
Net gain/(loss) on fair value changes	18	39.11	82.20
<b>II. Other Income</b>	19	10.50	16.01
<b>III. Total Income (I +II)</b>		<u>583.61</u>	<u>489.28</u>
<b>IV. Expenditure:</b>			
Finance costs	20	157.02	4.55
Employee Benefit Expense	21	424.77	295.81
Depreciation and Amortization Expense	7&8	35.37	23.94
Other expenses	22	390.73	209.97
Mutual Fund Expenses	23	23.19	22.26
<b>Total Expenditure</b>		<u>1,031.08</u>	<u>556.53</u>
<b>V. Profit/ (Loss) before tax (III - IV)</b>		<u>(447.48)</u>	<u>(67.25)</u>
<b>VI. Tax expense:</b>			
(1) Current tax		-	-
(2) Deferred tax		(67.95)	18.70
(3) Income Tax Provision For Earlier Years		23.55	69.65
<b>Total Tax Expenses</b>		<u>(44.40)</u>	<u>88.35</u>
<b>VII. Profit/(Loss) after tax (VI-VII)</b>		<u>(403.08)</u>	<u>(155.60)</u>
<b>VIII. Other Comprehensive Income</b>			
a. Items that will not be reclassified to profit or loss:			
(i) Remeasurements gain/(loss) of defined benefit plans		(3.49)	(8.81)
(ii) Income tax related to such items		0.91	2.29
b. Items that will be reclassified to profit or loss		-	-
<b>Other comprehensive income for the period, net of tax</b>		<u>(2.58)</u>	<u>(6.52)</u>
<b>IX. Total comprehensive income for the period (VII+VIII)</b>		<u>(405.66)</u>	<u>(162.12)</u>
<b>X. Earning per equity share:</b>			
<b>(Face value of ₹ 10 per share)</b>			
(1) Basic (₹ per Share)		(6.72)	(2.59)
(2) Diluted (₹ per Share)		*(6.72)	(2.59)

(\*) The impact of potential equity shares on Diluted Earnings per share is anti-dilutive and hence the Diluted Earnings per share is the same as Basic Earnings per share

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

**FOR G. D. APTE & CO.**

CHARTERED ACCOUNTANTS

FIRM REGISTRATION No.100515W

**FOR SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**KARTIK JAIN**  
MANAGING DIRECTOR & CEO  
DIN No. 09800492

**SUBHASRI SRIRAM**  
DIRECTOR  
DIN No. 01998599

**CHETAN R. SAPRE**  
PARTNER  
MEMBERSHIP No.116952

**REENA YADAV**  
COMPANY SECRETARY

**JAYA INNANI**  
CHIEF FINANCIAL OFFICER

Place : Mumbai  
Date : May 09, 2023

Place : Chennai  
Date : May 09, 2023

**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023**

(₹ In Lakhs )

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Cash Flow From Operating Activities</b>		
<b>Profit/ (Loss) before tax as per Statement of Profit and Loss</b>	<b>(447.48)</b>	<b>(67.25)</b>
<b>Adjustments For:</b>		
Depreciation	35.37	23.94
Net gain/(loss) on fair value changes	(39.11)	(82.20)
Finance cost	157.02	4.55
ESOP Expenses	16.61	-
Other Interest Income	(3.78)	(2.82)
Other Non Cash Income	(3.50)	-
Operating Profit Before Change in Working Capital	<b>(284.86)</b>	<b>(123.78)</b>
<b>Changes in Working Capital</b>		
Decrease / (Increase) in loans and advances	7.67	(2.55)
Decrease / (Increase) in Security Deposit	(20.90)	-
Decrease / (Increase) in Other Financial Assets	(418.16)	(174.84)
Decrease / (Increase) in Receivables	(1.84)	(0.15)
Decrease / (Increase) in Other Non Financial Assets	(49.53)	41.72
Increase / (Decrease) in Trade Payables	3.80	(4.38)
Increase / (Decrease) in Other Financial Liabilities	4.15	(10.96)
Increase / (Decrease) in Provisions	3.61	(20.31)
Changes in Reserves due to Other Comprehensive Income	-	-
Net Change in Working Capital	<b>(471.20)</b>	<b>(171.47)</b>
Direct Taxes Paid	<b>(2.25)</b>	<b>(128.06)</b>
<b>Net Cash From Operating Activities</b>	<b><u>(758.31)</u></b>	<b><u>(423.32)</u></b>
<b>Cash Flow From Investing Activities</b>		
(Purchase)/Sale of Property Plant & Equipment (net)	(15.06)	(1.34)
Net (Purchase)/Sale of Investment	(1,501.47)	426.24
Interest Received	2.79	2.82
<b>Net Cash From Investing Activities</b>	<b><u>(1,513.73)</u></b>	<b><u>427.72</u></b>

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**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

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**Cash Flow From Financing Activities**

Issue of Equity Share Capital	550.92	-
Issue of CCPS, CCDs & Warrants	7,202.77	-
Redemption of RNCPS	(5,000.00)	-
Interest on Lease Liability	(5.82)	(4.55)
Principal Lease Liability Payment	(26.39)	(20.26)
Finance cost	(22.68)	-
<b>Net Cash from Financing Activities</b>	<b>2,698.80</b>	<b>(24.81)</b>
Net Increase/ (Decrease) in Cash and Cash Equivalents	426.75	(20.41)
Cash & Cash Equivalents- Beginning of the year	7.96	28.37
<b>Cash &amp; Cash Equivalents- End of the year</b>	<b>434.71</b>	<b>7.96</b>
Cash & Cash Equivalents comprising of:		
Cash on Hand	0.21	0.50
Balance with Banks (in current accounts)	434.50	7.46
Total Cash & Cash Equivalents- End of the year	434.71	7.96

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**Notes:-**

- Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 specified under Section 133 of the Companies Act, 2013.
- Previous year`s figures have been regrouped/ rearranged wherever necessary to make them comparable with those of current year.
- Figures in brackets represents outflows.

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

**FOR G. D. APTE & CO.**  
CHARTERED ACCOUNTANTS  
FIRM REGISTRATION No.100515W

**CHETAN R. SAPRE**  
PARTNER  
MEMBERSHIP No.116952

Place : Mumbai  
Date : May 09, 2023

**FOR SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**KARTIK JAIN**  
MANAGING DIRECTOR & CEO  
DIN No. 09800492

**REENA YADAV**  
COMPANY SECRETARY

Place : Chennai  
Date : May 09, 2023

**SUBHASRI SRIRAM**  
DIRECTOR  
DIN No. 01998599

**JAYA INNANI**  
CHIEF FINANCIAL OFFICER

**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023**

(in ₹ Lakhs)

**A SHARE CAPITAL**

**(a) Equity Share of ₹ 10/- each (March 31, 2022 ₹ 10/- each) fully paid up**

Particulars	Balance at the beginning of the year (Apr 01)	Changes during the year	Balance at the end of the year
<b>As at March 31, 2023</b>	<b>600.00</b>	<b>44.32</b>	<b>644.32</b>
As at March 31, 2022	600.00	-	600.00

**(b) Redeemable Non Convertible Preference Shares of ₹ 100/- each (March 31, 2022 ₹ 100/- each)**

Particulars	Balance at the beginning of the year (Apr 01)	Changes during the year	Balance at the end of the year
<b>As at March 31, 2023</b>	<b>5,400.00</b>	<b>(5,000.00)</b>	<b>400.00</b>
As at March 31, 2022	4,900.00	500.00	5,400.00

**B INSTRUMENT ENTIRELY EQUITY IN NATURE**

**(a) Compulsory Convertible Preference Shares of ₹ 1/- each**

Particulars	Balance at the beginning of the year (Apr 01)	Changes during the year	Balance at the end of the year
<b>As at March 31, 2023</b>	<b>-</b>	<b>5,000.00</b>	<b>5,000.00</b>
As at March 31, 2022	-	-	-

**(b) Compulsory Convertible Debentures of ₹ 10,000/- each**

Particulars	Balance at the beginning of the year (Apr 01)	Changes during the year	Balance at the end of the year
<b>As at March 31, 2023</b>	<b>-</b>	<b>1,880.00</b>	<b>1,880.00</b>
As at March 31, 2022	-	-	-

**C OTHER EQUITY**

Particulars	Reserves and Surplus				Money received against share warrants	Total
	Capital Redemption Reserve	Securities Premium	Retained Earnings	Share Option Outstanding Account		
(1) Opening Balance as at April 01, 2022	400.00	-	(1,017.67)	-	-	(617.67)
Profit for the year (i)			(403.08)			(403.08)
Other Comprehensive Income – Remeasurement gain/(loss) of the defined benefit plans (net of tax) (ii)			(2.58)			(2.58)
(2) Total Comprehensive Income for the year (i+ii)			(405.66)			(405.66)
(3) Addition during the year	-	506.60	-	16.61	460.50	983.71
(4) Transfer upon conversion into equity share	-	-	-	-	(137.73)	(137.73)
<b>Closing Balance as at March 31, 2023 (1+2+3+4)</b>	<b>400.00</b>	<b>506.60</b>	<b>(1,423.33)</b>	<b>16.61</b>	<b>322.77</b>	<b>(177.36)</b>

**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

(1) Opening Balance as at April 01, 2021	400.00	-	(855.55)	-	-	(455.55)
Profit for the year (i)			(155.60)			(155.60)
Other Comprehensive Income – Remeasurement gain/(loss) of the defined benefit plans (net of tax) (ii)			(6.52)			(6.52)
(2) Total Comprehensive Income for the year (i+ii)			(162.12)			(162.12)
(3) Addition during the year	-	-		-	-	-
(4) Utilised during the year	-	-		-	-	-
Closing Balance as at March 31, 2022 (1+2+3+4)	400.00	-	(1,017.67)	-	-	(617.67)

- a) During the year, the Company has issued 1481885 number of share warrants @ ₹ 124.30 per unit to Mission 1 Investments LLC amounting to ₹ 18,41,98,305.50/-, out of which ₹ 4,60,49,576.38 (i.e., 25% of the total subscription amount of the Warrants) was paid upfront and the remaining ₹ 13,81,48,729.12 (i.e. 75% of the total subscription amount of the Warrants) is to be paid at the time of exercise of the option.  
In the month of March 2023, Mission 1 Investments LLC has exercised option to convert 443220 number of warrants to Equity Shares upon payment of ₹ 4,13,19,184.50, being the balance 75% to convert the said number of warrants to Equity Shares. Upon conversion, the Company has issued 443220 Equity Shares of face value ₹ 10/- each for the consideration of ₹ 124.30/- per share aggregating to ₹ 5,50,92,246/- out of which ₹ 44,32,200/- is disclosed as Share Capital and ₹ 5,06,60,046/- is disclosed as Securities Premium.
- b) During the year, the Company has also allotted (i) 500000000 Compulsorily Convertible Preference Shares @ ₹ 1/- each amounting to ₹ 50,00,00,000/- to Shriram Credit Company Limited (ii) 18800 Compulsorily Convertible Debentures @ ₹ 10,000/- each amounting to ₹ 18,80,00,000/- to Mission1 Investments LLC.
- c) During the year, the Company has redeemed 5000000 Redeemable Non-Convertible Preference Shares of ₹ 100/- each amounting to ₹ 50,00,00,000/-.

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

**FOR G. D. APTE & CO.**  
CHARTERED ACCOUNTANTS  
FIRM REGISTRATION No.100515W

**CHETAN R. SAPRE**  
PARTNER  
MEMBERSHIP No.116952

Place : Mumbai  
Date : May 09, 2023

**FOR SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**KARTIK JAIN**  
MANAGING DIRECTOR & CEO  
DIN No. 09800492

**REENA YADAV**  
COMPANY SECRETARY

Place : Chennai  
Date : May 09, 2023

**SUBHASRI SRIRAM**  
DIRECTOR  
DIN No. 01998599

**JAYA INNANI**  
CHIEF FINANCIAL OFFICER



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### Significant Accounting Policies and Other Explanatory Information to the Financial Statements for the year ended March 31, 2023

#### 1. Corporate and General Information

Shriram Asset Management Company Limited ('the Company') was incorporated under the Companies Act, 1956 on 27th July, 1994 and received the Certificate of Commencement of Business on 5th December, 1994. The Company received permission from Securities and Exchange Board of India (SEBI) to act as the Asset Management Company of Shriram Mutual Fund on 21.11.1994 vide registration no. MF/017/94/4.

#### 2. Basis of preparation of Financial Statements

##### 2.1 Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 and the requirements of Schedule III of the Companies Act, 2013. The Company has consistently applied accounting policies to all periods 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.

##### 2.2 Presentation of Financial Statement

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013, as notified by the Ministry of Corporate Affairs (MCA). 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

##### 2.3 Basis of Measurement

The Company recognizes income and expenditure on an accrual basis except in case of significant uncertainties.

Financial statements are prepared under the historical cost method, except certain financial assets and liabilities which are classified as fair value through profit and loss.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Division III of Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

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 Significant accounting judgements, estimates and assumptions

##### 2.4 Functional and Presentation Currency

The Financial Statements have been presented in Indian Rupees (₹) which is the Company's functional currency.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)

### 2.5 Rounding Off

All amounts have been rounded-off to the nearest Lakhs up to two decimal places, unless otherwise indicated.

### 2.6 Use of Estimates and Management Judgement

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the results of operations for the reporting period. The Management believes that these estimates are prudent and reasonable and are based upon the Management's best knowledge of current events and actions as on the reporting date. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results/actions are known or materialised. Revisions to accounting estimates are recognised prospectively.

Significant estimates and judgements used for:

- Estimates of useful lives and residual value of property, plant and equipment, and other intangible assets (Refer Note 8)
- Measurement of defined benefit obligations, actuarial assumptions (Refer Note 32)
- Recognition of deferred tax assets/liabilities (Refer Note 35)
- Recognition and measurement of provisions and contingencies (Refer Note 12 and Note 28)
- Financial instruments – Fair values, risk management and impairment of financial assets (Refer Note 33)
- Determination of lease term (Refer Note 22.2)
- Discount rate for lease liability (Refer Note 22.2)
- Estimates of Share based payments (Refer Note 31)

### 2.7 Measurement of Fair Values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. Measurement of fair values includes determining appropriate valuation techniques.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received on sale of asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Valuation models that employ significant unobservable inputs require a higher degree of judgement and estimation in the determination of fair value. Judgement and estimation are usually required for selection of the appropriate valuation methodology, determination of expected future cash flows on the financial instrument being valued, determination of probability of counterparty default and selection of appropriate discount rates.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

## 3. Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of the financial statements is given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)

### 3.1 Cash and Cash Equivalent

Cash and cash equivalents include cash on hand, deposits with banks and other short term highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### 3.2 Financial instruments

A financial instrument is any contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity.

#### 3.2.1 Recognition and Initial Measurement

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

#### 3.2.2 Classification and Subsequent Measurement

(i) Financial Assets Classification

*On initial recognition, a financial asset is classified as measured at*

- Amortised Cost;
- Fair Value Through Other Comprehensive Income (FVOCI); or
- Fair Value Through Profit and Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

*A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:*

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

*A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:*

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

However, on initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in Other Comprehensive Income (OCI) designated as FVOCI – equity investment). This election is made on an investmentbyinvestment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset as at FVTPL that otherwise meets the requirements to be measured at amortised cost or at FVOCI, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

*Assessment whether contractual cash flows are solely payments of principal and interest (SPPI)*

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets.

(ii) Financial Assets Subsequent Measurement

(a) **Financial assets at amortised cost:** Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These assets are subsequently measured at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is recognised in the Statement of Profit and Loss.

(b) **Financial assets at fair value through other comprehensive income:** Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

The Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

**Financial assets at fair value through profit or loss:** Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss. Net gains and losses, any interest or dividend income, are recognised and are presented separately in the Statement of Profit and Loss.

(iii) Investment in associate is carried at cost less accumulated impairment, if any.

(iv) Financial Liability Classification and Initial Measurement

Financial liabilities are classified as measured at amortised cost or FVTPL. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss.

(v) Financial Liability Subsequent Measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in the Statement of Profit and Loss.

### 3.2.3 Derecognition of Financial Instrument

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)

A financial liability (or a part of financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

### 3.2.4 Impairment of Financial Instrument

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not classified as Fair Value Through Profit and Loss or Equity investments at FVOCI. Expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk or the assets have become credit impaired from initial recognition in which case, those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

#### *Measurement of expected credit losses*

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows which the Company expects to receive).

#### *Presentation of allowance for expected credit losses in the balance sheet*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

#### *Write off*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the counter party does not have assets or sources of income that could generate cash flows to repay the amounts. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

### 3.2.5 Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

## 3.3 Property, Plant and Equipment

### 3.3.1 Recognition and Measurement

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The initial cost at cash price equivalence of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, any directly attributable costs of bringing the assets to its working condition and location and present value of any obligatory decommissioning costs for its intended use.

### 3.3.2 Subsequent Expenditure

- (i) Subsequent expenditure is recognised as an increase in the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits derived from the cost incurred will flow to the Company and the cost of the item can be measured reliably.
- (ii) Property, plant and equipment's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

### 3.3.3 Depreciation on Property, Plant and Equipment

Depreciation is provided on Written Down Value (WDV), at the rates prescribed in Schedule II of the Companies Act 2013. Additions during the period are being depreciated on a pro-rata basis from the date on which the asset was put to use. Similarly, where any asset has been sold, discarded, demolished or destroyed, the depreciation on such asset is calculated on pro-rata basis up to the date, on which such asset has been sold, discarded, demolished or destroyed.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)

### 3.3.4 Derecognition

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

### 3.4 Intangible Assets

#### 3.4.1 Recognition and Measurement

Intangible assets (herein being software) are stated at cost less amortizations & impairment losses, if any. Cost of internally generated Software includes purchase price of materials and other expenses directly attributable and also other cost allocable on a reasonable and consistent basis for creating, producing and making the software ready for its intended use have been considered as per Ind AS 38.

#### 3.4.2 Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the Statement of Profit and Loss as incurred.

#### 3.4.3 Amortisation of Intangible Assets

Since the pattern of future economic benefit can not be estimated reliably, the software shall be amortised over a period of five years on straight line method. Considering the level of technological changes in software, the management has ascertained the useful life of the software to be five years.

#### 3.4.4 Amortisation of Intangible Assets

Derecognition Intangible assets are derecognised on disposal or when no future economic benefits are expected to arise from its continuous use, and the resultant gains or losses are recognised in the Statement of Profit and Loss.

### 3.5 Impairment of Non Financial Assets

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If such indication exists, the Company estimates the recoverable amount. If the carrying amount of the assets exceeds its recoverable amount, the difference is recognised as impairment loss in the Statement of Profit & Loss.

### 3.6 Revenue Recognition

#### 3.6.1 Rendering of Services

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115–Revenue from Contracts with Customers, to determine when to recognise revenue and at what amount. Revenue is measured based on the consideration specified in the contract with a customer. Revenue from contracts with customers is recognised when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur. If the consideration promised in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for rendering the promised services to a customer. The amount of consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, or other similar items. The promised consideration can also vary if an entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

The Company has been appointed as the investment manager to Shriram Mutual Fund. The Company receives Asset Management Fees from Shriram Mutual Fund which is charged as a percent of the Assets Under Management (AUM) and is recognised on accrual basis. The maximum amount of management fee that can be charged is subject to applicable SEBI regulations.

#### 3.6.2 Recognition of interest income or expense, gains and losses from financial instruments

Interest income or expense is recognised in the Statement of Profit and Loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)

or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability

In calculating interest income and expense, the effective interest rate is applied to the carrying amount of the asset (when the asset is not credit impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit impaired, then the calculation of interest income reverts to the gross basis.

### 3.6.3 Net gain/loss on fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain/loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of profit and loss. Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes. As at the reporting date, the Company does not have any financial instruments measured at FVTPL and debt instruments measured at FVOCI.

## 3.7 Employee Benefits

### 3.7.1 Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

### 3.7.2 Share-based payment transactions

The Employee Stock Option Scheme provides for the grant of options to acquire equity shares of the Company to certain employees. The period of vesting and period of exercise are as specified within the schemes. The fair value at grant date of equity settled share-based payment options granted to employees is recognised as an employee benefit expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the options. The amount recognised as expense is based on the estimate of the number of options for which the related service conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of options that do meet the related service conditions at the vesting date. Such compensation cost is amortised over the vesting period of the respective tranches of such grant.

### 3.7.3 Defined Contribution Plan

All the employees of the Company are entitled to receive benefits under the Provident Fund, a defined contribution plan in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future Provident Fund benefits other than its annual contribution and recognizes such contributions as an expense in the year it is incurred.

### 3.7.4 Defined Benefits Plan

The Company provides for the gratuity, a defined unfunded benefit retirement plan covering all employees. The plan provides for lump sum payments to employees at retirement, death while in employment or on termination of employment. The Company accounts for liability of future gratuity benefits on actuarial valuation basis. Service costs and net interest expense or income is reflected in the Statement of Profit and Loss. Gain or Loss on account of remeasurements are recognised immediately through other comprehensive income in the period in which they occur.

### 3.7.5 Leave Encashment

Long term compensated absences are provided for based on actuarial valuation basis.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)

### 3.8 Provisions (other than for employee benefits), contingent liabilities, contingent assets and commitments

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable. Commitments includes the amount of purchase order (net of advance) issued to counterparties for supplying/ development of assets and amounts pertaining to Investments which have been committed but not called for.

Provisions, contingent assets, contingent liabilities and commitments are reviewed at each balance sheet date.

### 3.9 Leases

#### **As a Lessee**

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. 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 interest rate implicit in the lease or, if that rate cannot be readily determined, then Company's incremental borrowing rate. The Company uses its incremental borrowing rate as the discount rate.

The ROU asset is initially measured at cost, which comprises of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received; 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. 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 remeasured when there is a change in one of the following:

- the Company's estimate of the amount expected to be payable under a residual value guarantee, or
- the Company's assessment of whether it will exercise a purchase, extension, or termination option or
- if there is a modification in the lease

#### **Short-term leases and leases of low-value assets**

The Company has elected not to recognize 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.

### 3.10 Income Tax

Tax expenses comprise Income Tax and Deferred Tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in Other Comprehensive Income.

#### **3.10.1 Current Tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering

the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

#### **3.10.2 Deferred Tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

#### **3.11 Earning Per Share (EPS)**

The basic earnings per share is computed by dividing profit after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding during the reporting period. The diluted earnings per share is computed by dividing profit after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding 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. The number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares, unless they are antidilutive.

#### **3.12 Cash Flows**

Cash flows are reported using the indirect method in accordance with Indian Accounting Standards (Ind AS 7), 'Statement of Cash Flows' where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

#### **3.13 Scheme expenses & commission**

Certain scheme related expenses and commission paid to distributors were being borne by the Company till October 22, 2018. These expenses had been charged in accordance with applicable circulars and guidelines issued by SEBI and Association of Mutual Funds in India (AMFI) and had been presented under the respective expense heads in the Statement of Profit and Loss.

Any brokerage or commission paid by the Company in line with the applicable regulations is being amortised over the contractual period. Pursuant to circulars issued by SEBI in this regard, with effect from October 22, 2018, all of these expenses, subject to certain permitted exceptions, are being borne by the respective schemes.

New Fund Offer (NFO) expenses on the launch of schemes are borne by the Company and recognised in the Statement of Profit and Loss as and when incurred.

#### **3.14 Operating Segments**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM's function is to allocate the resources of the Company and assess the performance of the operating segments of the Company.

**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)**

	(₹ In Lakhs)	
	March 31,2023	March 31,2022
<b>2 CASH AND CASH EQUIVALENTS</b>		
<b>Cash on Hand</b>	0.21	0.50
<b>Balances with banks :</b>		
In current account	434.50	7.46
<b>Total</b>	434.71	7.96
<b>3 RECEIVABLES</b>		
<b>Receivables Unsecured, Considered good:</b>		
Trade Receivables	6.52	4.67
Others Receivable	0.02	0.02
<b>Total</b>	6.54	4.70

**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
<b>Trade Receivables aging schedule as at March 31, 2023</b>						
(i) Undisputed Trade receivables – considered good	6.52	-	-	-	-	6.52
(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	-	-	-	-	-	-
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Trade Receivables aging schedule as at March 31, 2022</b>						
(i) Undisputed Trade receivables – considered good	4.67	-	-	-	-	4.67
(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	-	-	-	-	-	-

**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)**

	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	
<b>Other Receivables aging schedule as at March 31, 2023</b>						
(i) Undisputed Other receivables – considered good	0.02	-	-	-	-	0.02
(ii) Undisputed Other Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Other Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Other Receivables – considered good	-	-	-	-	-	-
(v) Disputed Other Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Other Receivables – credit impaired	-	-	-	-	-	-
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total

Other Receivables aging schedule as at March 31, 2022

(i) Undisputed Other receivables – considered good	0.02	-	-	-	-	0.02
(ii) Undisputed Other Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Other Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Other Receivables – considered good	-	-	-	-	-	-
(v) Disputed Other Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Other Receivables – credit impaired	-	-	-	-	-	-

	As at March 31, 2023			As at March 31, 2022		
	Amortised cost	Fair Value	Total	Amortised cost	Fair Value	Total
<b>4 LOANS</b>						
(A)						
(i) Loan To employees	9.91	-	9.91	17.58	-	17.58
(ii) Others	-	-	-	-	-	-
<b>Total (A) -Gross</b>	<b>9.91</b>	<b>-</b>	<b>9.91</b>	<b>17.58</b>	<b>-</b>	<b>17.58</b>
Less: Impairment loss allowance	-	-	-	-	-	-
<b>Total (A) -Net</b>	<b>9.91</b>	<b>-</b>	<b>9.91</b>	<b>17.58</b>	<b>-</b>	<b>17.58</b>
(B)						
(i) Secured by tangible assets	-	-	-	-	-	-
(ii) Secured by intangible assets	-	-	-	-	-	-
(iii) Covered by Bank/ Government Guarantees	-	-	-	-	-	-
(iv) Unsecured	9.91	-	9.91	17.58	-	17.58
<b>Total (B) -Gross</b>	<b>9.91</b>	<b>-</b>	<b>9.91</b>	<b>17.58</b>	<b>-</b>	<b>17.58</b>
Less: Impairment loss allowance	-	-	-	-	-	-
<b>Total (B) -Net</b>	<b>9.91</b>	<b>-</b>	<b>9.91</b>	<b>17.58</b>	<b>-</b>	<b>17.58</b>
(C)						
(I) Loans in India						
(i) Public Sector	-	-	-	-	-	-
(ii) Others	9.91	-	9.91	17.58	-	17.58
<b>Total (C) -Gross</b>	<b>9.91</b>	<b>-</b>	<b>9.91</b>	<b>17.58</b>	<b>-</b>	<b>17.58</b>

**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)**

Less: Impairment loss allowance	-	-	-	-	-	-
<b>Total (C) (I) -Net</b>	<b>9.91</b>	-	<b>9.91</b>	17.58	-	17.58
(C)						
(II) Loans Outside India						
Less: Impairment loss allowance	-	-	-	-	-	-
<b>Total (C) (II)-Net</b>	-	-	-	-	-	-
<b>Total C(I) and C(II)</b>	<b>9.91</b>	-	<b>9.91</b>	17.58	-	17.58

(₹ In Lakhs)

	As at March 31,2023			As at March 31,2022		
	Amortised cost	Fair Value	Total	Amortised cost	Fair Value	Total
<b>5 INVESTMENTS</b>						
Mutual funds	-	657.99	657.99	-	1,096.18	1,096.18
Fixed Deposits	5,730.52	-	5,730.52	3,730.52	-	3,730.52
Non Convertible Debentures	209.03	-	209.03	230.27	-	230.27
Equity instruments	38.88	-	38.88	38.88	-	38.88
<b>Total - Gross (A)</b>	<b>5,978.43</b>	<b>657.99</b>	<b>6,636.43</b>	3,999.67	1,096.18	5,095.85
(i) Investment Outside India	38.78	-	38.78	38.78	-	38.78
(ii) Investment in India	5,939.65	657.99	6,597.64	3,960.89	1,096.18	5,057.07
<b>Total - Gross (B)</b>	<b>5,978.43</b>	<b>657.99</b>	<b>6,636.43</b>	3,999.67	1,096.18	5,095.85
Less: Impairment loss allowance (C)	38.78	-	38.78	38.78	-	38.78
<b>Total Net D= (A)-(C)</b>	<b>5,939.65</b>	<b>657.99</b>	<b>6,597.64</b>	3,960.89	1,096.18	5,057.07

(₹ In Lakhs)

<b>As at March 31,2023</b>	<b>As at March 31,2022</b>
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**6 OTHER FINANCIAL ASSETS**

Unsecured, considered good		
Security Deposit	27.97	11.75
Accrued Interest	773.20	353.99
Advances recoverable in cash or kind	2.22	3.27
	<b>803.39</b>	<b>369.02</b>

**7 INVESTMENT PROPERTY**

**I. Gross Carrying Amount**

	Office Premises		
	Bangalore Plot No.501 (A)	Bangalore Plot No.501 (B)	Total
Balance as at April 01, 2021	20.26	12.12	32.39
Additions	-	-	-
Deletions	-	-	-
Balance as at March 31, 2022	20.26	12.12	32.39
Balance as at April 01, 2022	20.26	12.12	32.39
Additions	-	-	-
Deletions	-	-	-
<b>Balance as at March 31, 2023</b>	<b>20.26</b>	<b>12.12</b>	<b>32.39</b>



**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)**

**II. Accumulated Depreciation and Impairment**

Balance as at April 01, 2021	8.69	9.99	18.69
Additions	0.59	0.36	0.95
Deletions	-	-	-
Balance as at March 31, 2022	9.28	10.35	19.63
Balance as at April 01, 2022	9.28	10.35	19.63
Additions	0.59	0.36	0.95
Deletions	-	-	-
<b>Balance as at March 31, 2023</b>	<b>9.87</b>	<b>10.71</b>	<b>20.58</b>
<b>III. Net Carrying Amount as at March 31, 2023</b>	<b>10.39</b>	<b>1.41</b>	<b>11.81</b>
Net Carrying Amount as at March 31, 2022	10.98	1.77	12.75

	<b>Year Ended March 31,2023</b>	<b>Year Ended March 31,2022</b>
		<b>(₹ In Lakhs)</b>
<b>Information regarding income and expenditure of investment property</b>		
Rental Income derived from investment property	<b>1.53</b>	1.53
Direct operating expenses (including repair maintenance) that generate rental income	-	-
Direct operating expenses (including repair maintenance) that do not generate rental income	-	-
Profit arising from investment properties before depreciation and indirect expenses	<b>1.53</b>	1.53
Less: Depreciation	<b>0.95</b>	0.95
Profit arising from investment properties before indirect expenses	<b>0.58</b>	0.58

The Company has no restrictions on the realisability of its investment properties or remittance of income and proceeds of disposal. Further, there are no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

**7.1) Fair value of the Company's investment properties**

The fair value of the Company's investment properties as at March 31, 2023 was arrived at on the basis of a local enquiry carried out by the company.

**7.2) Details of the Company's investment properties and information about their fair value hierarchy**

	<b>(₹ In Lakhs)</b>	
<b>Fair Market Value as at</b>	<b>March 31,2023</b>	March 31,2022
Investment Property Fair Value	<b>132.00</b>	132.00

**7.3) Description of valuation techniques used and key inputs to valuation on investment properties**

Properties, held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs. It is the value of the property at which it can be sold in open market at a particular time free from forced value or sentimental value. Investment properties (other than land) are depreciated using straight line method over their estimated useful lives. The useful life has been determined based on technical evaluation by management.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)

## 8. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Particulars	Gross Block			Depreciation/ Amortisation			Net Block As at March 31, 2023	
	As at April 01, 2022	Addition	Deletion	As at March 31, 2023	As at April 01, 2022	Addition		Deletion
<b>Property Plant and Equipment</b>								
Furniture & Fixtures	18.47	0.06	-	18.53	17.22	0.29	-	17.51
Office Equipment	2.65	4.04	-	6.69	2.52	0.28	-	2.80
Air Conditioner	1.75	0.34	-	2.09	1.16	0.17	-	1.33
Computers	19.37	10.23	0.99	28.61	17.47	2.74	0.84	19.37
Electrical fitting and Installations	0.90	0.46	-	1.36	0.57	0.11	-	0.69
<b>Total</b>	<b>43.14</b>	<b>15.13</b>	<b>0.99</b>	<b>57.27</b>	<b>38.93</b>	<b>3.60</b>	<b>0.84</b>	<b>41.69</b>
Right of Use Asset	80.68	122.34	41.37	161.65	50.86	30.82	41.37	121.34
<b>Other Intangible Assets</b>								
Software	4.95	0.08	-	5.03	4.95	0.00	-	4.95
<b>Total</b>	<b>4.95</b>	<b>0.08</b>	<b>-</b>	<b>5.03</b>	<b>4.95</b>	<b>0.00</b>	<b>-</b>	<b>4.95</b>
<b>Particulars</b>	<b>Gross Block</b>			<b>Depreciation/ Amortisation</b>			<b>Net Block</b>	
	<b>As at April 01, 2021</b>	<b>Addition</b>	<b>Deletion</b>	<b>As at March 31, 2022</b>	<b>As at April 01, 2021</b>	<b>Addition</b>	<b>Deletion</b>	<b>As at March 31, 2022</b>
<b>Property Plant and Equipment</b>								
Furniture & Fixtures	18.47	-	-	18.47	16.91	0.30	-	17.22
Office Equipment	2.65	-	-	2.65	2.49	0.03	-	2.52
Air Conditioner	1.75	-	-	1.75	0.94	0.22	-	1.16
Computers	18.03	1.34	-	19.37	16.50	0.96	-	17.47
Electrical fitting and Installations	0.90	-	-	0.90	0.44	0.13	-	0.57
<b>Total</b>	<b>41.79</b>	<b>1.34</b>	<b>-</b>	<b>43.14</b>	<b>37.29</b>	<b>1.65</b>	<b>-</b>	<b>38.93</b>
Right of Use Asset	80.68	-	-	80.68	29.51	21.35	-	50.86
<b>Other Intangible Assets</b>								
Software	4.95	-	-	4.95	4.95	-	-	4.95
<b>Total</b>	<b>4.95</b>	<b>-</b>	<b>-</b>	<b>4.95</b>	<b>4.95</b>	<b>-</b>	<b>-</b>	<b>4.95</b>

**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)**

(₹ In Lakhs)

	As at March 31, 2023	As at March 31, 2022
<b>9 OTHER NON-FINANCIAL ASSETS</b>		
Prepaid Expenses	6.24	4.43
Balance lying with Government Authorities	106.83	59.43
Advance for Capital Goods	0.32	-
<b>Total</b>	<b>113.39</b>	<b>63.86</b>
<b>10 TRADE PAYABLES</b>		
Micro Enterprises and Small Enterprises	-	0.07
Other than Micro Enterprises and Small Enterprises	16.19	12.32
<b>Total</b>	<b>16.19</b>	<b>12.39</b>

**Trade Payables aging schedule as at March 31, 2023:**

	Outstanding for following periods from due date of payment				
	Less Than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	16.19	-	-	-	16.19
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

**Trade Payables aging schedule as at March 31, 2022:**

	Outstanding for following periods from due date of payment				
	Less Than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	0.07	-	-	-	0.07
(ii) Others	12.32	-	-	-	12.32
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

**Note:** The Company have certain transaction with 'suppliers' registered under Micro, Small and Medium Enterprises Development ("MSMED") Act, 2006. Certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, the following disclosures are made for the amounts due to the Micro, Small and Medium enterprises, which have registered with the competent authorities.

Particulars	(₹ In Lakhs)	
	As at March 31, 2023	As at March 31, 2022
(i) Principal amount remaining unpaid to any supplier as at the year end	-	0.07
Interest due thereon	-	-
(ii) Amount of interest paid by the Company in terms of Section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
(iii) 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 the MSMED Act	-	-
(iv) Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	-	-

**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)**

	₹ In Lakhs	
	As at March 31, 2023	As at March 31, 2022
<b>11 OTHER FINANCIAL LIABILITIES</b>		
i) Interest on Compulsory Convertible Debentures	128.52	-
ii) Duties Taxes & Statutory Liabilities	12.55	3.86
iii) Medical Insurance Premium (For Employees)	2.35	1.88
iv) Employee Benefits Payable	19.88	15.92
v) Other Liabilities	0.89	9.87
<b>Total</b>	<b>164.19</b>	<b>31.52</b>
<b>12 PROVISIONS</b>		
Provision for gratuity	35.69	28.91
Provision for leave benefit	27.91	27.59
<b>Total</b>	<b>63.60</b>	<b>56.50</b>
<b>13 DEFERRED TAX LIABILITIES (NET)</b>		
Opening Balance of Deferred tax liabilities	75.09	58.69
(Assets) / Liabilities recognised during the Period	(68.86)	16.41
<b>Closing balance</b>	<b>6.24</b>	<b>75.09</b>

**14 Share Capital**

**Authorised Share Capital**

**Type**

Equity Shares

Redeemable Non-convertible Preference Shares (RNCPS)

Compulsory Convertible Preference Shares (CCPS)

**TOTAL**

**As at March 31, 2023**

As at March 31, 2022

	Face Value (₹)	Quantity	₹ In Lakhs	Face Value (₹)	Quantity	₹ In Lakhs
Equity Shares	10	2,30,00,000	2,300.00	10	2,30,00,000	2,300.00
Redeemable Non-convertible Preference Shares (RNCPS)	100	54,00,000	5,400.00	100	54,00,000	5,400.00
Compulsory Convertible Preference Shares (CCPS)	1	50,00,00,000	5,000.00	1	50,00,00,000	5,000.00
<b>TOTAL</b>		<b>52,84,00,000</b>	<b>12,700.00</b>		<b>52,84,00,000</b>	<b>12,700.00</b>

**Issued, Subscribed and Paid-Up Capital**

**Type**

Equity Shares

Redeemable Non-convertible Preference Shares (RNCPS)

Compulsory Convertible Preference Shares (CCPS)

**TOTAL**

**As at March 31, 2023**

As at March 31, 2022

	Face Value (₹)	Quantity	₹ In Lakhs	Face Value (₹)	Quantity	₹ In Lakhs
Equity Shares	10	64,43,220	644.32	10	60,00,000	600.00
Redeemable Non-convertible Preference Shares (RNCPS)	100	4,00,000	400.00	100	54,00,000	5,400.00
Compulsory Convertible Preference Shares (CCPS)	1	50,00,00,000	5,000.00	-	-	-
<b>TOTAL</b>		<b>50,68,43,220</b>	<b>6,044.32</b>		<b>1,14,00,000</b>	<b>6,000.00</b>

**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)**

**Movement in Equity during the Year**

		<b>₹ In Lakhs</b>			
		<b>As at March 31, 2023</b>		<b>As at March 31, 2022</b>	
<b>14.1) Share Capital of ₹10/- each Issued, Subscribed and Fully paid</b>					
64,43,220 (P.Y. 60,00,000) Equity Shares of ₹ 10/- each		<b>644.32</b>		600.00	
<b>Total</b>		<b>644.32</b>		600.00	
<b>64,43,220 (P.Y. 60,00,000) Equity Shares of ₹ 10/- each</b>	<b>Quantity</b>	<b>₹ In Lakhs</b>	<b>Quantity</b>	<b>₹ In Lakhs</b>	
At the beginning of the year	<b>60,00,000</b>	<b>600.00</b>	60,00,000	600.00	
Issued during the year	<b>4,43,220</b>	<b>44.32</b>	-	-	
Redemption during the period	-	-	-	-	
<b>Outstanding at the end of the year</b>	<b>64,43,220</b>	<b>644.32</b>	60,00,000	600.00	
<b>14.2) Details of equity shareholders holding more than 5% equity shares in the company</b>		<b>As at March 31, 2023</b>		<b>As at March 31, 2022</b>	
	<b>Quantity</b>	<b>% holding in the class</b>	<b>Quantity</b>	<b>% holding in the class</b>	
<b>Equity share of ₹ 10/- each fully paid</b>					
Shriram Credit Company Limited	<b>41,20,010</b>	<b>63.94%</b>	41,20,010	68.67%	
Mission 1 investments LLC	<b>4,43,220</b>	<b>6.88%</b>	-	-	
<b>14.3) Terms/rights attached to Equity Shares</b>					
The Company has only one class of equity shares having a par value of ₹10/- per share. Each holder of equity share is entitled to one vote per share. Dividend, as and when recommended by the Board of Directors, is subject to approval of the shareholders in their Annual General Meeting.					
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. The Board of Directors have not recommended any dividend during the year.					
<b>14.4) Redeemable Non Convertible Preference Shares</b>		<b>(₹ In Lakhs)</b>			
		<b>As at March 31, 2023</b>		<b>As at March 31, 2022</b>	
Nil (P.Y. 14,00,000) (0.01%) Preference Shares of ₹100/- each		-		1,400.00	
4,00,000 (P.Y. 35,00,000) (6%) Preference Shares of ₹100/- each		<b>400.00</b>		3,500.00	
Nil (P.Y. 5,00,000) (6%) Preference Shares of ₹ 100/- each		-		500.00	
<b>Total</b>		<b>400.00</b>		5,400.00	
		<b>As at March 31, 2023</b>		<b>As at March 31, 2022</b>	
<b>a) Nil (P.Y. 14,00,000) 0.01% Redeemable Non Convertible Preference Shares of ₹ 100/- each</b>	<b>Quantity</b>	<b>₹ In Lakhs</b>	<b>Quantity</b>	<b>₹ In Lakhs</b>	
At the beginning of the year	<b>14,00,000</b>	<b>1,400.00</b>	14,00,000	1,400.00	
Issued during the year	-	-	-	-	
Redemption during the period	<b>14,00,000</b>	<b>1,400.00</b>	-	-	
<b>Outstanding at the end of the year</b>	-	-	14,00,000	1,400.00	

**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)**

	Quantity	₹ In Lakhs	Quantity	₹ In Lakhs
<b>b) 4,00,000 (P.Y. 35,00,000 ) 6% Redeemable Non Convertible Preference Shares of ₹ 100/- each</b>				
At the beginning of the year	35,00,000	3,500.00	35,00,000	3,500.00
Issued during the year	-	-	-	-
Redemption during the period	31,00,000	3,100.00	-	-
<b>Outstanding at the end of the year</b>	<b>4,00,000</b>	<b>400.00</b>	35,00,000	3,500.00

	Quantity	₹ In Lakhs	Quantity	₹ In Lakhs
<b>c) NIL (P.Y. 5,00,000 ) 6% Redeemable Non Convertible Preference Shares of ₹ 100/- each</b>				
At the beginning of the year	5,00,000	500.00	5,00,000	500.00
Issued during the year	-	-	-	-
Redemption during the period	5,00,000	500.00	-	-
<b>Outstanding at the end of the year</b>	<b>-</b>	<b>-</b>	<b>5,00,000</b>	<b>500.00</b>

**14.5) Details of shareholders holding more than 5% preference shares in the Company**

	As at March 31, 2023		As at March 31, 2022	
<b>Redeemable Non Convertible Preference Shares of ₹ 100/- each fully paid</b>	Quantity	% holding in the class	Quantity	% holding in the class
Shriram Credit Company Limited	-	-	19,00,000	35.19%
Shriram Financial Products Solutions (Chennai) Private Ltd.	-	-	16,00,000	29.62%
Way2Wealth Brokers Private Ltd.	<b>4,00,000</b>	<b>100.00%</b>	19,00,000	35.19%

The entire lot of Redeemable Non Convertible Preference Shares (RNCPS) were issued to meet the minimum net worth requirement as defined under SEBI (Mutual Funds) Regulations, 1996 as amended from time to time. Hence these RNCPS form a part of the eligible net worth & has been accordingly presented as part of Share Capital. Fair Market Value (FMV) of these RNCPS (not being listed on any Stock Exchange and redeemable at par) is equivalent to its Face Value.

**14.6) Terms/rights attached to Redeemable Non Convertible Preference Shares (RNCPS)**

- These RNCPS carry non cumulative dividend. Each holder of RNCPS is entitled to one vote per share only on resolutions placed before the Company which directly affect the rights attached to RNCPS. The RNCPS shall be redeemed by the Company at par on expiry of ten years from the date of allotment /issue of Preference Shares as per norms attached with the issue.
- The Company shall, however, has the right to redeem the RNCPS before the due date.
- Subject to the applicable laws, and the approvals/consents as may be necessary or required, the date of redemption of RNCPS can be extended for such further term as may be mutually agreed to between the Company and the holder of RNCPS.
- During the year the company has not declared dividend on Preference Shares.

	(₹ In Lakhs)	
<b>14.7) Instruments entirely Equity in nature</b>	As at March 31, 2023	As at March 31, 2022
<b>50,00,00,000 (P.Y. - Nil) 6% Compulsory Convertible Preference Shares of ₹ 1/- each</b>	<b>5,000.00</b>	-
<b>Total</b>	<b>5,000.00</b>	-

	Quantity	₹ In Lakhs	Quantity	₹ In Lakhs
<b>a) 50,00,00,000 (P.Y. Nil) 6% Compulsory Convertible Preference Shares of ₹ 1/- each</b>				
At the beginning of the year	-	-	-	-
Issued during the year	50,00,00,000	5,000.00	-	-
Redemption during the period	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>50,00,00,000</b>	<b>5,000.00</b>	-	-



**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)**

14.8) Details of shareholders holding more than 5% preference shares in the Company Compulsory Convertible Preference Shares of ₹ 1/- each fully paid Shriram Credit Company Limited	As at March 31, 2023		As at March 31, 2022	
	Quantity	% holding in the class	Quantity	% holding in the class
	50,00,00,000	100.00%	-	-

**14.9) Terms/rights attached to Compulsory Convertible Preference Shares (CCPS)**

- a) These CCPS carry non cumulative dividend @ 6% p.a. Each holder of CCPS is entitled to one vote per share only on resolutions placed before the Company which directly affect the rights attached to CCPS. The CCPS shall be convertible to equity shares in the ratio "500,000,000 CCPS shall convert into 4,022,526 equity shares" by the Company on the earlier of the occurrence of the following events: (a) at the expiry of 18 months from the date of issuance of the Subscription Securities; or (b) the Investors exercising their right to convert the all the Subscription Securities into equity shares.
- b) During the period the company has not declared dividend on Preference Shares.

14.10) Instruments entirely Equity in nature (Refer Note 14.12)	₹ In Lakhs			
	As at March 31, 2023		As at March 31, 2022	
18,800 (P.Y. - Nil) 9.50% Compulsory Convertible Debentures of ₹ 10,000/- each	1,880.00		-	
<b>Total</b>	<b>1,880.00</b>		<b>-</b>	
<b>a) 18,800 (P.Y. - Nil) 9.50% Compulsory Convertible Debentures of ₹ 10,000/- each</b>	<b>Quantity</b>	<b>₹ In Lakhs</b>	<b>Quantity</b>	<b>₹ In Lakhs</b>
At the beginning of the year	-	-	-	-
Issued during the year	18,800	1,880.00	-	-
Redemption during the period	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>18,800</b>	<b>1,880.00</b>	<b>-</b>	<b>-</b>

14.11) Details of shareholders holding more than 5% Compulsory Convertible Debentures in the Company Compulsory Convertible Debentures of ₹ 10,000/- each	As at March 31, 2023		As at March 31, 2022	
	Quantity	% holding in the class	Quantity	% holding in the class
Mission 1 Investments LLC	18,800	100.00%	-	-

**14.12) Terms/rights attached to Compulsory Convertible Preference Shares (CCPS)**

- a) These CCD carry interest @ 9.5% p.a. The CCD shall be convertible to equity shares in the ratio "18,800 CCD shall convert into 1,512,469 equity shares" by the Company on the earlier of the occurrence of the following events: (a) at the expiry of 18 months from the date of issuance of the Subscription Securities; or (b) the Investors exercising their right to convert the all the Subscription Securities into equity shares.

15 OTHER EQUITY	Reserve & Surplus				Money received against Share warrants	Total
	Capital Redemption Reserve	Securities Premium	Retained Earnings	Share Option Outstanding Account		
Balance as at March 31, 2022	400.00	-	(1,017.67)	-		(617.67)
Add/(less): Changes in Equity Share Capital due to prior period errors	-	-	-	-		-
(a) Restated balance at the beginning of the current reporting period	400.00	-	(1,017.67)	-		(617.67)

**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)**

Add: Profit for the Period ended March 31, 2023 (i)	(403.08)	(403.08)
Add: Other Comprehensive Income (ii)	(2.58)	(2.58)
(b) Total Comprehensive Income for the period (i+ii)	(405.66)	(405.66)
(c) Addition during the year	- 506.60	- 16.61 460.50 983.71
(d) Transfer upon conversion into equity share	- -	- (137.73) (137.73)
<b>Balance as at March 31, 2023 (a+b+c+d)</b>	<b>400.00 506.60 (1,423.33)</b>	<b>16.61 322.77 (177.35)</b>

- a) During the year, the Company has issued 14,81,885 number of share warrants @ ₹124.30 per unit to Mission 1 investments LLC amounting to ₹ 18,41,98,305.50/- , out of which ₹ 4,60,49,576.38 (i.e., 25% of the total subscription amount of the Warrants) was paid upfront and the remaining ₹ 13,81,48,729.12 (i.e. 75% of the total subscription amount of the Warrants) is to be paid at the time of exercise of option. In the month of March 2023, Mission 1 Investment LLC has exercised option to convert 4,43,220 number of warrants to Equity Shares upon payment of ₹ 4,13,19,184.50, balance 75% to convert the said number of warrants to Equity Shares. Upon conversion, the Company has issued 4,43,220 Equity Shares of face value ₹ 10 each for the consideration of ₹ 124.30 per share aggregating to ₹ 5,50,92,246 out of which 44,32,200 is disclosed as Share Capital and ₹ 5,06,60,046 is disclosed as Securities Premium.
- b) During the year, the Company has also allotted (i) 50,00,00,000 Compulsorily Convertible Preference Shares @ ₹ 1/- each amounting to ₹ 50,00,00,000 to Shriram Credit Company Limited (ii) 18,800 Compulsorily Convertible Debentures @ ₹ 10,000 each amounting to ₹ 18,80,00,000 to Mission1 Investments LLC.
- c) During the year, the Company has redeemed 50,00,000 Redeemable Non-Convertible Preference Shares of ₹ 100 each amounting to ₹ 50,00,00,000.

**Nature and purpose of reserves**

- (i) Capital redemption reserve  
Whenever there is a buy-back or redemption of preference share capital, the nominal value of the capital is transferred to a reserve called Capital Redemption Reserve so as to retain the capital.
- (ii) Securities premium Securities  
Premium is used to record the premium (amount received in excess of face value of equity shares) on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.
- (iii) Share options outstanding account  
The grant date fair value of equity-settled share-based payment transactions with employees and directors are recognised in the Statement of Profit and Loss with the corresponding credit to this account over the vesting period. The amounts recorded in Share options outstanding account are transferred to securities premium upon exercise of stock options by the employees and subsequent allotment of shares to them.
- (iv) Retained earnings  
Retained earnings are the profits that a company has earned to date, less any dividends or other distributions paid to the Shareholders, net of utilisation as permitted under applicable regulations.

	<b>Year Ended March 31,2023</b>	Year Ended March 31,2022
<b>16 INCOME FROM OPERATION</b>		
Asset Management Services	61.78	52.34
<b>Total</b>	<b>61.78</b>	52.34
<b>17 INTEREST INCOME</b>		
Interest on Investment	472.22	338.73
<b>Total</b>	<b>472.22</b>	338.73

**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)**

	(₹ In Lakhs)	
	Year Ended March 31,2023	Year Ended March 31,2022
<b>18 NET GAIN ON FAIR VALUE CHANGES</b>		
<b>Net gain/ (loss) on Financial Instrument at fair value through Profit or Loss</b>		
(a) On Trading Portfolio		
(i) Investment		
Profit on Mutual Fund Investment	39.11	82.20
(ii) Others	-	-
(b) Others	-	-
<b>Total</b>	<b>39.11</b>	<b>82.20</b>
<b>Fair Value Changes</b>		
(i) Realised	35.50	36.44
(ii) Unrealised	3.61	45.76
<b>Total</b>	<b>39.11</b>	<b>82.20</b>
<b>19 OTHER INCOME</b>		
Interest received on loan	2.79	8.11
Interest Income on Security Deposit	0.99	1.00
Interest Received on Income Tax Refund	1.69	5.37
Rent received	1.53	1.53
Excess Liability written back	3.50	-
Miscellaneous Income	0.01	-
<b>Total</b>	<b>10.50</b>	<b>16.01</b>
<b>20 FINANCE COSTS</b>		
Interest on Compulsory Convertible Debentures (CCDs)	151.20	-
Interest on Lease Liability	5.82	4.55
<b>Total</b>	<b>157.02</b>	<b>4.55</b>
<b>21 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries,wages and bonus	383.93	291.91
Contribution to provident and other fund (Refer Note 32)	15.44	13.75
Gratuity expense (Refer Note 32)	5.22	(10.73)
Staff welfare expenses	3.57	0.87
Employee Stock Option (Refer Note 31)	16.61	-
<b>Total</b>	<b>424.77</b>	<b>295.81</b>

**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)**

	(₹ In Lakhs)	
	Year Ended March 31,2023	Year Ended March 31,2022
<b>22 OTHER EXPENSES</b>		
Advertisement & Business Promotion Expenses	6.98	4.69
Annual Custodial Fees	0.49	0.50
Auditors' Remuneration (Refer Note no. 22.1)	5.54	5.00
Board and General Meeting expenses	0.39	0.21
Directors' Sitting Fees	18.86	6.00
Telephone, Courier and Postage Expenses	4.60	3.36
Membership Subscription	4.02	4.04
Annual Fees	1.64	1.11
Insurance Premium	3.01	1.86
Professional Charges	178.88	17.01
Filing Fees	0.56	54.34
Listing Fees	3.00	6.98
Printing & Stationery	6.36	4.05
Reversal of Input Tax Credit	5.68	10.72
Travelling, Hotel and Conveyance expenses	23.61	5.09
Software expenses	2.74	6.35
Retainership Fees	58.36	27.09
Rent	13.78	11.02
Repairs & Maintenance	11.79	11.95
Electricity Expenses	9.34	9.04
Reimbursement of Infrastructural Cost	8.49	9.00
Rates & Taxes	0.13	0.16
General Expenses	7.73	0.69
Royalty Expenses	5.00	5.00
Sundry Expenses	9.76	4.72
<b>Total</b>	<b>390.73</b>	<b>209.97</b>
<b>22.1) Auditors' remuneration</b>		
Statutory Audit fee	4.13	3.75
Tax audit fee	1.38	1.00
Corporate Governance & Other Certification Fees	-	0.25
Out of pocket expenses	0.04	-
<b>Total</b>	<b>5.54</b>	<b>5.00</b>
<b>22.2) Lease Rent</b>		

The Company has entered into agreements for operating leases in respect of office premises taken on lease. Right of Use Asset is created for all the leases which are long term and non cancellable for the lease term. All the lease agreements other than that are cancellable lease contracts.

- a) Under these agreements refundable interest free deposits are given.
- b) All these agreements have restriction on further leasing.
- c) Lease agreements for office premises includes exclamation clause for future lease payments.

**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)**

	(₹ In Lakhs)	
	Year Ended March 31,2023	Year Ended March 31,2022
<b>(A) Amounts Recognised in the Balance Sheet</b>		
(a) Right of Use Assets	121.34	29.82
(b) Lease Liabilities	122.59	35.81
<b>The following is the break-up of current and non-current lease liabilities</b>		
Current lease liabilities	58.52	13.38
Non-current lease liabilities	64.06	22.42
<b>Total</b>	122.58	35.81
<b>The following is the movement in lease liabilities</b>		
Opening Balance	35.81	56.06
Additions	116.67	-
Finance cost accrued during the year	5.82	4.55
Payment of lease liabilities	32.21	24.81
Adjustments	(3.50)	-
<b>Closing Balance</b>	122.58	35.81
<b>The following is the movement in right-of-use asset</b>		
Opening Balance	29.82	51.17
Additions	122.34	-
Depreciation charge during the year	30.82	21.35
Adjustments	-	-
<b>Closing Balance</b>	121.34	29.82
<b>(B) Amounts recognised in the statement of Profit &amp; Loss</b>		
(a) Depreciation Charge for the Right of Use Assets	30.82	21.35
(a) Interest Expenses (included in finance cost)	5.82	4.55
(c) Expenses relating to short term leases	13.78	11.02

**The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023 on an undiscounted basis.**

Less than one year	67.35	15.84
One to Five years	67.26	22.43
More than Five years	-	-

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due. The weighted average incremental borrowing rate applied to lease liabilities for financial year 2021-2022 & 2022-2023 is 10%

**23 Mutual Fund Expenses**

Mutual Fund Expense	15.32	17.87
Fund Accounting Charges	7.86	4.35
DMAT Rolling & Safe Custody Charges	0.01	0.04
<b>Total</b>	23.19	22.26

**24 Segment Reporting**

The principal business of the Company is asset management of Shriram Mutual Fund and all activities are carried out within India. Hence, there are no separate reportable segments as per the Indian Accounting Standard 108 (Ind AS) on 'Operating Segments'.

**25 There are no capital commitments as on March 31,2023 and March 31,2022.**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)**

	(₹ In Lakhs)	
	Year Ended March 31,2023	Year Ended March 31,2022
<b>26 Earning Per Share</b>		
Earnings per share (EPS) are computed in accordance with IND AS 33		
Profit after tax (₹ In lakhs)	<b>(403.08)</b>	(155.60)
Weighted average number of equity shares used as denominator for calculating EPS (in Lakhs)	<b>60.01</b>	60.00
Nominal value per share (₹ )	<b>10.00</b>	10.00
Basic EPS (₹ per share)	<b>(6.72)</b>	(2.59)
Diluted EPS (₹ per share)	<b>*(6.72)</b>	(2.59)
(*) The impact of potential equity shares on Diluted Earnings per share is anti-dilutive and hence the Diluted Earnings per share is the same as Basic Earnings per share.		
<b>27 Ratios</b>		
i) Capital to Risk-weighted Assets Ratio (CRAR)	<b>NA</b>	NA
ii) Tier I CRAR	<b>NA</b>	NA
iii) Tier II CRAR	<b>NA</b>	NA
iv) Liquidity coverage ratio (no. of times)	<b>14.89</b>	27.35
	[Total Financial Assets (within 12 months)/Total Liabilities (within 12 months)]	
<b>28 Contingent Liability not provided for</b>		
a) Penalty order U/s 271 (1) dt. 29/03/2022 for AY 2013-14 is ₹ 1,32,086/- (P.Y. ₹ 1,32,086) and Company has filed an Appeal before CIT Appeal against the penalty order.		
b) Demand for AY 2017-18 is ₹ 17,032/- (P.Y. ₹ 17,032) and Company has filed an Appeal before CIT Appeal against the demand order.		
c) Demand for AY 2018-19 is ₹ 67,820/- (P.Y. ₹ 67,820) and Company has filed an Appeal before CIT Appeal against the demand order.		
d) Demand in respect of Income Tax , relating to Tax Deducted at Source amounting to ₹ 62,180/- for AY 2008-2009.		
<b>29 Capital Management</b>		
Equity share capital and other equity are considered for the purpose of Company's capital management. The Company manages its capital in a manner which enables it to safeguard its ability to continue as a going concern and to optimise returns to the Shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The funding requirements are met through operating cash flows and other equity. The management monitors the return on capital and the board of directors monitors the level of dividends to be paid to shareholders of the Company. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.		
<b>30</b>	The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period in which the Code becomes effective.	
<b>31 Employee share based payments</b>		
<b>Employee stock option Plan 2022 (ESOP-2022) (Equity settled)</b>		
The Company has ESOP-2022 which covers eligible employees of the Company. The vesting of the options is from expiry of one year till 3 years as per Plan. Each Option entitles the holder thereof to apply for and be allotted / transferred one Equity Share of the Company upon payment of the exercise price during the exercise period.		



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)**

**Details of ESOP**

<b>Particulars</b>	<b>ESOP-2022</b>
Date of Grant	January 09,2023
Price of underlying stock	121.05
Exercise/Strike Price	37.29
Vesting requirement	1 to 3 years from Grant Date
Maximum term of options	8 years from Grant Date
Method of settlement	Equity settled
Accounting method	Fair Value method

**The fair value of the options granted was estimated on the date of grant using the Black Scholes Model with the following assumptions**

<b>Particulars</b>	<b>ESOP-2022</b>
Date of Grant	January 09,2023
Risk Free Rate of Return	
Year 1	7.01%
Year 2	7.05%
Year 3	7.20%
Expected Dividend Yield	-
Expected Life	1-3 years
Expected Volatility	62%
Weighted average remaining contractual life (Years)	7.00 years
Expected Shares to Vest ultimately	1,37,916
Weighted Average Fair Value (₹)	90.14

**The information covering stock options granted, exercised, forfeited and outstanding at the year end is as follows**

<b>Particulars</b>	<b>ESOP-2022</b>
<b>Date of Grant</b>	January 09,2023
Outstanding at the beginning of the year	-
Granted during the year	1,37,916
Exercised during the year	-
Forfeited during the year	-
Lapsed/expired during the year	-
Outstanding at the end of the year	1,37,916
Vested and exercisable	-

Share options outstanding at the end of the year have the following expiry date and exercise prices:

<b>Particulars</b>	<b>ESOP-2022</b>
Date of Grant	January 09,2023
Expiry Date	January 09,2031
Exercise Price	37.29
<b>Outstanding as at March 31, 2023</b>	<b>1,37,916</b>
Outstanding as at March 31, 2022	-
Fair value of options granted	

The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The options granted will vest upon the completion of service condition as specified in scheme in graded manner. Vested options are exercisable for the period of five years after the vesting.

The model inputs for options granted are as under:

<b>Assumptions</b>	<b>ESOP-2022</b>
Expected - Weighted average volatility	62%
Expected dividends	-
Expected term (In years)	1-3 years

**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)**

Risk free rate	7.01%
Year 1	7.05%
Year 2	7.20%
Year 3	37.29
Exercise price	121.05
Market price	January 09,2023
Grant date	January 09,2031
Expiry date	
Fair value of the option at grant date	
Vesting Period 1 Year	86.60
Vesting Period 2 Year	90.15
Vesting Period 3 Year	93.68

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information Expense arising from share-based payment transactions

Particulars	March 31,2023	(₹ In Lakhs) March 31,2022
Employee stock option scheme (equity settled)	16.61	-

Accounting for equity settled share-based payment transaction (ESOPs) at fair value increases the non-cash component of Employee Benefits Expenses and is also reflected in Share Options Outstanding Account under Other Equity. This balance of Share Options Outstanding Account is transferred to Securities Premium as and when the stock options are exercised by the employees and subsequent allotment of shares to them. Hence, this charge is neutral to Equity of the Company.

**32 Employee benefits**

**a) Defined contribution plan**

Contribution to Defined Contribution Plans, recognised as an expense for the year is as under:

Particulars	For the year ended March 31,2023	For the year ended March 31,2022
Employer's Contribution to Provident Fund and other funds (includes pension fund)	15.44	13.75

**b) Defined benefit plans**

The Company has gratuity liability ascertained on actuarial basis, wherein every employee who has completed five years or more of service is entitled to gratuity on retirement or resignation or death calculated at 15 days salary for each completed year of service, subject to a maximum of ₹ 20 lacs per employee. The vesting period for Gratuity as payable under The Payment of Gratuity Act is 5 years. The plans in India typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

**Investment risk:** The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan asset is below this rate, it will create a plan deficit.

**Interest risk:** A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

**Longevity risk :**The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

There are no other post-retirement benefits provided to employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2023. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)**

	(₹ In Lakhs)	
	Gratuity non-funded As at March 31, 2023	Gratuity non-funded As at March 31, 2022
<b>I Table showing change in the Present Value of Projected Benefit Obligation</b>		
Present Value of Benefit Obligation at the beginning of the period	28.91	42.36
Current service cost	3.13	4.00
Interest cost	2.10	2.89
Liability Transferred In/Acquisitions	-	1.65
(Liability Transferred out/Divestment)	-	(12.44)
Past service cost (Vested benefits) recognised during the period	-	-
Benefits Paid Directly by the Employer	(1.94)	(0.74)
Actuarial (gain)/loss on obligations due to Financial Assumptions	(0.84)	(1.25)
Actuarial (gain)/loss on obligations due to Experience	4.33	(7.55)
<b>Present Value of Benefit Obligation at the end of the period</b>	<b>35.69</b>	<b>28.91</b>
<b>II Table showing change in Fair Value of Plan Assets</b>		
Fair Value of Planned Assets at the Beginning of the Period	-	-
Interest Income	-	-
Contribution by the Employer	-	-
Expected Contributions by the Employees	-	-
Assets Transferred In/Acquisitions	-	-
(Assets Transferred out/Divestments)	-	-
(Benefit Paid from the Fund)	-	-
(Assets Distributed on Settlements)	-	-
Effects of Asset Ceiling	-	-
The Effect of Changes In Foreign Exchange Rates	-	-
Return on Plan Assets, Excluding Interest Income	-	-
<b>Fair Value of Plan Assets at the End of the Period</b>	<b>-</b>	<b>-</b>
<b>III Amount recognised in the Balance Sheet</b>		
(Present Value of Benefit Obligation at the end of the Period)	(35.69)	(28.91)
Fair value of plan assets at the end of the period	-	-
Funded Status (Surplus/ (Deficit))	(35.69)	(28.91)
Unrecognised past service cost at the end of the period	-	-
<b>Net (Liability)/Asset Recognized in the Balance Sheet</b>	<b>(35.69)</b>	<b>(28.91)</b>
<b>IV Net Interest Cost for Current Period</b>		
Present Value of Benefit Obligation at the beginning of the period	28.91	42.36
Fair Value of Planned Assets at the Beginning of the Period	-	-
<b>Net Liability/(Asset) at the Beginning</b>	<b>28.91</b>	<b>42.36</b>
Interest Cost	2.10	2.89
(Interest Income)	-	-
<b>Net Interest Cost for Current Period</b>	<b>2.10</b>	<b>2.89</b>
<b>V Expenses recognised in the Statement of Profit or Loss for Current Period</b>		
Current service cost	3.13	4.00
Net Interest cost	2.10	2.89
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
<b>Expense recognised</b>	<b>5.22</b>	<b>6.89</b>

**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)**

**VI Expenses recognised in Other Comprehensive Income (OCI) for Current Period**

Actuarial (gains)/Losses on Obligation for the period	3.49	8.81
Return on Plan Assets, Excluding Interest Income	-	-
Change in Asset Ceiling	-	-
<b>Net (Income)/Expense for the period recognised in OCI</b>	<b>3.49</b>	<b>8.81</b>

**Break up of Plan Assets:**

i) Equity instruments	-	-
ii) Debt instruments	-	-
iii) Investment Funds with Insurance Company	-	-
Of which, Unit Linked	-	-
Of which, Traditional/ Non-Unit Linked	-	-
iv) Asset-backed securities	-	-
v) Structured debt	-	-

Note: None of the assets carry a quoted market price in an active market or represent the entity's own transferable financial instruments or are property occupied by the entity.

**Principal actuarial assumptions**

Discount Rate	7.50%	7.25%
Expected rate(s) of salary increase	5.00%	5.00%
Expected return on plan assets	NA	NA
Attrition rate	2.00%	2.00%
Mortality rate during employment	Indian assured lives mortality 2012-14 (Urban)	

**Maturity Analysis of the Benefit payments: From the employer**

Projected Benefits Payable in Future Years from the date of reporting		
1st Following year	0.98	0.78
2nd Following year	1.07	1.74
3rd Following year	1.64	0.85
4th Following year	1.14	1.33
5th Following year	1.21	0.93
Sum of year 6 To 10	20.71	12.98
Sum of year 11 and above	52.81	46.68

**Sensitivity Analysis:**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	(₹ In Lakhs)	
	Impact on Defined benefit obligation Increase/ (Decrease)	
	March 31, 2023	March 31, 2022
<b>Projected Benefit Obligation on current Assumption</b>	<b>35.69</b>	28.91
Discount rate - 1% Increase	(3.09)	(2.60)
Discount rate - 1% Decrease	3.52	2.99
Future salary growth - 1% Increase	3.57	3.03
Future salary growth - 1% Decrease	(3.19)	(2.68)
Attrition rate - 1% Increase	0.58	0.46
Attrition rate - 1% Decrease	(0.64)	(0.51)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)**

**c) Other long-term employee benefits**

Provision for long term compensated absences are measured by actuarial valuation in accordance with Ind AS-19

**33 Financial Instruments**

**A. Classification and Fair Values of Financial Assets and Liabilities**

(₹ In Lakhs)

Particulars	March 31,2023			March 31,2022		
	Amortised cost	Fair Value	Total	Amortised cost	Fair Value	Total
<b>Financial assets</b>						
Investments in:						
Mutual funds	-	657.99	657.99	-	1,096.18	1,096.18
Fixed Deposits	5,730.52	-	5,730.52	3,730.52	-	3,730.52
Non Convertible Debentures	209.03	-	209.03	230.27	-	230.27
Equity instruments	0.10	-	0.10	0.10	-	0.10
Loans (*)	9.91	-	9.91	17.58	-	17.58
Trade and other receivables (*)	6.54	-	6.54	4.70	-	4.70
Cash and cash equivalents (*)	434.71	-	434.71	7.96	-	7.96
Bank balances other than cash and cash equivalents	-	-	-	-	-	-
Other financial assets (*)	803.39	-	803.39	369.02	-	369.02
<b>Total financial assets</b>	<b>7,194.20</b>	<b>657.99</b>	<b>7,852.19</b>	<b>4,360.14</b>	<b>1,096.18</b>	<b>5,456.32</b>
<b>Financial liabilities</b>						
Trade payables (*)	16.19	-	16.19	12.39	-	12.39
Lease Liability	122.59	-	122.59	35.81	-	35.81
Other financial liabilities (*)	164.19	-	164.19	31.52	-	31.52
<b>Total financial liabilities</b>	<b>302.97</b>	<b>-</b>	<b>302.97</b>	<b>79.72</b>	<b>-</b>	<b>79.72</b>

(\*) Fair value of loans, trade and other receivables, cash and cash equivalents, trade payable and other financial liabilities approximate the carrying amounts largely due to the fact that they are short term in nature and hence the fair value for these financial instruments have continued to be same as carrying value.

**B Level wise disclosure of financial instruments**

(₹ In Lakhs)

Particulars	Measured at	March 31,2023	March 31,2022	Level
Investment in Non Convertible Debentures	Amortised Cost	209.03	230.27	1
Investment in Mutual Funds	Fair Value	657.99	1,096.18	2
Investment in Fixed Deposits	Amortised Cost	5,730.52	3,730.52	2
Investment in equity other than subsidiary/associates	Amortised Cost	0.10	0.10	3
Other Financial Assets (excluding accrued interest)	Amortised Cost	30.20	15.03	3

There is no inter-transfer of financial assets measured at fair value from level 1, level 2 and level 3.

**C Fair Value disclosure of financial instruments carried at amortised cost**

(₹ In Lakhs)

Particulars	March 31,2023		March 31,2022	
	Amortised cost	Fair Value	Amortised cost	Fair Value
Investment in Non Convertible Debentures	209.03	222.28	3,960.89	3,984.03
Interest Accrued on Non Convertible Debentures	14.72	-	23.14	-
Investment in Fixed Deposits	5,730.52	5,730.52	38.78	38.78
Interest Accrued on Fixed Deposit	758.48	758.48	330.85	330.85
Investment in equity other than subsidiary/associates	0.10	0.10	0.10	0.10
Other Financial Assets (excluding accrued interest)	30.20	30.20	15.03	15.03

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)**

Fair value of loans, trade and other receivables, cash and cash equivalents, other financial assets (except as mentioned in table above) approximate the carrying amounts largely due to the fact that they are short term in nature and hence the fair value for these financial instruments have continued to be same as carrying value and not disclosed in thr above table.

**D Fair value hierarchy**

Fair value hierarchy As per Ind AS 107, 'Financial Instruments: Disclosures', the fair values of the financial assets or financial liabilities are defined as the price that would be received on sale of asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities and lowest priority to unobservable inputs.

The hierarchy used is as follows :

**Level-1** Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Investment in open ended Mutual Funds are included in Level 1.

**Level-2** Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level-3** Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

**E Valuation techniques used to determine fair value**

Financial Instrument	Valuation Technique
Non Convertible Debentures	Last traded price of Non Convertible Debentures at Security Exchange on which instrument is being listed
Mutual Funds	Net Asset Value (NAV) declared by the mutual fund at which units are issued or redeemed.
Fixed Deposit	Fair value by discounting the future cash flows considering the interest rate on the deposits on reporting date.

**F Financial risk management**

The Company has an Audit & Risk Management Committee established by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the company.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

- Credit risk
- Liquidity risk
- Market risk-price
- Market Risk-Interest Rate
- Market Risk-Foreign Exchange

**i) Credit risk management:**

**Exposure to credit risk**

Financial services business has a risk management framework that monitors and ensures that the business lines operate within the defined risk appetite and risk tolerance levels as defined by the senior management. The amortised cost of the financial assets represents the maximum credit risk exposure.

	<b>(₹ In Lakhs)</b>	
	<b>March 31,2023</b>	March 31,2022
Maximum exposure to credit risk		
Investment		
Fixed Deposits	<b>5,730.52</b>	3,730.52
Non Convertible Debentures	<b>209.03</b>	230.27



**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)**

	(₹ In Lakhs)	
	March 31,2023	March 31,2022
Equity instruments	0.10	0.10
Loans	9.91	17.58
Trade and other receivables	6.54	4.70
Cash and cash equivalents	434.71	7.96
Bank balances other than cash and cash equivalents	-	-
<b>Other financial assets</b>	<b>803.39</b>	<b>369.02</b>
<b>Total</b>	<b>7,194.20</b>	<b>4,360.14</b>

**Investment in Fixed Deposit**

The Company has made investments in Fixed Deposit. Funds are invested after taking into account parameters like safety, liquidity and post tax returns etc. The Company avoids credit risk by investing in organisation with good credit rating profile and sound financial position.

**Investment in Non Convertible Debentures**

The Company has made investments in Non-Convertible Debentures. The Company's exposure and credit ratings of its counterparties are monitored on an ongoing basis.

**Loans**

All the loans are stage 1 assets with no default history and forward looking information is monitored to manage the risk.

**Trade and Other Receivables**

Exposures to customers' outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of collection from counterparties on timely basis reflects there is no credit risk. As the Company has a contractual right to such receivables as well as control over preponderant amount of such funds due from customers, the Company does not estimate any credit risk in relation to such receivables.

**ii) Liquidity risk management**

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The company requires funds for short term operational needs. The company manages liquidity risk by maintaining adequate reserves, and by matching the maturity profiles of financial assets and liabilities.

The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the company may be required to pay.

**Liquidity exposure as at March 31, 2023**

	(₹ In Lakhs)				Total
	Carrying Amount	Contractual Cash Flow			
		< 1 year	1-5 years	> 5 years	
<b>Financial assets</b>					
Investments	6,597.64	2,715.14	3,477.84	404.66	6,597.64
Loans	9.91	9.91	-	-	9.91
Trade and other receivables	6.54	6.54	-	-	6.54
Cash and cash equivalents	434.71	434.71	-	-	434.71
Bank balances other than cash and cash equivalents	-	-	-	-	-
Other financial assets	803.39	521.77	281.62	-	803.39
<b>Total financial assets</b>	<b>7,852.19</b>	<b>3,688.07</b>	<b>3,759.46</b>	<b>404.66</b>	<b>7,852.19</b>
<b>Financial liabilities</b>					
Trade payables	16.19	16.19	-	-	16.19
Lease Liability	122.59	67.35	67.26	-	134.61
Other financial liabilities	164.19	164.19	-	-	164.19
<b>Total financial liabilities</b>	<b>302.97</b>	<b>247.73</b>	<b>67.26</b>	<b>-</b>	<b>314.99</b>

**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)**

Liquidity exposure as at March 31, 2022

	Carrying Amount	Contractual Cash Flow			Total
		< 1 year	1-5 years	> 5 years	
<b>Financial assets</b>					
Investments	5,057.07	748.06	3,960.89	348.13	5,057.07
Loans	17.58	17.58	-	-	17.58
Trade and other Receivables	4.70	4.70	-	-	4.70
Cash and cash equivalents	7.96	7.96	-	-	7.96
Bank balances other than cash and cash equivalents	-	-	-	-	-
Other financial assets	369.02	369.02	-	-	369.02
<b>Total financial assets</b>	<b>5,456.32</b>	<b>1,147.31</b>	<b>3,960.89</b>	<b>348.13</b>	<b>5,456.32</b>
<b>Financial liabilities</b>					
Trade payables	12.39	12.39	-	-	12.39
Lease Liability	35.81	15.84	22.43	-	38.27
Other financial liabilities	31.52	13.72	17.80	-	31.52
<b>Total financial liabilities</b>	<b>79.72</b>	<b>41.95</b>	<b>40.23</b>	<b>-</b>	<b>82.18</b>

iii) **Market risk (Price Risk)**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The company is exposed in the ordinary course of its business to risks related to changes in interest rates.

**Sensitivity Analysis:**

The table below sets out the effect on profit or loss and equity due to reasonable possible weakening / strengthening in prices of 5%.

	Sensitivity of Profit or Loss (₹ In Lakhs)	
	March 31,2023	March 31,2022
NAV - Increase 5%	32.90	54.81
NAV - Decrease 5%	(32.90)	(54.81)

iv) **Market risk (Interest Rate Risk)**

The Company's investments on which it get interest income are primarily in fixed rate interest instruments. Accordingly, the exposure to interest rate risk is insignificant.

v) **Market risk (Currency Risk)**

The Company does not have amount of foreign currency denominated assets. Accordingly, there is no exposure to currency risk.

**34 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.

**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)**

(₹ In Lakhs)

Particulars	As at March 31,2023			As at March 31,2022		
	With in 12 months	After 12 months	Total	With in 12 months	After 12 months	Total
<b>I. ASSETS</b>						
<b>(1) Financial Assets</b>						
(a) Cash and cash equivalents	434.71	-	434.71	7.96	-	7.96
(b) Receivable						
(i) Trade Receivable	6.52	-	6.52	4.67	-	4.67
(ii) Other Receivable	0.02	-	0.02	0.02	-	0.02
(c) Loans	9.91	-	9.91	17.58	-	17.58
(d) Investment	2,715.14	3,882.50	6,597.64	748.06	4,309.01	5,057.07
(e) Other Financial Assets	521.77	281.62	803.39	369.02	-	369.02
<b>Total Financial Assets</b>	<b>3,688.07</b>	<b>4,164.12</b>	<b>7,852.19</b>	<b>1,147.31</b>	<b>4,309.01</b>	<b>5,456.32</b>
<b>(2) Non -Financial Assets</b>						
(a) Current Tax Assets (Net)	5.40	-	5.40	26.69	-	26.69
(b) Investment Property	-	11.81	11.81	-	12.75	12.75
(c) Property, Plant and Equipment	-	15.58	15.58	-	4.20	4.20
(d) Right of Use Asset	-	121.34	121.34	-	29.82	29.82
(e) Other Intangible Assets	-	0.08	0.08	-	-	-
(f) Other Non- Financial Assets	113.39	-	113.39	63.86	-	63.86
<b>Total Non -Financial Assets</b>	<b>118.79</b>	<b>148.80</b>	<b>267.59</b>	<b>90.55</b>	<b>46.77</b>	<b>137.32</b>
<b>TOTAL ASSETS (1+2)</b>	<b>3,806.85</b>	<b>4,312.93</b>	<b>8,119.78</b>	<b>1,237.85</b>	<b>4,355.79</b>	<b>5,593.64</b>
<b>II. LIABILITIES</b>						
<b>(1) Financial Liability</b>						
<b>A Payables</b>						
<b>(a) Trade Payables</b>						
Total Outstanding Dues of Micro Enterprises and Small Enterprises	-	-	-	0.07	-	0.07
Total Outstanding Dues to Creditors Other than Micro Enterprises and Small Enterprises	16.19	-	16.19	12.32	-	12.32
<b>B Other Financial Liabilities</b>						
(a) Lease Liability	67.35	67.26	134.61	15.84	22.43	38.27
(b) Other Financial Liabilities	164.19	-	164.19	13.72	17.80	31.52
<b>Total Financial Liability</b>	<b>247.73</b>	<b>67.26</b>	<b>314.99</b>	<b>41.95</b>	<b>40.23</b>	<b>82.18</b>
<b>(2) Non- Financial Liability</b>						
(a) Current Tax Liability (Net)	-	-	-	-	-	-
(b) Provisions	63.60	-	63.60	56.50	-	56.50
(c) Deferred tax liabilities (Net)	-	6.24	6.24	-	75.09	75.09
<b>Total Non -Financial Liability</b>	<b>63.60</b>	<b>6.24</b>	<b>69.84</b>	<b>56.50</b>	<b>75.09</b>	<b>131.59</b>
<b>TOTAL LIABILITIES (1+2)</b>	<b>311.33</b>	<b>73.50</b>	<b>384.83</b>	<b>98.45</b>	<b>115.32</b>	<b>213.78</b>

**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)**

**35 Income Tax**

The components of income tax expense for the year ended March 31, 2023 are as under:

Particulars	(₹ In Lakhs)	
	March 31,2023	March 31,2022
Current tax	-	-
Adjustment in respect of current income tax of prior years	23.55	69.65
Deferred tax relating to origination and reversal of temporary differences	(67.95)	18.70
<b>Total</b>	<b>(44.40)</b>	<b>88.35</b>
<b>Current Tax</b>	<b>23.55</b>	<b>69.65</b>
<b>Deferred Tax</b>	<b>(67.95)</b>	<b>18.70</b>

**Reconciliation of Tax Charge**

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at Indian corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2023 and year ended March 31, 2022 is, as follows

Particulars	(₹ In Lakhs)	
	March 31,2023	March 31,2022
<b>(A) Amounts Recognised in the Balance Sheet</b>		
Accounting Profit/(Loss) before Tax	(447.48)	(67.25)
Tax Rate	26%	26%
<b>Income Tax on accounting profit</b>	<b>(116.34)</b>	<b>(17.49)</b>
Adjustment in respect of current income tax of prior years	23.55	69.65
Items taxed at different rates	4.07	12.82
Reversal of Deferred Tax Liability earlier created to the extent of business losses	67.95	-
Others	(23.62)	23.36
<b>Income Tax Expense as per Statement of Profit and Loss</b>	<b>(44.40)</b>	<b>88.35</b>

**Deferred tax**

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

Particulars	(₹ In Lakhs)			
	Deferred Tax Liability	Deferred Tax Asset	Statement of P&L	OCI
	March 31,2023	March 31,2023	March 31,2023	March 31,2023
Property, plant and equipment, intangible assets and investment property - carrying amount other than on account of fair valuation		0.24	(0.65)	
Fair valuation on derecognition of financial instrument	17.09		88.56	
Right-of-use assets		0.32	(4.04)	
Amortization of Expense		8.45	(5.63)	
Other temporary differences		1.85	(10.29)	0.91
<b>Closing Balance</b>	<b>17.09</b>	<b>10.86</b>	<b>67.95</b>	<b>0.91</b>
<b>Net Deferred Tax Asset/ (Liability)</b>	<b>(6.24)</b>			

**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (contd.)**

Particulars	(₹ In Lakhs)	
	Deferred Tax Liability	Deferred Tax Asset
	March 31,2022	March 31,2022
Property, plant and equipment, intangible assets and investment property - carrying amount other than on account of fair valuation		0.89
Fair valuation on derecognition of financial instrument	105.65	
Right-of-use assets		4.36
Amortisation of Expenses		14.08
Other temporary differences		11.23
<b>Closing Balance</b>	105.65	30.56
<b>Net Deferred Tax Asset/ (Liability)</b>	(75.09)	
<b>Amounts recognised in respect of current tax / deferred tax directly in equity</b>		
Particulars	(₹ In Lakhs)	
	March 31,2023	March 31,2022
Amounts recognised in respect of current tax / deferred tax directly in equity	-	-
<b>Tax losses</b>		
Particulars	(₹ In Lakhs)	
	March 31,2023	March 31,2022
Unused tax losses for which no deferred tax asset has been recognised	571.08	527.18

**36 Related party disclosure as per Indian Accounting Standard (Ind AS)-24 for the year ended March 31, 2023**

Name of entities	Relationship
1 Shriram Ownership Trust (#)	Promoter Group
2 Shriwell Trust (#)	Promoter Group
3 Shriram Capital Private Limited (SCPL) (Formerly known as Shriram Financial Ventures (Chennai) Private Limited (SFVPL)) (#)	Ultimate Holding company
4 Shriram Credit Company Limited	Holding Company
5 Shriram Investment Holdings Limited (#)	Subsidiary of Ultimate Holding Company
6 Shriram LI Holdings Private Limited (#)	Subsidiary of Ultimate Holding Company
7 Shriram GI Holdings Private Limited (#)	Subsidiary of Ultimate Holding Company
8 Shriram Finance Ltd	Associate of Ultimate Holding Company
9 Shriram Asset Reconstruction Pvt Ltd w.e.f. 1st Dec 2022 (#)	Associate of Ultimate Holding Company
10 Shriram Value Services Limited	Step Down Subsidiary of Ultimate Holding Company
11 Shriram Overseas Investments Private Limited (#)	Step Down Subsidiary of Ultimate Holding Company
12 Novac Technology Solutions Pvt. Ltd	Step Down Subsidiary of Ultimate Holding Company
13 Bharath Investments Pte. Ltd., Singapore (#)	Step Down Subsidiary of Ultimate Holding Company
14 Novac Digital Service Private Limited (#)	Step Down Subsidiary of Ultimate Holding Company
15 Armour Insurance Services WLL, Bahrain (#)	Step Down Subsidiary of Ultimate Holding Company
16 Way2wealth Insurance Brokers Private Limited (#)	Step Down Subsidiary of Ultimate Holding Company
17 Shriram Life Insurance Company Limited (#)	Step Down Subsidiary of Ultimate Holding Company
18 Shriram General Insurance Company Limited	Step Down Subsidiary of Ultimate Holding Company
19 SGI Philippines General Insurance Co. Inc. (#)	Step Down Subsidiary of Ultimate Holding Company
20 Way2wealth Brokers Private Limited	Step Down Subsidiary of Holding Company
21 Way2wealth Commodities Private Limited (#)	Step Down Subsidiary of Holding Company

**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

<b>22</b>	Shriram Fortune Solutions Limited (#)	Fellow Subsidiary
<b>23</b>	Shriram Wealth Limited (#)	Fellow Subsidiary
<b>24</b>	Shriram Financial Products Solutions (Chennai) Private Limited	Fellow Subsidiary
<b>25</b>	Shriram Insight Share Brokers Limited	Fellow Subsidiary
<b>26</b>	Way2wealth Securities Private Limited (#)	Fellow Subsidiary
<b>27</b>	SEA funds Management India Private Limited (#)	Fellow Subsidiary
<b>28</b>	Novac Technology FZCO w.e.f 8th Feb 2023 ((#)	Fellow Subsidiaries
<b>29</b>	Shriram Housing Finance Limited (#)	Associate
<b>30</b>	Shriram Automall India Ltd.	Associate
<b>31</b>	Kartik Jain (Managing Director and Chief Executive Officer from 09.01.2023)	Key Managerial Personnel
<b>32</b>	Jaya Innani (Chief Financial Officer from 12.12.2022)	Key Managerial Personnel
<b>33</b>	Reena Yadav (Company Secretary)	Key Managerial Personnel
<b>34</b>	Chandana Dutt (Chief Financial Officer upto 11.12.2022)	Key Managerial Personnel

Note 1:- # Represents that the Company has no transactions with the related parties during the period.

Note 2:-The Company had Investment in 600000 Equity shares of Ceylinco Shriram Capital Management Services Private Limited (a Company incorporated in Srilanka), amounting to Rs.38,78,332/-. As this Company was inoperative, the Management had decided to sell this investment and had passed the resolution to this effect. The Investment is considered as 'Held for Sale' and had been provided fully for the Impairment Loss. Accordingly, the said Investment has not been considered as an 'Associate'.

The following transactions were carried out with the related parties in the ordinary course of business.

(₹ In Lakhs)

Sl. No.	Particulars	Promoter Group		Ultimate Holding Company/ Holding Company/ Subsidiary, Associate, Step Down Subsidiary of Ultimate Holding Company/ Step Down Subsidiary of Holding Company/ Fellow Subsidiaries/ Associate		Key Management Personnel		Total	
		31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022
<b>1</b>	<b>Expenses:</b>								
	<b>i) Rent</b>								
	Shriram Insight Share Brokers Limited	-	-	0.80	7.16	-	-	0.80	7.16
	<b>ii) Share of Common Infrastructure Costs</b>								
	Shriram Insight Share Brokers Limited	-	-	15.39	18.23	-	-	15.39	18.23
	<b>iii) Other Expenses</b>								
	Shriram Insight Share Brokers Limited	-	-	0.86	0.23	-	-	0.86	0.23
	Shriram Finance Ltd	-	-	0.15	-	-	-	0.15	-
	<b>iv) Royalty Expenses</b>								
	Shriram Value Services Limited	-	-	5.00	5.00	-	-	5.00	5.00
	<b>v) HR, IT &amp; Network Support Services</b>								
	NOVAC Technology Solutions Private Ltd	-	-	-	3.99	-	-	-	3.99
	<b>vi) Insurance Premium</b>								
	Shriram General Insurance Company Limited	-	-	1.18	0.94	-	-	1.18	0.94
	<b>vii) Employee Benefits for Key Managerial Personnel</b>								
		-	-	-	-	84.29	52.69	84.29	52.69
<b>2</b>	<b>Income:</b>								
	<b>i) Rent</b>								
	Shriram Finance Ltd	-	-	1.53	1.53	-	-	1.53	1.53
	<b>ii) Interest Income on Loan</b>								
	Shriram Insight Share Brokers Limited	-	-	1.28	6.29	-	-	1.28	6.29
	<b>iii) Interest Income on Investment</b>								
	Shriram Finance Ltd	-	-	470.87	338.73	-	-	470.87	338.73



**SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

3	Loan given to Shriram Insight Share Brokers Limited			1,550.00	2,125.00			1,550.00	2,125.00
	Loan repaid by Shriram Insight Share Brokers Limited	-	-	1,550.00	2,125.00	-	-	1,550.00	2,125.00
4	<b>Issue of Compulsory Convertible Preference Shares (CCPS)</b> Shriram Credit Company Ltd ( 500,000,000 units @ Rs. 1 per unit)	-	-	5,000.00	-	-	-	5,000.00	-
5	<b>Redemption of Redeemable Non Convertible Preference Shares (RNCPS)</b> Shriram Credit Company Ltd Shriram Financial Products Solutions (Chennai) Private Ltd. Way2Wealth Brokers Pvt. Ltd.			1,900.00 1,600.00 1,500.00	- - -	- - -	- - -	1,900.00 1,600.00 1,500.00	- - -
6	<b>Investment In Non Convertible Debentures (NCD)- Shriram Finance Ltd</b> Amount received on redemption of NCD during the year Interest receipt on NCD during the year	- -	- -	21.24 27.23	1,302.33 123.74	- -	- -	21.24 27.23	1,302.33 123.74
7	<b>Investment In Fixed Deposit Receipt (FDR)- Shriram Finance Ltd</b> FDR made during the Year Amount received on redemption of FDR during the year Interest receipt on FDR during the year	- - -	- - -	2,000.00 - -	1,390.00 75.00 11.71	- - -	- - -	2,000.00 - -	1,390.00 75.00 11.71
8	<b>Balance outstanding :</b> (i) Outstanding Balance of NCD- Shriram Finance Ltd (ii) Interest receivable on above NCD -Shriram Finance Ltd (iii) Outstanding Balance of FDR- Shriram Finance Ltd (iv) Interest receivable on above FDR- Shriram Finance Ltd v) Payable to Shriram Insight Share Brokers Ltd vi) Payable to Shriram Value Services vii) Receivable from Shriram Finance Limited			209.03 14.72 5,730.52 758.48 4.64 1.13 0.02	230.27 23.14 3,730.52 330.85 20.79 1.13 -	- - - - - - -	- - - - - - -	209.03 14.72 5,730.52 758.48 4.64 1.13 0.02	230.27 23.14 3,730.52 330.85 20.79 1.13 -

Note 3:- The amounts disclosed towards employee benefits for Key Managerial Personnel does not include the provision for gratuity, leave encashment, bonus and ESOP's.

37. Corresponding figures for the previous period have been regrouped wherever necessary to confirm the current period classification.

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

**FOR G. D. APTE & CO.**  
CHARTERED ACCOUNTANTS  
FIRM REGISTRATION No.100515W

**CHETAN R. SAPRE**  
PARTNER  
MEMBERSHIP No.116952

Place : Mumbai  
Date : May 09, 2023

**FOR SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**KARTIK JAIN**  
MANAGING DIRECTOR & CEO  
DIN No. 09800492

**REENA YADAV**  
COMPANY SECRETARY

Place : Chennai  
Date : May 09, 2023

**SUBHASRI SRIRAM**  
DIRECTOR  
DIN No. 01998599

**JAYA INNANI**  
CHIEF FINANCIAL OFFICER



