

SHRIRAM CITY UNION FINANCE LIMITED

CIN: L65191TN1986PLC012840

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Tamil Nadu. Telephone No + 91 44 25341431

Secretarial Office: 144, Santhome High Road, Mylapore,
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NOTICE OF THE THIRTY SIXTH ANNUAL GENERAL MEETING OF THE MEMBERS

Notice is hereby given to the members of Shriram City Union Finance Limited, Corporate Identification Number - L65191TN1986PLC012840 ("Company") that Thirty Sixth Annual General Meeting ("AGM") of the members of the Company will be held on Friday, July 22, 2022 at 10 a.m Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") at Chennai to transact the following business.

ORDINARY BUSINESS:

Item no - 1: Adoption of standalone financial statements

To receive, consider and adopt the audited standalone financial statements of the Company for the financial year ended March 31, 2022 together with the Reports of the Board of Directors and Auditors thereon.

"RESOLVED THAT the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Board of Directors and the Auditors thereon be and are hereby considered and adopted."

Item no - 2: Adoption of consolidated financial statements

To receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended March 31, 2022 together with the report of the Auditors thereon.

"RESOLVED THAT the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, together with the Report of the Auditors be and are hereby considered and adopted."

Item no-3 : Declaration of dividend

(i) To confirm the payment of interim dividend (first and second) @ ₹ 10 and ₹ 27 respectively per equity per share of ₹ 10 each of the Company and paid during the financial year ended March 31, 2022.

"RESOLVED THAT the Members of the Company record and confirm payment of Interim Dividend (first) of ₹ 10 (Rupees ten only) per equity share of face value of ₹ 10 each aggregating to an amount of ₹ 66,15,81,390/- (Rupees Sixty six crores fifteen lakhs eighty one thousand three hundred ninety only) subject to deduction of tax at source, as applicable for the financial year ended March 31, 2022 paid on November 24, 2021 .

"RESOLVED THAT the Members of the Company record and confirm payment of Interim Dividend (second) of ₹ 27 (Rupees twenty seven only) per equity share of face value of ₹ 10 each aggregating to an amount of and ₹ 1,79,82,48,195/- (Rupees One hundred seventy nine crores eighty two lakhs forty eight thousand one hundred ninety five only) subject to deduction of tax at source, as applicable for the financial year ended March 31, 2022 paid on March 25, 2022."

Item no-4 : Retirement of Director by rotation

To consider and if thought fit, to pass the following resolution as an ORDINARY RESOLUTION.

To appoint a Director in place of Sri Ignatius Michel Viljoen (holding Director Identification Number 08452443) who retires by rotation under Section 152 (6) of the Companies Act, 2013 and being eligible seeks re-appointment.

"RESOLVED THAT the approval of members of the Company be and hereby accorded, pursuant to Section 152 and other applicable provisions of Companies Act, 2013 to the re-appointment of Sri Ignatius Michael Viljoen (holding Director Identification Number 08452443) as a Director of the Company liable to retire by rotation."

Item no - 5 : Remuneration of joint Auditors

To fix remuneration of joint Auditors of the Company and in this regard to pass the following resolutions as Ordinary Resolution.

i. **"RESOLVED THAT** pursuant to section 139, 141, 142 and applicable sections of the Companies Act, 2013 ("Act"), Companies (Audit and Auditors) Rules, 2014 and other applicable rules, applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable guidelines/directions/circulars of RBI including any statutory modification(s) or enactment(s) thereof for the time being in force and pursuant to the recommendations of the Audit and Risk Management Committee ("ARMC") and the Board of Directors of the Company ("Board"), the Members of the Company ("Members") approve the continuity of term of M/s R Subramanian & Company LLP, Chartered Accountants Firm Registration Number 004137S/S200041 ("RS"),

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Chennai who have expressed their willingness, and have confirmed their eligibility and independence to continue as joint statutory auditors of the Company from the conclusion of the 36th Annual General Meeting of the Company ("AGM") till next AGM of the Company **AND** the members fix the remuneration of RS as ₹ 27.50 Lakhs or such other amount on pro-rata basis (excluding the reimbursement of expenses incurred in connection with audit work, fees for other assignments and applicable taxes) for the financial year 2022-23 and such remuneration may be paid on progressive basis as fixed by the Board /ARMC/Director, Chief Financial Officer in consultation with RS **AND** the Members authorise any director/CFO/Company Secretary to do all such acts and take all such steps as may be considered necessary, proper and expedient to give effect to this resolution."

- ii. **"RESOLVED THAT** pursuant to section 139, 141, 142 and applicable sections of the Companies Act, 2013 ("Act"), Companies (Audit and Auditors) Rules, 2014 and other applicable rules, applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable guidelines/directions/circulars of RBI including any statutory modification(s) or enactment(s) thereof for the time being in force and pursuant to the recommendations of the Audit and Risk Management Committee ("ARMC") and the Board of Directors of the Company ("Board"), the Members of the Company ("Members") approve the continuity of term of M/s Abarna and Ananthan, Chartered Accountants Firm Registration Number 000003S ("A&A"), Bengaluru ("A&A"), who have expressed their willingness, and have confirmed their eligibility and independence to continue as joint statutory auditors of the Company from the conclusion of the 36th Annual General Meeting of the Company ("AGM") till next AGM of the Company **AND** the members fix the remuneration of A&A as ₹ 27.50 Lakhs or such other amount on pro-rata basis (excluding the reimbursement of expenses incurred in connection with audit work, fees for other assignments and applicable taxes) for the financial year 2022-23 and such remuneration may be paid on progressive basis as fixed by the Board /ARMC/Director, Chief Financial Officer in consultation with A&A **AND** the Members authorise any director/CFO/Company Secretary to do all such acts and take all such steps as may be considered necessary, proper and expedient to give effect to this resolution."

SPECIAL BUSINESS

Item no - 6 : Appointment of Sri Umesh G Revankar (Director Identification Number - 00141189) as Non Executive and Non Independent Director of the Company

To consider and if thought fit, to pass the following resolution as an ORDINARY RESOLUTION.

"RESOLVED THAT pursuant to the provisions of section 149, 152, 161, 178 and all other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Articles of Association of the Company and Regulation 19 (4) read with Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, regulations, notifications and circulars of Reserve Bank of India and other applicable laws, Sri Umesh G Revankar (Director Identification Number - 00141189), who was appointed by the Board of Directors as an Additional Director of the Company with effect from December 14, 2021 to hold office only upto the date of the ensuing Annual General Meeting pursuant to Section 161 of the Act, who is eligible for appointment and has given consent to act as a Director (Non Executive and Non Independent) and as recommended by the Nomination and Remuneration Committee and in respect of whom the Company has received notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director of the Company be and is hereby appointed as Director (Non Executive and Non Independent) of the Company liable to retire by rotation."

Item no -7: Borrowing Powers of the Board

To consider and if thought fit, to pass the following resolutions as SPECIAL RESOLUTION(S).

"RESOLVED THAT in supersession of the special resolutions passed at the thirty fifth Annual General Meeting of the Company held on July 29, 2021 and pursuant to Section 180 (1) (c), 42, 62, 71 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and relevant Rules prescribed under the Act, (including any statutory modifications and re-enactment thereof for the time being in force) applicable regulations of Securities and Exchange Board of India, Reserve Bank of India and any other applicable regulations, if any, the approval of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called "Board", which term shall be deemed to include any duly authorised Committee thereof, which the Board may have constituted or hereinafter constitute from time to time by

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whatever name called to exercise its power including the power conferred by this resolution) to borrow for the purpose of the business of the Company from time to time any sum(s) of money(s), long term or short term, fund based or non-fund based, in Indian Rupee or in any foreign currency, unsecured or secured by mortgage, charge, hypothecation, lien, pledge or otherwise of the Company's assets and properties for and on behalf of the Company by way of loan(s), financial assistance(s), commercial paper(s), senior note(s), rupee denominated bonds, off shore markets, issuance of bond(s) in whatever name called from bank(s), banking company(ies), financial institution(s), body(ies) corporate(s), person(s) **AND** by way of invitation, offer, issue and allotment of redeemable non convertible debenture(s), market linked debentures, subordinated debt(s), security(ies), debt security(ies), bond(s), any paper(s) convertible or non convertible or partly convertible at premium or at discount, in one or more on private placement basis as well as public issue from any or all the Entity(ies) [the term "Entity" shall be deemed to include, individuals, persons, Banks, Institutional Investors, Foreign Institutional Investors ("FIIs"), Foreign Portfolio Investors ("FPIs"), Qualified Institutional Buyers ("QIBs"), Financial Institutions ("FIs"), Statutory Corporations, Statutory Bodies, Trusts, Provident Funds, Pension Funds, Superannuation Funds, Gratuity Funds, Alternate Investment Funds, Insurance Companies, Companies, Societies, Educational Institutions, Association of Persons, Body of Individuals, Scientific and Research Organisations/Associations, Partnerships, Firms, Limited Liability Partnerships, Resident Individuals, Non Resident Individuals ("NRIs"), High Net worth Individuals ("HNIs"), Hindu Undivided Families ("HUFs"), Shareholders, Members, Employees, Director(s)/Key Managerial Personnel(s) ("KMP"), Relation(s) of Director(s)/ KMP(s), Related Party(ies) any person/institution as the Board may decide from time to time] separately or any combination thereof by any permissible methods as the Board may decide including but not limited to shelf prospectus, prospectus, information memorandum, shelf placement memorandum

(SPM), tranche placement memorandum, addendum(s) to SPM document, offer document, any other document or otherwise **AND** by way of acceptance of deposits/loans from any or all of the Entity(ies) referred above, any combination thereof **AND** by way of any other permissible instruments or methods of borrowings on such terms and conditions as the Board may deem fit notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company, apart from temporary loans obtained and/or to be obtained from the Company's bankers in the ordinary course of business will or may exceed the aggregate of the paid up share capital, free reserves and securities premium of the Company so that the total amount outstanding at any point of time shall not exceed ₹ 40,000 crores (Rupees forty thousand crores).

RESOLVED FURTHER THAT for the purpose of giving effect to the foregoing resolution and without being required to seek further consent or approval of the Members or otherwise for this purpose that they shall be deemed to have given their approval thereto expressly by authority of this resolution, the Board be and is hereby authorised to do all acts, deeds, matters and things to give full effect to the aforesaid resolution, settle and clarify any question or difficulty, finalise the form, content, extent and manner of documents and deeds, whichever applicable and execute all deeds, documents, instruments and writing, for the purpose mentioned in the aforesaid resolution in consultation with the Entities referred in aforesaid resolution and for reserving the aforesaid right.

By Order of the Board
For Shriram City Union Finance Limited

Place : Chennai
Date : May 20, 2022

C R Dash
Company Secretary

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EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

Annexure

Information required under Regulation 36 (3) of the LODR & SS2

Name of the Director	Sri Ignatius Michael Viljoen	Sri Umesh G Revankar
Nationality	South African	Indian
Qualifications	Master's degree in Economics with distinction from the University of the Free State, South Africa	Bachelor's degree in Business Management from Mangalore University and a Master of Business Administration in Finance.
Date of Birth/ Age	January 14, 1973/49 yrs	October 27, 1964/57 yrs
DIN	08452443	00141189
Date of first appointment on the Board of Directors	July 29, 2019	December 14, 2021
Nature of Expertise in specific functional areas	Financial, Regulatory affairs, Business analysis, Investor Servicing and Risk Management	Financial, Regulatory affairs, Technology, Risk Management, Planning, Human Resource Management/Leadership
Directorship held in other Companies	<ol style="list-style-type: none"> Sanlam Credit Fund Advisor (Pty) Limited Shriram Transport Finance Company Limited African Life Holdings Limited African Life Financial Services Zambia Limited African Life Properties Limited Botswana Insurance Fund Management Limited Letshego Holdings Limited 	<ol style="list-style-type: none"> Shriram Transport Finance Company Limited Shriram Capital Limited Shriram Credit Company Limited Shriram General Insurance Company Limited Shriram Automall India Limited
Membership/ Chairmanship of Committees of other public companies (includes only Audit Committees and Stakeholders Relationship Committee)	-	<ol style="list-style-type: none"> Member – Stakeholders Relationship Committee – Shriram Transport finance Company Limited Member – Audit Committee – Shriram Capital Limited Member – Audit Committee – Shriram Credit Company Limited Member – Audit Committee - Shriram Automall Limited
Disclosure of relationships between directors/ Key Managerial Personnel inter-se	There is no inter-se relationship between Sri Ignatius Michael Viljoen and the directors on the Board of Directors of the Company and Key Managerial Personnel	There is no inter-se relationship between Sri Umesh G Revankar and the directors on the Board of Directors of the Company and Key Managerial Personnel
Terms and conditions of re-appointment	Sri Ignatius Michael Viljoen is liable to retire by rotation	Sri Umesh G Revankar is liable to retire by rotation
Number of Meetings attended	5 out of 7 meetings held during 2021-2022	1 out of 2 meetings held during 2021-2022 from the date of his appointment
Shareholding in the Company	Nil	Nil
Remuneration Paid during 2021-22 (₹ in Lakhs)	Not Applicable	Not Applicable
Remuneration payable (₹ in Lakhs)	Not Applicable	Not Applicable

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Item No 5

In compliance with the aforesaid RBI Guidelines, the previous joint Statutory Auditors of the Company M/s G D Apte & Co, Chartered Accountants vide their letter dated July 29, 2021 had communicated to the Company their inability to continue to hold office as Statutory Auditors of the Company as they had already completed the tenure of 4 years on the date of coming into effect the RBI Guidelines and had communicated their intention to resign as the Statutory Auditors of the Company on conclusion of Extraordinary general Meeting ("EGM") held by the Company on September 8, 2021 in compliance with the RBI Guidelines.

The Audit and Risk Management Committee Meeting and Board at their respective meetings held on July 29, 2021 had passed resolution(s) recommending to the Members of the Company for approval of the appointment of M/s R Subramanian & Company LLP, Chartered Accountants Firm

Registration Number 004137S/ S200041 ("RS"), Chennai and M/s Abarna and Ananthan, Chartered Accountants Firm Registration Number 000003S ("A&A"), Bengaluru as new joint Statutory Auditors of the Company.

Accordingly and pursuant to Section 139 (8) (i) of the Act, the Members of the Company appointed R S & A&A at the Extraordinary General Meeting held on September 8, 2021 to hold office from the conclusion of EGM till the conclusion of 36th AGM of the Company to conduct the audit of accounts of the Company for the financial year 2021-22.

RS & A&A have confirmed that they continue to be eligible for appointment as joint Statutory Auditors till next AGM. The Audit and Risk Management Committee and the Board of Directors in their respective meetings held on April 29, 2022 have recommended to the Members that RS & A&A can continue as joint Statutory Auditors of the Company from the conclusion of 36th AGM till next AGM of the Company.

Disclosure under Regulation 36 (5) of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015

Audit fees proposed to be paid to Joint Statutory auditors for the financial year ending March 31, 2023	Name of joint Statutory Auditors	Remuneration as mentioned in the item no 2 above (Amount in Rupees)
	M/s R Subramanian & Company LLP	27,50,000
	M/s Abarna & Ananthan	27,50,000
Terms of appointment	From the conclusion of 36th AGM till the conclusion of next AGM of the Company to conduct the audit of accounts of the Company for the Financial Year 2022-23	
Material change in fee payable to the proposed joint Statutory Auditors for the financial year 2022-23	There is no material change in fee to be paid to the incoming joint Statutory Auditors proposed to be appointed through the ordinary resolution as set out at Item No. 5 of the Notice of this AGM.	
Basis of recommendation and auditor credentials.	The recommendations made by the Audit and Risk Management Committee and the Board of Directors of the Company are in compliance with the RBI guidelines and in fulfilment of the eligibility criteria prescribed under the Companies Act, 2013 and the applicable rules made under the Act with regard to the full time partners, statutory audit experience of NBFCs, capability, assessment of independence, etc.	
Brief Profile of the Proposed Joint Statutory Auditors	<p>M/s R Subramanian & Company LLP, Chartered Accountant (ICAI Firm Registration No 004137S/ S200041) established in 1974 with around five decades of audit, tax, valuation, and transaction advisory experience with headquarter in Chennai, India and offices in Bangalore, Mumbai, Delhi and Hyderabad. They have 17 partners. The firm has a valid peer review certificate</p> <p>M/s Abarna & Ananthan, Chartered Accountant (ICAI Firm Registration No 000003S) with close to 30 years of experience Audit, taxation and advisory services to clients throughout India. A & A have head office at Bangalore and Branch Office in Chennai. They possesses abundant experience in Banking and Financial Services Industry. The firm has a valid peer review certificate</p>	

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None of the Directors, Key Managerial Personnel of the Company or their relatives thereof are interested or concerned financial or otherwise in the proposed resolution except to the extent of their holdings in securities of the Company, if any. The Audit and Risk Management Committee and Board have recommended passing of this resolution.

Item No 6

Sri Umesh G Revankar (DIN-00141189), was appointed as an Additional Director (Non Executive and Non Independent) by the Board in accordance with the Articles of Association under Section 161 of the Act with effect from December 14, 2021. As per Section 161 of the Act, Sri Umesh G Revankar holds office upto the date of the Thirty sixth AGM. The Board of Directors of the Company based on the recommendation of the Nomination and Remuneration Committee, his eligibility and consent to act as a Director, appointed Sri Umesh G Revankar (DIN – 00141189) as a Director (Non Executive and Non Independent) with effect from December 14, 2021. The Company has received requisite notice in writing from a member under Section 160 of the Act signifying the candidature of Sri Umesh G Revankar to be appointed as a Non-Executive and Non Independent Director liable to retire by rotation. Sri Umesh G Revankar has consented to and declared as qualified for such appointment, if made. He meets the criteria as mentioned in the Policy for Appointment Remuneration and Diversity of board and the regulations of RBI including fit and proper criteria for directorship as prescribed under Master Direction - Non-Banking Financial Company - Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. Sri Umesh G Revankar possesses requisite knowledge, experience and skill for the position of Director. The Board on receipt of the said notice from a member and on the recommendation of it's Nomination and Remuneration Committee and subject to approval of members in this AGM has accorded its consent, to appoint Sri Umesh G Revankar as a Non-Executive and Non Independent Director liable to retire by rotation.

The profile and other directorships of Sri Umesh G Revankar are as under.

Sri. Umesh Govind Revankar holds a bachelor's degree in business management from Mangalore University and a master of business administration (MBA) in finance. He attended the Advanced Management Program at Harvard Business School. Sri Revankar started his career with the Shriram group as an executive trainee in 1987. He has been associated with the Shriram group for the last 33 years and has extensive experience in the financial services industry.

He holds directorships in 1.Shriram Transport Finance Company Limited,2.Shriram Capital Limited 3.Shriram Credit Company Limited,4.Shriram General Insurance Company Limited and 5.Shriram Automall India Limited. His Chairmanship/ Membership of the Committees of other Companies in which he is a Director are Member. 1. Shriram Transport Finance Company Limited - Chairman - Corporate Social Responsibility Committee, Asset Liability Management Committee, Risk Management Committee, Allotment Committee (NCDs), Securities Transfer Committee, Investment Review Committee and Banking & Finance Committee; Member - Stakeholders' Relationship Committee, IT Strategy Committee and ESG Committee. 2. Shriram Capital Limited - Member - Audit Committee and Asset Liability Management Committee. 3. Shriram Credit Company Limited - Member - Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee .4. Shriram General Insurance Company Limited - Chairman - Banking and Finance Committee, Member - Nomination and Remuneration Committee

Further details required under Regulation 36 (3) of the Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 (General Meeting on appointment and re-appointment of Directors) are provided in Annexure.

Except Sri Umesh G Revankar, no other Director, Key Managerial Personnel of the Company and their relatives thereof are interested or concerned financial or otherwise in the proposed resolution. He is not related to any director, inter se of the Company and does not hold any share in Company. The Board of Directors recommend passing of the resolution set out in Item No - 6 of the Notice.

Item No: 7

The Company is a Non-Banking Finance Company and provides loans under various products to its borrowers. The Company raises resources by borrowing from Banks, Financial Institutions etc. Borrowing is one of the source of raising funds by the Company. The resources raised are used for onward lending and other purposes. At the 35th Annual General Meeting ("AGM") held on July 29, 2021 Board of Directors was authorised by the Members under Section 180 (1) (c) of the Act to borrow upto a limit of ₹ 40,000 crores apart from temporary loans obtained/to be obtained from the bankers (by way of cash credit limits and working capital demand loans) in the ordinary course of business. Section 180 (1) (c) of the Act provides that the Board of Directors of a Company shall only with the consent of the Company by a special resolution borrow money together with money already borrowed (apart from temporary loans obtained and /or to be obtained from

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Company's bankers in ordinary course of business) in excess of share capital, free reserves and securities premium. In addition to the Act, Regulations of SEBI and Regulations of RBI may apply for borrowing. The expression temporary loans for this purpose means loans payable on demand or within six months from date of loan such as short term, cash credit arrangements, the discounting of bills, etc.

The amount, terms and conditions, time etc of borrowings by the Company depend upon many factors. The amount to be borrowed, the method of borrowings, the institution to borrow from depend upon various factors and can be decided at that time by seeing the different methods/alternatives available. Raising of resources/Borrowings can be through public issue of Non convertible Debentures/Securities. The Board proposes to have the borrowing limits at ₹ 40,000 crores with no increase in the borrowing limits as approved by the members at 35th AGM of the Company apart from the temporary loans obtained/ to be obtained from the Company's bankers in the ordinary course of business. The Company will continue to maintain capital adequacy ratio, which is related to borrowings, as per the regulatory requirement of Reserve Bank of India ("RBI").

The approval of members is required to borrow funds exceeding aggregate of paid up capital, free reserves and securities premium of the Company as provided under Section 180 (1) (c) of the Act. The proposed borrowings of amount not exceeding ₹ 40,000 crores, are in excess of the limit set under Section 180 (1) (c) of the Act. Each borrowing would have terms and conditions. Different borrowings may be with different terms and conditions. The availing of borrowings, type of borrowing, the lender to borrow from the amount of borrowing within the specified limit, time of borrowing, terms and conditions of each borrowing and other matters related thereto are proposed to be left to the Board and Committee or any person authorised by the Board/ Committee. For availing different Borrowings, it would require execution of different agreements, submission of different documents, information to the LENDER(S) by the Company. LENDER(S) would require securities to be provided to them for amounts lent by them to the Company. The overall securities to be offered are expected to be 1.25 times of the borrowings, which would amount to ₹ 50,000 crores. Each borrowing may be with different kind and amount of securities. The securities offered by the Company for such borrowings may require registration of charge with Registrar of Companies or any other authority or Government. The borrowings and creation or registration of charge would require different documents to be executed with such LENDER(S) by the Company. The documents to be executed for the purpose may contain a provision to take over the substantial assets of the Company in certain events.

As per Circular no. SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018 issued by the Securities and Exchange Board of India ("SEBI Circular"), a Large Corporate is mandatorily required to raise at least 25% of its incremental borrowing during the financial year subsequent to the financial year in which it is identified as a Large Corporate, by way of issuance of debt securities. The Company is a Large Corporate as per this notification of SEBI and thus the Circular of SEBI applies to the Company. The Company is required to file an initial disclosure and annual disclosure to this effect with Exchanges every financial year before April 30 every year and within 45 days from the end of financial year respectively. These confirmation would be filed in due course. The incremental borrowing may be in excess of prescribed limit depending upon the requirement of funds by the Company. The Company may also issue the NCDs at discount or premium depending upon debt market conditions prevailing on the date of issue of the NCDs and relevant regulatory requirements i.e. number of ISINs maturing per financial year. The funds raised through proceeds of the issue of NCDs will be utilised for various financing, lending, and investments, repaying the existing liabilities/loans, business operations, capital expenditure, working capital requirements, issue expenses and general corporate purposes of the Company and for the purposes mentioned in the Shelf Prospectus, Prospectus, Tranche Prospectus, Shelf Disclosure Document, Information Memorandum and any other document under which issue is made. Further, passing of this resolution is also necessary in order to enable the Company to comply with the SEBI Circular. Borrowings by the Company may be for the purpose of financing, lending, investments, repaying the existing liabilities/loans, business operations, capital expenditure, revenue expenditure, working capital and general corporate purposes of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives thereof are interested or concerned financial or otherwise in the proposed resolution except to the extent of their holdings in securities of the Company, if any. The Board of Directors recommend passing of the Resolution(s) set out in item no -7 of the Notice as Special Resolution(s).

By Order of the Board
For Shriram City Union Finance Limited

Place : Chennai
Date : May 20, 2022

C R Dash
Company Secretary

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NOTES FORMING A PART OF THE NOTICE:

1. The explanatory statement as required under Section 102 of the Companies Act, 2013 ("Act") with respect to ordinary/special business set out in item no.6 and 7 of the Notice is annexed hereto.
2. The General Meetings of the Companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No 14/20 dated April 8, 2020, No 17/2020 dated April 13, 2020, Circular No 20/2020 dated May 5, 2020, Circular no 2/2021 dated January 13, 2021 and Circular no 3/22 dated May 5, 2022 (MCA circulars) permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"). In compliance with the MCA and SEBI circulars, the AGM of the Company will be held through VC/OAVM without the physical presence of the Members at a common venue. The regulatory authorities (MCA & SEBI) have permitted conducting the Annual General Meeting through VC or OAVM upto December 31, 2022.
3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), in relation to e-voting facility and MCA circulars dated April 8, 2020, April 13, 2020, May 5, 2020 and January 13, 2021, the Members are provided the facility to cast their vote electronically, through the remote e-voting services. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL). The facility of casting votes by a member using remote e-voting as well as e-voting facility on the date of AGM will be provided to the members by CDSL for facilitating voting through electronic means as the authorised e-voting agency.
4. As this AGM is being held through VC/OAVM pursuant to as per above said MCA circulars, the facility to appoint proxy(ies) to attend and cast vote for the members will not be available for this AGM and hence the proxy form and attendance slip are not annexed to this Notice.
5. Authorised representatives of corporate members are requested to send certified copies of such authorisation of their Board to the Company, authorising their representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting to the scrutiniser by email at sriram@prowiscorporate.com with a copy marked to helpdesk.evoting@cdslindia.com.
6. Additional information, pursuant to regulation 36 of LODR in respect of the director(s) seeking appointment/re-appointment at the AGM forms a part of this Notice. The director(s) have furnished consent/declaration for their appointment/re-appointment as required under the Act and the Rules thereunder.
7. The Notice along with the Annual Report for the year ended March 31, 2022 will be sent to all the Members by electronic mode, whose names appear in the Register of Members as on June 24, 2022. This Notice can be accessed on the web site of the Company at https://www.primeinfobase.in/ir_download/PPN_Corp_Announcements/SCUF_AGM_NOTICE_ANNUAL_REPORT_2022.pdf, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL <https://www.evotingindia.com>
Members who have not registered their email address and in consequence could not receive the Notice may temporarily get their email address registered with the RTA, by sending an email to csdstd@integratedindia.in by quoting their Folio / Demat Account No. Upon updation of email, the Member will receive soft copy of the Notice and the procedure for remote e-voting along with the User ID and the Password to enable remote e-voting for this Notice. In case of any queries, Members may write to csdstd@integratedindia.in. For permanent registration of email address, the Members are however are requested to register their email address, in respect of electronic holdings with the Depositories/Depository Participant and in respect of physical holdings with the RTA.
8. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
9. The members can cast their votes by way of remote e-voting provided by the Company in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date July 15, 2022. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at csdstd@integratedindia.in. However, if he/she is already registered with CDSL for remote e-voting then

Notice (Contd.)

he/she can use his/her existing User ID and password for casting the vote.

10. Pursuant to section 91 of the Act and Regulation 42 of the LODR, the Register of Members and Share Transfer Books will remain closed from Saturday, July 16, 2022 to Friday, July 22, 2022 (both days inclusive) for the purpose of AGM.
11. Shareholders holding shares in physical form under multiple folios are requested to consolidate their holdings in a single folio enabling the Company to serve effectively.
12. For updation of PAN, email / Mobile / other KYC details, Members holding shares in physical mode may submit the details in Form ISR-1 to RTA as per SEBI circular dated November 3, 2021. Members holding shares in demat mode are requested to contact their Depository Participant (DP) for updation of KYC details in their demat accounts.
13. Please update Bank Account numbers, Income Tax Permanent Account Number ("PAN") and other details by submitting the relevant documents to your DP or RTA.
14. The Statutory Registers will be available for inspection by the Members through electronic mode at the AGM. Relevant documents and statements referred to in this Notice are open for inspection by the Members at the Registered Office of the Company during business hours till the date of the AGM.
15. As per Regulation 40 of SEBI LODR, as amended, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository. Further that transmission or transposition of securities held in physical or dematerialised form shall be processed

and effected only in dematerialised form. As per SEBI circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2022/8 dated January 25, 2022, in case of Shares held in physical form, the RTA / Issuer Companies shall verify / process the service requests 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, Transposition and thereafter issue a 'Letter of confirmation' in lieu of physical securities certificate(s), to the securities holder/claimant within 30 days of its receipt of such request after removing objections, if any, for the purpose of dematerialisation.

In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Shareholders holding shares in physical form under multiple folios are requested to consolidate their holdings in a single folio enabling the Company to serve effectively.

16. Please address all correspondence including dividend matters to the RTA.
17. Pursuant to the provisions of section 124 and 125 of the Companies Act, 2013, the dividends which remain unclaimed for a period of 7 years will be transferred by the Company to the "Investor Education and Protection Fund" ("IEPF") established by the Central Government as and when they fall due for transfer. Shareholders who have not encashed their dividend warrants/payment instrument(s) so far are requested to make their claim to the RTA before transfer to IEPF. The following table shows the details of due date of transfer of unclaimed dividend to IEPF.

Year ending on March 31	Due Date of Transfer to IEPF		Year ending March 31	Due Date of Transfer to IEPF	
	Final Dividend	Interim Dividend		Final Dividend	Interim Dividend
			2018	August 27, 2025	December 4, 2024
2015	September 1, 2022		2019	September 2, 2026	November 29, 2025
2016	September 2, 2023	December 4, 2022	2020	-	November 29, 2026
2017	August 4, 2024	December 1, 2023	2021	September 3, 2028	1. December 7, 2027 (first Interim) 2. April 30, 2028 (second Interim)
			2022	-	1. December 3, 2028 (first Interim) 2. April 12, 2029 (second Interim)

The Company is required to transfer the shares to IEPF Authority, the shares in respect of which the dividend is not claimed/ remains unpaid for seven consecutive years or more and such dividend/shares can be claimed by respective members from IEPF authority by following the prescribed procedures.

Notice (Contd.)

18. Members can update their nominations by submitting respective forms to RTA or DP as the case may be.
 19. Since the AGM will be held through VC/OAVM, the route map is not furnished in this Notice.
 20. Shareholders seeking any information with regard to accounts are requested to write to the Company Secretary of the Company at the Secretarial Office of the Company at least 7 days in advance of the date of the AGM, so as to keep the information ready at the AGM.
 21. If any votes are cast by the shareholders through remote e-voting and if same shareholders have participated in the meeting through VC/OAVM, then cast their votes during the live session of AGM then the votes cast by such shareholder through remote e-voting shall be considered valid and the vote casted at the live session of the AGM shall be considered invalid.
 22. Sri P Sriram (Membership No FCS 4862), practicing Company Secretary (PCS No 3310) of M/S SPNP & Associates, Chennai as consented by him was appointed by the Company as the scrutiniser for conducting the e-voting process in accordance with the provisions of law and rules made thereunder.
- I. INSTRUCTIONS TO SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**
1. 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 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 and Risk Management Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
 2. The remote e-voting period shall commence from Tuesday, July 19, 2022 at 10 a m and shall close of Thursday, July 21, 2022 at 5 p m. During this period of remote e-voting, the Members of the Company, as on July 15, 2022 i.e. cut-off date, holding shares either in physical form or in dematerialised form may cast their vote electronically. The remote e-voting module will be disabled for voting thereafter.
 3. The members who have casted their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.
 4. Institutional investors who are members of the Company are encouraged to attend and vote at the 36th AGM of the Company.
 5. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 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.
 6. 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:

Notice (Contd.)

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

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

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

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Notice (Contd.)

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

Login type	Helpdesk details
Individual Shareholders holding shares in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding shares in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

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

For Physical shareholders and other than individual shareholders holding shares in Demat.

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/ Integrated or contact Company/ Integrated.
Dividend Bank details OR Date of Birth (DOB)	Enter the Dividend Bank details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both the details are not recorded with the Depository or the Company, please enter the Member ID/folio number in the Dividend Bank details field as mentioned in section D above.

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

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 resolution of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (ii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolution contained in this Notice.
- (iii) Click on the EVSN for the relevant Shriram City Union Finance Limited Limited on which you choose to vote.

Notice (Contd.)

- (iv) 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.
- (v) Click on the "RESOLUTION FILE LINK" if you wish to view the entire Resolution details.
- (vi) 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.
- (vii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (viii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (ix) 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.
- (x) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutiniser for verification.
- (xi) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser 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 authorised signatory who are authorised to vote, to the Scrutiniser at the email address viz; srirampcs@gmail.com , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutiniser to verify the same.

II. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & 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.
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 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at sect@shriramcity.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at sect@shriramcity.in. These queries will be replied to by the Company suitably by email.

Notice (Contd.)

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.

III. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING

- i. 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), Aadhar (self-attested scanned copy) to the email address of the Company/ RTA.
- ii. For shareholders holding shares in Demat form – Please update your email id and mobile no with your respective Depository Participant (DP)
- iii. 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 meeting through Depository.

If you have any queries or issues regarding attending

AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Sri Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

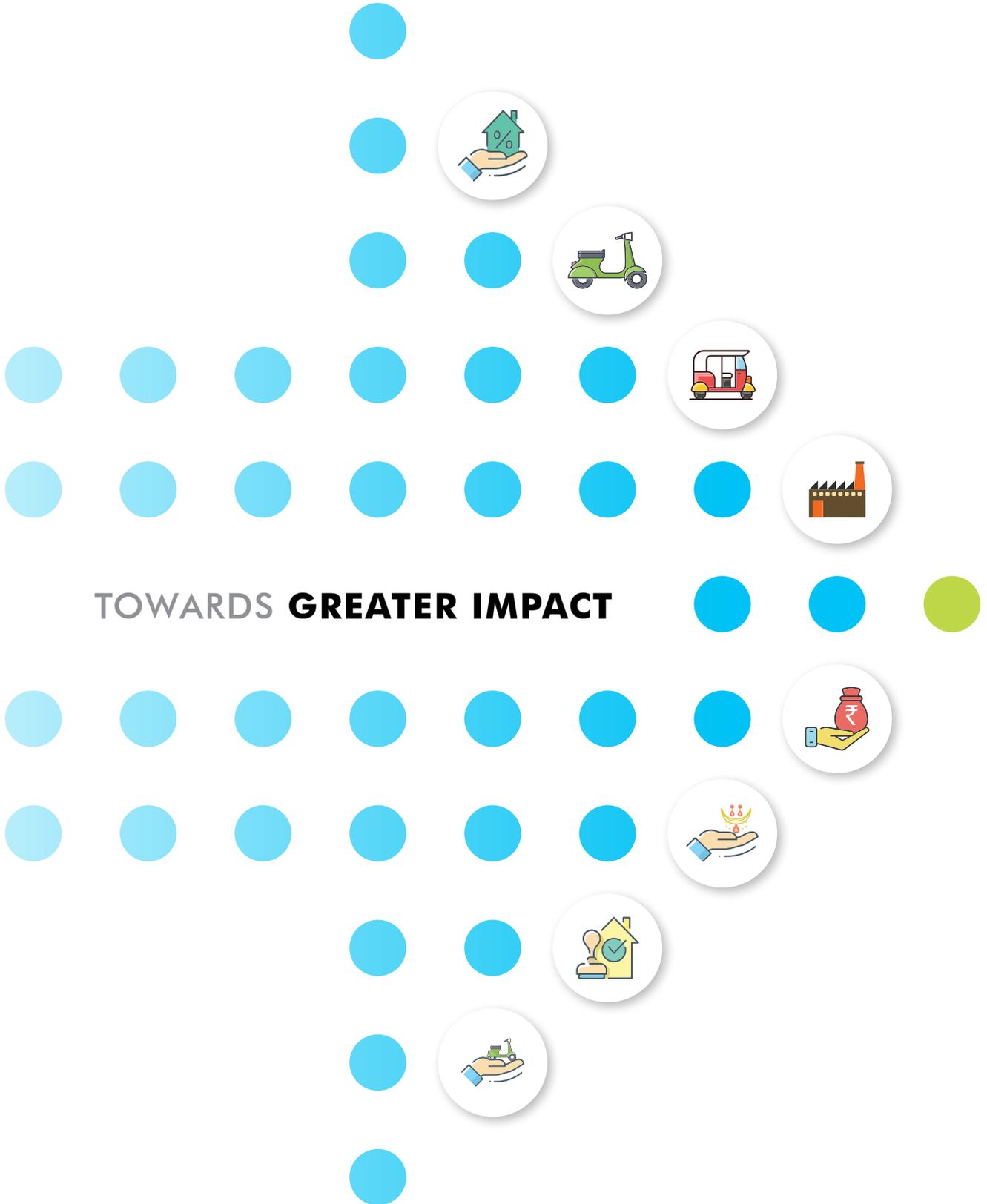
23. The Scrutiniser shall after the conclusion of the voting at the AGM, first count the votes casted during the AGM, thereafter unblock the votes casted through remote e-voting and provide Scrutiniser's Report to the Chairperson or a person authorised by him.

The results of the voting along with the report of the Scrutiniser would be declared by displaying it on the website of the Company on or before July 25, 2022 and will also be intimated to Stock Exchanges after declaration of results. The resolutions shall be deemed to be passed at the 36th AGM of the Company.

By Order of the Board
For Shriram City Union Finance Limited

Place : Chennai
Date : May 20, 2022

C R Dash
Company Secretary



TOWARDS **GREATER IMPACT**

ACROSS THE PAGES

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Investor Information

Market Capitalisation as on March 31, 2022	: ₹ 10,821 crores
CIN	: L65191TN1986PLC012840
BSE Code	: 532498
NSE Symbol	: SHRIRAMCIT
Bloomberg Code	: SCUF.IN
Dividend Declared and Paid	: Interim dividend of ₹ 10 and ₹ 27 per share declared and paid on November 24, 2021 and March 25, 2022 respectively.
AGM Date	: July 22, 2022
AGM Mode	: Video Conferencing (VC) and Other Audio Visual Means (OAVM)

Please find our online version at

<https://www.shriramcity.in/index.aspx>

Or simply scan to download:



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



At Shriram City Union Finance Limited (SCUF), we have always believed in creating a deep impact by adapting and innovating. For us, it is a paramount to stay relevant and ahead.

With our constant attention on the emerging market trends, we understand customer needs clearly, which enables us to serve them effectively. We understand the need to strengthen our relevance to customers and support their evolving needs, especially in an increasingly challenging economic environment.

Our response to the Covid-19-led pandemic has been persistent. We took it as an opportunity to widen and intensify our reach and to build a more resilient organisation, supported by customers, partners, staff and communities. We are committed to delivering the highest standards, and enhancing it's effectiveness to benefit our customers. Our presence across the underserved segment further bridges the financial needs of the customers and cultivates greater value for them.

₹ **6,530.39** crores

Total Income

26.78 %

Capital Adequacy Ratio (CAR)

12.74 %

Net Interest Margin (NIM)

₹ **1,461.24** crores

Profit Before Tax (PBT)

20.81 %

Yield

3.30 %

Net Non-performing Assets (NPA)

₹ **3,997.87** crores

Net Interest Income (NII)

7.48 %

Pre-provision Profits

₹ **33,185.76** crores

Asset Under Management (AUM)



CREATING IMPACT



SCUF is purposeful, customer-centric organisation, led by value propositions and committed to delivering and innovating financial solutions for higher industry relevance.

Established in 1986 as the NBFC-arm, SCUF has made significant strides in the retail financing space with offer of multiple loan products i.e. loan against gold and jewellery, business loans, personal loans, loans against two-wheelers.

Our Company enjoys a pan-India presence through its offices/branches. It has further built a resilient business model that is supported by state-of-the-art technology, robust governance model and talented team.



Vision

Serving the underserved. Creating value at the bottom of the pyramid.



Mission

Striving to serve the largest number of common people through quality non-banking financial services.



Values

- » People first
- » Nurturing talent
- » Empowerment
- » Transparency
- » Sense of belonging



BRANCH NETWORK



AUM



CREDIT RATINGS



OUR VALUE PROPOSITIONS



CONSISTENT VALUE CREATION



Towards Greater Impact

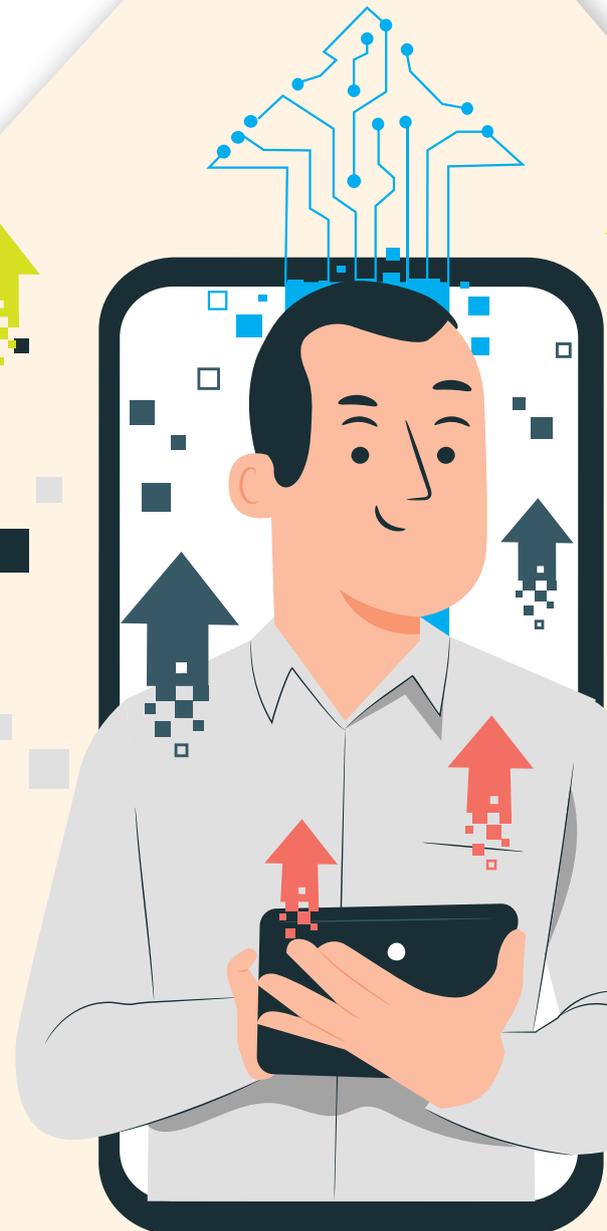
RETAINING PERSONAL TOUCH IN DIGITAL TRANSFORMATION



The Financial industry's operating environment is undergoing changes, driven by digital transformation in the BFSI sector and the need for resilient customer service caused by the pandemic.

The acceleration in the adoption of digital processes will bring about a long-term shift in expectation of the customer. Customers value personal touch and want to be served as individuals, especially when they are making important financial decisions, such as owning their first home or a vehicle. They want to do it right in the first attempt, while also keeping their data secured at the same time.

At SCUF, retaining the brand's competitive edge is one of our priorities. We differentiate our services by incorporating the sense of personal touch by smartly integrating technology within our offerings. The digital transformation leads to a multi fold change in our interactions with customers, making it more meaningful and customised. Further, the digital framework allows the Company to de-risk portfolios and enhance credit churn through automated assessment, helping us in maintaining liquidity position on one hand, and lower NPAs on the other.



Some of the key digital upgradations and initiatives include:

Work from Home (WFH) Infrastructure infrastructure

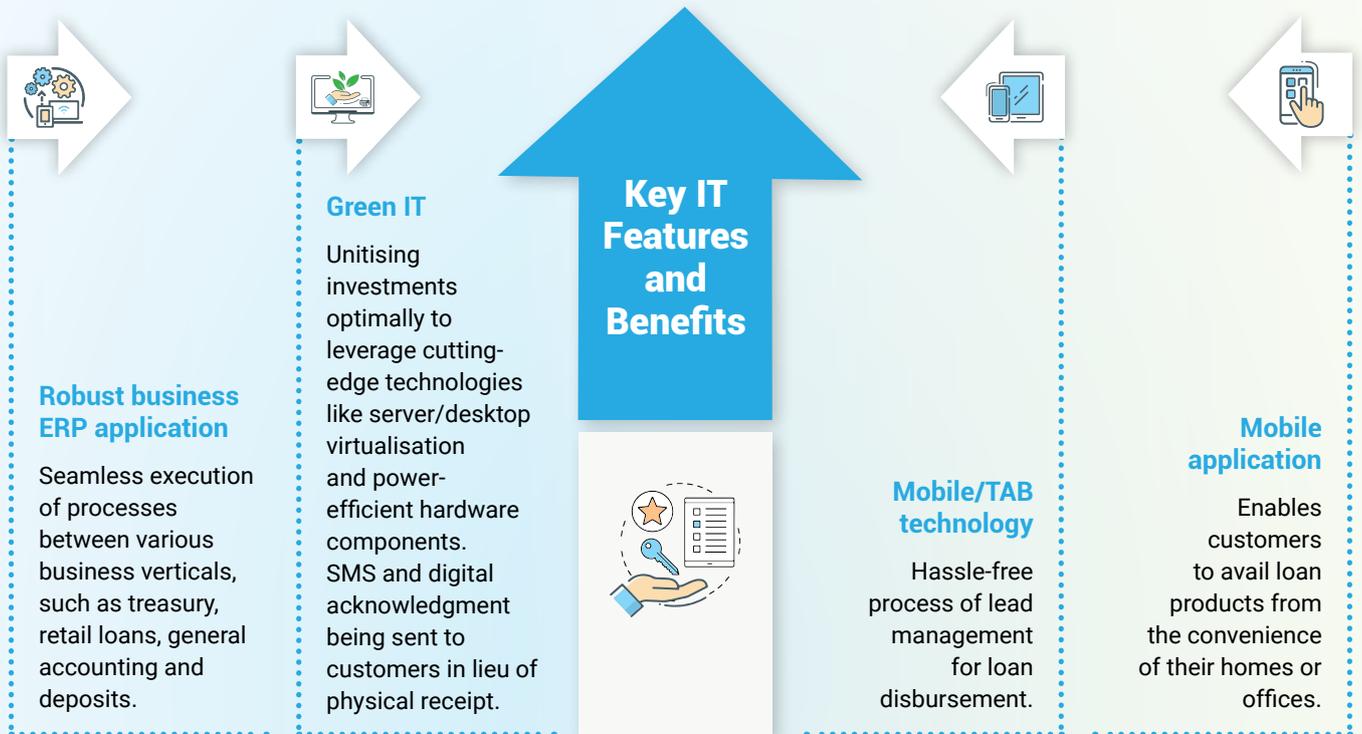
Our VDI (Virtual Desktop Interface) platform which was already in place, enabled us to prove our agility for fast adoption of WFH. We have categorised employee workforce based on their work profile and provided with end-user terminals such as Laptops, thin clients, Desktop PCS, among others. Also, we have provided internet connectivity for ensuring uninterrupted operations despite work-from-home. VDI ensures flexibility, manageability and accessibility in a secured environment.

Reduction in Physical Servers

We reduced the number of physical servers through Server Virtualisation solution.

Quicker Payment and KYC Check

We integrated Bharat Bill Payment System and UPI facility, partnering with leading banks and payment aggregators. Digital document uploading facility enabled for customers for a hassle-free KYC and quick turnaround.



Towards **Greater Impact**

ENHANCING POTENTIAL THROUGH SYNERGIES



AT SCUF, we are simplifying our processes to leverage on the opportunity for strengthening our product offerings.

As a part of the restructuring exercise of the Shriram Group, the Company's Board of Directors, in its meeting held on December 13, 2021, approved the Composite Scheme of Amalgamation and Arrangement (Scheme) between Shrilekha Business Consultancy Private Limited, Shriram Financial Ventures (Chennai) Private Limited, Shriram Capital Limited, Shriram Transport Finance Company Limited and Shriram City Union Finance Limited, Shriram LI Holdings Private Limited, Shriram GI Holdings Private Limited, Shriram Investment Holdings Limited, their respective shareholders under sections 230 to 232 read with section 52 and other applicable provisions of the Companies Act, 2013. The amalgamated entity will synergise the strength of all the entities getting amalgamated.



The synergic benefits:

- ➔ To simplify the holding structures and layers in the Group of companies forming part of the Scheme
- ➔ To focus on evolving business strategies with a specialised approach needed for a particular line of business than in a conglomerated entity having multiple businesses
- ➔ To facilitate further investment opportunities from strategic investors/ financial investors depending on the particular business interests and risk appetite
- ➔ To achieve restructuring for shareholders of the various companies, in a manner which will unlock value for them
- ➔ The proposed scheme is expected to bring in intangible benefits that the Shriram Group has generated over decades, while at the same time enhancing the scale of operations and enabling better attention and focus to be given in an integrated manner to all the businesses so as to enable achievement of their full potential
- ➔ To attract investment opportunities from strategic investors/financial investors who have varied business interests and risk perceptions
 - ➔ To achieve the objective of expanding the business of mutual fund, wealth management, among others., which has tremendous potential, taking advantage of the popularity of the Shriram brand and the extensive retail network available
 - ➔ Assist the Shriram Group in building a holistic digital strategy to cater to the customer needs of the entities in Shriram Group conglomerate and chalk out a digital transformation roadmap

Post-merger Statistics

₹ **1.5** trillion
AUMs

₹ **20** million+
Customer Base

3,500 +
Distribution Network

50,000 +
Team Strength

Towards Greater Impact

KEY PERFORMANCE INDICATORS

AUMs

(₹ in crores)



Disbursements

(₹ in crores)



Total Income

(₹ in crores)



Net Interest Income

(₹ in crores)





PAT (₹ in crores)



Earnings Per Share (₹)



Capital Adequacy Ratio Tier-I (%)



Corporate INFORMATION



BOARD OF DIRECTORS

Sri Debendranath Sarangi

Chairperson, Non-Executive, Independent

Sri YS Chakravarti

Managing Director and Chief Executive Officer, Executive, Non-Independent

Sri Diwakar B Gandhi

Director, Non-Executive, Independent

Sri Duruvasan Ramachandra

Director, Non-Executive, Non Independent

Sri Ignatius Michael Viljoen

Director, Non Executive, Non Independent

Smt Maya S Sinha

Director, Non-Executive, Independent

Sri Pranab Prakash Pattanayak *

Director, Non-Executive, Independent

Sri Shashank Singh

Director, Non-Executive, Non-Independent

Sri Umesh G Revankar

Additional Director, Non-Executive, Non-Independent

Sri Venkataraman Murali

Director, Non-Executive, Independent

**Ceased to be a director with effect from January 5, 2022*

CHIEF FINANCIAL OFFICER

Sri Ramasubramanian Chandrasekar

COMPANY SECRETARY

Sri C R Dash

AUDITORS

M/s R Subramanian and Company LLP

Chartered Accountants
6, Krishnaswamy Avenue, Luz, Mylapore,
Chennai 600 004

M/S Abarna & Ananthan

Chartered Accountants
NO 521, 3rd Main, 6th Block,
2nd Phase, BSK 3rd Stage,
Bengaluru - 560 085

LISTED AT

BSE Limited
NSE Limited

REGISTERED OFFICE

123, Angappa Naicken Street,
Chennai - 600 001
Phone No.: + 91 44 2534 1431

SECRETARIAL OFFICE

No.144, Santhome High Road,
Mylapore, Chennai 600 004
Phone No.: + 91 44 43925300
Fax No.: + 91 44 43925430

SHARE TRANSFER AGENTS

Integrated Registry Management Services Pvt Ltd

2nd Floor, Kences Towers No.: 1,
Ramakrishna Street, Off North
Usman Road, T. Nagar
Chennai 600 017

Phone No.: + 91 44 2814 0801-03

DEBENTURE TRUSTEES

IDBI Trusteeship Services Ltd
Asian Building, Ground Floor
17, R Kamani Marg, Ballard Estate
Mumbai 400 001

Catalyst Trusteeship Ltd

GDA House, First Floor
Plot No 85, Bhusari Colony (Right)
Paud Road, Pune 411 038

BANK

- 1 Axis Bank Ltd.
- 2 Bank Of Baroda
- 3 Bank Of India
- 4 Bank Of Maharashtra
- 5 Barclays Bank PLC
- 6 Canara Bank
- 7 Citibank N.A., India
- 8 CSB Bank
- 9 DBS Bank India Ltd.
- 10 DCB Bank
- 11 Equitas Small Finance Bank
- 12 Federal Bank
- 13 HDFC Bank Ltd.
- 14 HSBC India
- 15 ICICI Bank Ltd.
- 16 Indian Bank
- 17 Indian Overseas Bank
- 18 IndusInd Bank Ltd.
- 19 Karnataka Bank Ltd.
- 20 Karur Vysya Bank Ltd.
- 21 Kotak Mahindra Bank Ltd.
- 22 Punjab National Bank
- 23 RBL Bank Ltd.
- 24 Standard Chartered Bank PLC
- 25 State Bank Of India
- 26 SBM Bank (India) Ltd.
- 27 South Indian Bank Ltd.
- 28 Ujjivan Small Finance Bank Ltd.
- 29 Union Bank Of India
- 30 Woori Bank
- 31 YES Bank

INSTITUTION

- 1 Bajaj Finance Ltd
- 2 Citicorp Finance (India) Ltd.
- 3 National Bank for Agriculture and Rural Development
- 4 SIDBI
- 5 Tata Capital Financial Services Ltd.

Report of the Board of Directors

To,
The Members of Shriram City Union Finance Limited
Dear Members,

The Board of Directors ("Board") is pleased to present this Report with the audited standalone as well as consolidated financial statements of the Company for the financial year ended March 31, 2022 ("2021-22"). The consolidated financial statements presented pursuant to section 129 (3) of the Companies Act 2013 ("Act") and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"). The report on corporate governance, management discussion and analysis and other annexures referred to form a part of this Report.

1. RESULTS OF OPERATION

The summary of standalone and consolidated financial performance of the Company for 2021-22 is as under. The details of financials are provided in the annual financial statements.

₹ in Lakhs

Particulars	Standalone		Consolidated	
	Year Ended March 31,		Year Ended March 31,	
	2022	2021	2022	2021
Total Income	6,53,039.23	5,73,843.47	7,07,749.10	6,16,188.06
Finance Charges	2,53,252.52	2,13,388.43	2,81,312.56	2,34,105.03
Depreciation	7,835.49	7,984.14	8,622.51	8,712.46
Total Other Expenses	2,45,826.85	2,13,532.15	2,60,954.20	2,25,569.39
Profit before tax ("PBT")	1,46,124.37	1,38,938.75	1,56,859.83	1,47,801.18
Total Tax expenses	37,504.87	37,844.33	40,385.16	40,029.64
Profit after Taxation ("PAT")	1,08,619.50	1,01,094.42	1,16,474.67	1,07,771.54
Paid up equity share capital (Face value of ₹ 10/- per share)	6,662.80	6,600.50	6,662.80	6,600.50
Earning per equity share (Face value of ₹ 10/- each)				
(i) Basic	164.16	153.16	174.07	161.13
(ii) Diluted	163.17	152.81	173.02	160.76
Appropriations/Transfers:				
Profit / Retained Earnings balance available for appropriation	4,66,285.25	4,01,606.68	4,86,288.03	4,16,019.16
General reserve	(10,880.00)	(10,250.00)	(10,880.00)	(10,250.00)
Statutory reserve	(21,760.00)	(20,490.00)	(23,132.01)	(21,458.72)

The above mentioned appropriations/transfers to different reserves in 2021-22 were proposed and approved by the Board at the meeting held on April 29, 2022 in compliance with the requirements of regulations of Reserve Bank of India ("RBI") and the Act. The Company being an NBFC registered with the RBI, is exempted from providing details for loans made, guarantee given or security provided in ordinary course of business as required under Section 186 of the Act. Thus, such details are not mentioned here. Loans, guarantees and investments form a part of the Annual Financial Statements provided in this Annual Report.

Report of the Board of Directors (Contd.)

2. DIVIDEND

The Company follows its Dividend Distribution Policy enclosed as Annexure - 13 and displayed on the website of the Company (refer Table 1) for recommendation, declaration and payment of dividend. The Board at its meeting held on April 29, 2022 had not considered recommendation of final dividend. The table below shows the details of dividend for 2020-21 and 2021-22.

Dividend on equity shares of ₹ 10 each	No of Shares	Per share (₹)	Dividend Payout Ratio	Dividend Pay out (₹ in crores)	Date of payment
Interim (2021-22)	6,61,58,139	10.00		66.15	November 24, 2021
2nd Interim (2021-22)	6,66,01,785	27.00		179.82	March 25, 2022
Total		37.00	22.65%		
Interim (2020-21)	6,60,04,322	10.00		66.00	November 27, 2020
2nd Interim (2020-21)	6,60,05,022	10.00		66.00	April 19, 2021
Final (2020-21)	6,60,05,022	13.00		85.80	August 21, 2021
Total		33.00	21.55%		

Dividend payout is subject to applicable deduction of tax at source. No of shares indicate the numbers of shares existed on respective record date for payment of dividend. There were no delay in payment of dividend/interim dividend during 2021-22. The interim dividends declared shall be the dividend for the year.

3. CONTRACT OR ARRANGEMENT WITH RELATED PARTY AND ANNUAL RETURN

The Company has formulated an approved policy on Related Party Transactions ("RPT"), which is displayed on the web site of the Company (refer Table-1) which complies with regulations of RBI, the Act and LODR. There were RPTs during 2021-22. All the transactions during 2021-22 with related parties referred to in Section 188 of the Act, were on arm's length basis in ordinary course of business with requisite approval of the Audit and Risk Management Committee ("ARMC"). The details of RPTs as required under Regulation 34(3) and 53(f) of the LODR appear in note no 42 of the notes to financial statements. During 2021-22, the ARMC, approved the RPTs requiring it's approval. The details of RPTs were filed with both BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") on half yearly basis during 2021-22. There were no material RPTs during 2021-22 with promoters, directors, key managerial personnel or other designated persons in potential conflict with the interest of the Company at large and these information were filed with both BSE and NSE on quarterly basis on or before respective due dates during 2021-22. The details of Annual Return in prescribed form MGT - 7 as required under Section 92 (3) and 134 (3) of the Act is displayed on the web site of the Company (refer Table -1)

4. STATE OF AFFAIRS

The Company lends money to its customers through its different product offerings and accepts/renews deposits being a deposit taking Non-Banking Finance Company ("NBFC") registered with the RBI. The Company has multiple product offering i.e. Enterprise Finance/MSME Finance, Two wheeler loans, Loan against Gold, Auto Finance, Personal loans. The Company continued acceptance and renewal of deposits from public and lending to its customers as mentioned above with no change in business during 2021-22. The business of the Company includes sourcing borrowers, understanding their loan requirement, providing them appropriate finance, documentation of loans and receipt/recovery of loan dues from borrowers. The Company is present all over India through its business outlets concentrated in semi-urban and rural areas. Our customer centric approach continues to bring us more number of customers resulting in higher business. 19.23 Lakhs number of customers were added during 2021-22. Total number of customers and total number of branches/ business outlets were 45.55 Lakhs and 986 respectively as on March 31, 2022.

Total disbursements of loans under different products were ₹ 26,14,032.32 Lakhs during 2021-22 (2020-21 : ₹ 17,15,392.97 Lakhs). Income from operations in 2021-22 grew up by 13.89% to ₹ 6,52,675.60 Lakhs (2020 -21 : ₹ 5,73,069.65 Lakhs) and profit before tax was ₹ 1,46,124.37 Lakhs 2021-22 (2020 -21 : ₹ 1,38,938.75 Lakhs). As at March 31, 2022 the total assets under management stood at ₹ 33,18,576.13 Lakhs (March 31, 2021: ₹ 29,57,086.39 Lakhs).

Report of the Board of Directors (Contd.)

During 2021-22, the total consolidated disbursements of loans under different products were ₹ 28,87,900.36 Lakhs (2020-21 : ₹ 19,34,885.56 Lakhs). Consolidated Income from operations in 2021-22 grew by 14.99% to ₹ 7,07,297.38 Lakhs (2020 -21 : ₹ 6,15,097.69 Lakhs) and profit before tax was ₹ 1,56,859.83 Lakhs in 2021-22 (2020 -21 : ₹ 1,47,801.18 Lakhs). As at March 31, 2022 the consolidated assets under management was at ₹ 38,54,077.38 Lakhs (March 31, 2021 : ₹ 33,50,031.08 Lakhs).

For lending and for other purposes ,the Company needs financial resources ,which are met by borrowing money from banks/institutions, individuals and others through public issue/private placement of non-convertible debentures ("NCDs"), acceptance/renewal of fixed deposits, issue of commercial papers, cash credit/working capital loans and other loans. The summary of borrowings by the Company is as under.

₹ in Lakhs

Year ended March 31,	Deposits	Privately placed NCDs	Public issue of NCDs	Term loans	Others	Total
2022	6,82,838.64	6,12,611.69	38,902.41	12,60,240.96	4,68,587.86	30,63,181.56
2021	5,52,888.78	3,39,438.79	86,924.21	10,26,457.11	5,50,822.03	25,56,530.92

Balance outstanding on cash credit as on March 31, 2022 was ₹ 22,992.47 Lakhs (March 31, 2021 : ₹ 35,847.57 Lakhs), Working capital demand loans as on March 31, 2022 was ₹ 2,35,581.76 Lakhs (March 31, 2021 : ₹ 1,76,515.34 Lakhs) and Securitisation linked Term Loan as on March 31, 2022 was ₹ 2,10,013.63 Lakhs (March 31, 2021 : ₹ 3,38,459.12 Lakhs)

The Company serviced all its financial obligations including payment/repayments/redemption of different loans /financial instruments (principal and interest) on their respective due dates during 2021-22. The deposits and debentures issued/allotted in non-dematerialised form were redeemed on submission of the claim with documents. 3,893 number of deposits amounting to ₹ 6,616.72 Lakhs were outstanding to be claimed or renewed on maturity as at March 31, 2022. Subsequent follow-up by the Company for repayments/renewals brought it to 2,228 number of deposits amounting to ₹ 3,232.60 Lakhs on the date of this report. There were no deposits which had matured and claimed, but were not paid by the Company. The Company takes steps to arrange for repayment/renewal of these unclaimed deposits.

The Company is required to be rated by any of the rating agencies in India for its different kinds of borrowings. Such ratings were undertaken and the ratings obtained are mentioned in notes to financial statements.

There are no significant and material orders passed by the regulators or courts or tribunals impacting going

concern status and Company's operation in future. For other orders, please refer to the notes to accounts on contingent liabilities and report of the auditors. There were no material changes and commitments, affecting the financial position of the Company which occurred between March 31, 2022 being the end of the financial year of the Company and the date of this report. The impact of pandemic has been dealt with in the Management Discussion and Analysis annexed to this report as Annexure - 3.

Frauds amounting to ₹ 0.7 Lakhs detected during 2021-22 are reported in notes to financial statements and the same were reported to RBI as required. The status of frauds detected are reported in notes to financial statements. The ARMC and the Board had discussed about the status of the frauds committed and existing. The Company has formulated whistle blower and vigil mechanism policy for, in addition to other matters, bringing frauds to light by the whistle blowers.

The Company, in the capacity of Financial Creditor, has not filed any applications with National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 during the financial year 2021-22 for recovery of outstanding loans against any customer being Corporate Debtor. Thus, the difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof is not applicable.

Report of the Board of Directors (Contd.)

5. SCHEME OF AMALGAMATION

The Board and the required Committees of the Board approved in their respective meetings held on December 13, 2021, the Composite Scheme of Amalgamation and Arrangement under Sections 230 to 232, read with Regulation 52 and other applicable provisions of the Act for : (i) the amalgamation of Shrilekha Business Consultancy Private Limited ("SBCPL") with Shriram Capital Limited ("SCL"); (ii) the demerger of that undertaking from SCL, which is carrying on the business of Financial Services, and the transfer and vesting thereof into Shriram Investment Holdings Limited ("SIHL"); (iii) the demerger of those undertakings from SCL, which are carrying on the businesses of a) Life Insurance and b) General Insurance, and the transfer and vesting of the same into a) Shriram LI Holdings Private Limited ("SLIH"), and b) Shriram GI Holdings Private Limited ("SGIH") respectively; (iv) the amalgamation of SCL (with its remaining undertaking and investments) with Shriram Transport Finance Company Limited ("STFC"); and (v) the amalgamation of Shriram City Union Finance Limited ("SCUF") with STFC (referred to as "Scheme"). The application for approval of Scheme was made to both BSE and NSE and the No Objection letter to the Scheme was received from BSE and NSE on March 15, 2022 and March 16, 2022 respectively. The Company filed application with Honourable National Company Law Tribunal, Chennai Bench ("NCLT") for the purpose. The updates on this subject will be posted on our website.

6. CAPITAL, LISTING AND IEPF

As on March 31, 2022, the paid up capital was ₹ 6,662.80 Lakhs with an increase of ₹ 62.30 Lakhs during 2021-22 due to allotment of 622,994 (2020-21 : 2,100) shares on exercise of options under Employees Stock Options Scheme ("ESOS") 2013 by the eligible employees. The disclosures required under SEBI Regulations on ESOP as on March 31, 2022 are set out in Annexure - 7 to this report. The Company has received the certificate as attached in Annexure - 8 from the auditors of the Company certifying that the ESOP Scheme is implemented in accordance with the SEBI Guidelines and in accordance with the resolution passed by the members. No equity shares other than equity shares under ESOS were issued to employees of the Company and there was no buy back of its shares by the Company during 2021-22

In compliance with Section 124 (5) of the Act, the Company transfers the dividend that has remained

unclaimed for a period of seven years from the date of its transfer to unpaid dividend account to Investor Education and Protection Fund ("IEPF"). An amount of ₹ Lakhs (2020-21: ₹ 86 Lakhs) is lying in unpaid equity dividend account of the Company. The unpaid dividends till March 31, 2015 were transferred to IEPF. The Company as provided under Section 124(6) of the Act, transferred all shares in respect of which unclaimed dividends were transferred to IEPF during 2021-22. In compliance with section 125 (2) of the Act, matured deposits, matured debentures and interest accrued on these that had remained unclaimed/unpaid for a period of seven years from the date it became due for payment were transferred to IEPF during 2021-22 as mentioned below.

₹ in crores

Year	Dividend	Deposits	Debentures	Equity shares in nos.
2021-22	0.110	0.092	1.541	3,802
2020-21	0.109	0.00	1.480	2,427

The Company has displayed the details of unpaid dividend on its web site (refer table no-1). The Company also posted individual letters to the last known address of the shareholder on June 4, 2021 and September 6, 2021 and advertised in newspapers on June 5, 2021 and September 8, 2021 respectively. There will be no claim lie on the Company on account of dividend, debentures and deposits which were transferred to IEPF. However the investors can claim it from IEPF Authority by following the required process.

The unclaimed equity shares existing in physical form available with the Company/RTA, are dematerialised at the time of transfer to IEPF Authorities as required under Regulation 34 of the LODR.

As required under Schedule V of LODR, the Company has opened equity share suspense Account with NSDL titled as "SCUF - Unclaimed Securities Suspense Account" for the purpose of transferring unclaimed equity shares held in physical form. The Company will transfer after due verification the shares lying in the said suspense account to the eligible shareholders on request for such transfer is received. As on March 31, 2022 there were 475 (As on March 31, 2021 : 475) number of unclaimed equity shares in the said SCUF - Unclaimed Securities Suspense Account. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Report of the Board of Directors (Contd.)

S. No	Particulars	No of equity share holders	No of unclaimed equity shares
1	Unclaimed equity shares as on April 1, 2021	8	475
2	Shares claimed by shareholders during the Year	-	-
3	Transfer of unclaimed equity shares to IEPF during the Year as per IEPF Rules	-	-
4	Unclaimed equity shares as on March 31, 2022	8	475

The voting rights for the above said unclaimed equity shares shall remain frozen till the shares are claimed by /transferred to the concerned share holders. No equity share was issued with differential rights to voting, dividend or otherwise.

The listing fees to BSE and NSE for 2021-22 were paid on time. The shares of the Company continue to be listed on BSE and NSE.

7. HUMAN RESOURCE

We highly appreciate the efforts of our employees at all levels for their stellar performance year after year. The Company provides necessary training for re-skilling and for enhancing skills of our employees. In addition, different motivational measures are taken in order to keep our employees highly motivated. We emphasise on localisation of our workforce and encourage executive growth up the organisational ladder within respective geographies. The relation between the Company and its employees have always been based on mutual respect, openness, honesty, co-operation and trust. The Company has formulated a policy on Prevention of Sexual Harassment of women employees in the work place. The Company has also constituted an Internal Complaints Committee as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There were no complaints received during 2021-22. The total employee strength of the Company as on March 31, 2022 was 27997 with 11377 employees added during the Year. As required under Section 197(12) of the Act read with Rule - 5 (1) and 5 (2) of

the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014, the information on remuneration is given in table 2.1 of the Corporate Governance Report and other details are attached as Annexure – 1 to this Report.

8. SUBSIDIARY AND CONSOLIDATED FINANCIAL STATEMENTS

M/s Shriram Housing Finance Limited CIN - U65929TN2010PLC078004) ("SHFL") is the only subsidiary of the Company. SHFL is an unlisted subsidiary with 85.02% holding by the Company in the equity of SHFL. The Company subscribed to the rights issue of SHFL with 11,11,11,112 number of equity shares of face value of ₹ 10 each priced at ₹ 45/- per share (including premium of ₹ 35/- per share) aggregating to ₹ 5,00,00,00,040/- during 2021-22. The Company does not have any other material listed/ unlisted subsidiary Company as defined in Regulation 24 (1) of LODR. SHFL is a housing finance company registered under National Housing Bank ("NHB") and regulated by Reserve Bank of India (Registration Number- 08.0094.11) with registered office at Chennai. There was no entity which became or ceased to become subsidiary during 2021-22. The entities shown in the Notes to Accounts under Related party disclosures as Associates are treated as "associates" as per IND AS 24. The equity shares of SHFL are not listed on any stock exchange, but has debt securities listed on BSE. SHFL follows April to March as the financial year. SHFL mainly provides housing loans to self-employed and salaried class in the lower and middle income category mostly in Tier 2 and Tier 3 locations in India with 103 branches. SHFL has 22,963 customers with loans in its portfolio as on March 31, 2022. The total employee strength of SHFL as on March 31, 2022 was 778. The Policy on Material Subsidiary(ies) of the Company is displayed on the web site of the Company (Refer Table 1 for the link).

SHFL also provides loans against property and loans for housing projects. The CAGR of loan disbursement of SHFL over last five years was around 23% with total disbursement during the year being ₹ 2,73,868.04 Lakhs. The total borrowings of SHFL as on March 31, 2022 was ₹ 3,89,667 Lakhs, out of which ₹ 53,329 Lakhs was by way of NCDs and the balance amount was borrowings from Banks, National Housing Bank, Financial Institutions and securitisation through banks & financial institutions.

Report of the Board of Directors (Contd.)

As prescribed under section 129(3) of the Act, the Consolidated financial statements of the Company for 2021-22 were prepared in accordance with provisions of the Act and LODR, which were audited by the statutory auditors of the Company. The consolidated financial statements along with the report of the auditors of the Company thereon are attached to this Report. Statement containing salient features of the financial statements for 2020-21 in form AOC- 1 is enclosed to the financial statements of the Company.

The annual accounts, annual reports and the related detailed information on SHFL shall be made available to the shareholders of the Company and to the shareholders of SHFL seeking such information at any point of time. In accordance with Section 136 of the Act, audited annual financial statements, consolidated financial statements and related information of the Company and the audited financial statements of SHFL are displayed on the Company's web site (Refer Table -1) and the same shall be kept at the respective Registered Office of the Company and SHFL for inspection by any shareholder during business hours. Shriram Capital Limited and SHFL continued as promoter and subsidiary of the Company respectively.

9. RESERVE BANK OF INDIA DIRECTIONS/ GUIDELINES

Being a deposit accepting NBFC registered with the RBI, the Company is regulated by the applicable regulations of the RBI. The Company continues to comply with all applicable regulations of RBI. The Company has formulated different policies and appointed different officials in the Company as required under the regulations of the RBI. The details of registration with RBI appear on note no - 1 to notes to the financial statements. The Board confirms that the Company followed the corporate governance standards prescribed by the RBI. The note nos 43, 46 to 74 and 95 to 96 and other notes of the notes to financial statements contain the information required to be reported under the regulations of the RBI. The Company accepts/ renews deposits as per regulations of RBI. Being an NBFC regulated by the RBI the disclosure required under the Act with respect to deposits does not apply to the Company. The followings are the indicators of acceptance of deposits.

Description	March 31	
	2022	2021
Capital Adequacy and Reserve Ratio ("CRAR")*	26.78%	28.64%
Net owned funds (₹ in Lakhs)	8,27,252.84	7,30,641.50
Statutory Liquidity Ratio in (₹ in Lakhs)	18.44%	19.35%
Deposits (₹ in Lakhs) including maturity payable	6,89,455.36	5,59,045.60

* The RBI prescribes the maintenance of CRAR 15 percent and above.

Our principal source of liquidity are cash, cash equivalent, balances in accounts with banks current/liquid investments ,undrawn sanctioned limits from banks/institutions and cash flow from operations. We maintain sufficient cash to meet strategic and operational needs. We understand that the liquidity in the Balance sheet need to balances between return and risk. We believe that our working capital is adequate to meet our current requirements.

10. CORPORATE GOVERNANCE

The Company follows the corporate governance practices and standards prescribed under LODR, regulations of RBI, the Act and other regulations. Report on corporate governance as required under Regulation 34(3) of LODR together with a certificate for the purpose from the auditors of the Company confirming the compliance with the corporate governance is attached to this Report (Annexure - 2). As required under Regulation 34(2)(e) and 34(3) of LODR, the Management Discussion and Analysis on the business of the Company is enclosed as Annexure - 3. As required under Regulation 17 (8) of the LODR, a compliance certificate, duly signed by the Managing Director & Chief Executive Officer and Chief Financial Officer on the financial statements of the Company for 2021-22, was submitted to the Board at their meeting held on April 29, 2022 (Annexure - 4). The relevant provisions of the voluntary guidelines are adopted in the areas deemed appropriate.

11. BUSINESS RESPONSIBILITY REPORT ("BRR")

Regulation 34(2)(f) of the LODR requires top 500 listed entities based on market capitalisation as on March 31, 2021 to include BRR as a part of the Annual Report. The Company being one such entity, has included BRR in this Annual Report (Annexure - 14).

Report of the Board of Directors (Contd.)

12. CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The Company constituted a CSR Committee consisting of three Directors including two independent directors as required under Section 135 of the Act. The details of the CSR Committee appear on the Annual Report on CSR. Annual Report on CSR activities as required under Rule 9 of the Companies CSR Policy Rules, 2014 of the Act is attached to this report as Annexure – 10. The CSR policy of the Company as recommended by the CSR Committee, was reviewed and approved by the Board and is displayed on the website of the Company (refer table 1). The CSR policy contains the areas of activities of CSR and other detail as required under Section 134 (3) (o) of the Act. During 2021-22, the Company undertook CSR Projects on health, education, skill development through implementing Agent. The spend on CSR amounting to ₹ 3,167.57 Lakhs (2020-21: ₹ 2,195.23 Lakhs) during 2020-21 were approved by the Board of the Company as recommended by the CSR Committee. The Board affirms that the CSR activities are implemented in accordance with CSR Policy of the Company.

13. BOARD AND COMMITTEES

During 2021-22, the Company had optimum number of Directors with mix of Independent and Non Independent. Board met 6 times during 2021-22. During 2021-22, the meetings of the Board and Committees were held virtually through video conferencing at Chennai to adhere to social distancing norms. The interval between two meetings did not exceed 120 days. Members of the Board possess requisite knowledge and experience to steer the Company. The brief profile of each director appear on the website of the Company (Refer Table 1). The Company is immensely benefitted from the guidance, support and advice of the members of the Board. The Board consists of directors possessing diverse knowledge, skill and experience to enhance quality of its performance. The independent directors have requisite qualification and experience to act as a Director on the Board. Details of meetings of the Board and committees held during 2021-22 and the details of appointment, induction, training, retirement and resignation of Directors/KMPs during 2021-22 are mentioned in the Corporate Governance report (Annexure – 1). The Company complied with Secretarial Standards issued by the Institute of Company Secretaries of India. The Board has Audit and Risk Management Committee ("ARMC") and Nomination and Remuneration Committee ("NRC") as specified

under Section 177 and 178 of the Act respectively. The Company received necessary declaration from each independent director about his/her meeting the criteria of independence as laid down under Section 149 (7) and 134(3) (d) of the Act and Regulation 16(b) of the LODR. A statement by the Managing Director confirming receipt of this declaration from each independent director of the Company is attached as Annexure - 11. There is no change in the circumstances affecting their status as Independent Directors of the Company. The Company received required deed of covenant initially at the time of appointment and declaration during 2021-22 from the Directors as required under regulations of RBI. The Board on the recommendation of NRC has formulated a policy for selection, appointment and remuneration of directors, senior management personnel as required under Section 178 (3) and 134 (3) (e) of the Act, the details of which appear in the Annexure – 13 and the same is displayed on the web site of the Company (refer table 1). This Policy states the diversity of the Board has laid down a framework for remuneration of Directors (Executive and Non-Executive), Key Managerial Personnel and Senior Management Personnel. As required under section 134(3)(p) of the Act and the LODR, annual performances evaluation of Board, the Committees, Chairman of the Board and individual directors were carried out during 2021-22 based on the criteria and frame work adopted by the Board consisting of participation, attendance, duties, obligations, contribution for effectiveness and related matters of Board/Committee. The outcome of such evaluation done during 2021-22 was discussed by the NRC/Board and both found it satisfactory. The Independent Directors expressed satisfaction over the performance and effectiveness of the Board, individual Non-Independent Directors and the Chairman. The Independent Directors played active role in the meetings of Committees including Audit and Risk Management Committee ("ARMC"). ARMC held separate meetings to discuss related party transactions and to review policies of the Company. The ARMC also had separate meetings with Statutory Auditors, Internal Auditors and participated in the meeting with Rating Agencies separately. Each Director has given his/her declaration to the Company for not holding any shares in the Company and having no relation inter se with any Director. Independent Directors attend familiarisation programme on joining the Board and annually, the details of which is displayed on the web site (refer table 1). Sri Umesh

Report of the Board of Directors (Contd.)

Govind Revankar (DIN - 00141189) was appointed as the additional director with effect from December 14, 2021 holding office upto the conclusion of 36th AGM and he has expressed his intention and confirmed his eligibility to act as a Director of the Company, if appointed. As per provisions of the Act and Articles of Association of the Company, Sri Ignatius Michael Viljoen (DIN - 08452443) will retire by rotation and being eligible, has sought for re-appointment at the ensuing AGM. He has expressed his intention and confirmed his eligibility to continue as Director of the Company if appointed at the ensuing AGM. In compliance with requirements under section 149(7) of the Act and Regulation 16(1) of the LODR the Board has received the declaration from all the Independent Directors about their independence and the Board is satisfied about it. During 2021-22, there was no change (appointment/resignation) in the Key Managerial Personnel namely, Managing Director, Chief Financial Officer and Company Secretary of the Company.

14. DIRECTORS' RESPONSIBILITY STATEMENT

The financial statements were prepared by following the provisions prescribed under Section 133 (3) [Indian Accounting Standard ("Ind AS")] and other applicable sections of the Act and relevant rules and the guidelines issued by the SEBI and the RBI. Pursuant to Sections 134 (3) (c) and 134 (5) of the Act with respect to Directors' responsibility statement, the Directors of the Company hereby confirm, in the preparation of annual accounts for 2021-22, that :

- (i) the applicable accounting standards have been followed and proper explanations have been made in notes to accounts for material departures, if any;
- (ii) the accounting policies have been selected and applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and statement of the profit and loss of the Company for the year ended on that date;
- (iii) proper and sufficient care have 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;
- (iv) the annual accounts have been prepared on a going concern basis.

- (v) internal financial controls to be followed were laid down, which were adequate and were operating effectively and
- (vi) proper systems had been devised to ensure compliance with provisions of applicable laws, which were adequate and were operating effectively

15. AUDIT AND AUDITORS

Internal audits were conducted periodically during 2021-22 and the reports thereon were presented to ARMC on quarterly basis. The Internal Auditor is appointed by and is reporting to ARMC. In addition to others matters, internal audit consisted of independent and objective assessment to monitor adequacy, effectiveness and adherence to the internal controls, internal financial control, processes and procedures. Internal audit checked compliance with extant regulations. Internal audit conducted followed a Risk-based approach of Internal Audit (RBIA) by taking into account the RBI guidelines and established practices. The ARMC regularly reviewed the audit findings and the adequacy and effectiveness of the internal control measures. The Company has documented its internal financial controls considering the essential components of various processes, physical and operational. These include design, implementation and maintenance along with periodical internal review of effectiveness and sustenance commensuration with the nature of business and the size of operations of the Company. This ensures conducting business in orderly and efficiently by adhering to the Company's policies, safeguarding assets, preventing errors with accuracy and completeness of the accounting records and the timely preparation of reliable financial information. The internal financial controls with reference to the financial statements were adequate and operating effectively.

The Company's organisation structure, policy, authority matrix and internal financial controls ensure efficiency of operations, protection of resources and compliance with the applicable laws and regulations. The policies are reviewed periodically and updated and systems are reviewed and upgraded. The internal financial control is supplemented by internal audits, regular reviews by management to ensure reliability of financial and other records to prepare financial statements and other data.

The Joint Statutory auditors of the Company, M/s R Subramanian & Company LLP, Chartered Accountants Firm Registration Number 004137S/ S200041 ("RS") and M/s Abarna & Ananthan, Chartered Accountants

Report of the Board of Directors (Contd.)

Firm Registration Number 000003S ("A&A") have submitted to the members of the Company the attached Independent Auditors Reports for 2021-22 on standalone financials and consolidated financials. Both the reports are unqualified, without any reservation or adverse remark or disclaimer and thus the Board does not have any explanation or comment. M/s SPNP & Associates, Company Secretaries (Certificate of Practice No : 3310 and Membership No : FCS F4862) in practice, Chennai ("SPNP") appointed by the Company as the secretarial auditors pursuant to Section 204 of the Act have conducted audit and have submitted their report as attached in Annexure - 15 to the Members, which is unqualified, without any reservation or adverse remark or disclaimer. Therefore, Board does not have any explanation or comment on such Secretarial Audit Report. Maintenance of Cost records and conducting of cost audits specified under section 148(1) of the Act are not applicable for the business activities carried out by the Company. During 2021-22, neither RS and A&A nor SPNP reported to ARM under Section 143(12) of the Act any instances of fraud committed by officers or employees of the Company. The Board appointed SPNP as secretarial auditor of the Company for 2022-23.

RS and A&A were appointed by the members as Joint Statutory auditors of the Company from Extraordinary General Meeting held on September 8, 2021 till conclusion of 36th AGM of the Company. M/s G D Apte & Co. ("GDA") had expressed their intention not to continue as the Statutory Auditors of the Company with effect from September 8, 2021 due to applicability of RBI circular no .DoS.CO.ARG/SEC 01/08.91.001/2021-22 dated April 27, 2021 which states that only joint audit by firms and auditors completed three years of tenor cannot continue as Auditors of the Company. GDA had completed fours years and could not continue as Auditors and resigned from their office vide letter dated July 29, 2021. RS and A&A have confirmed their eligibility and have communicated their willingness to continue as auditors. Necessary resolution, based on the recommendation of the ARMC and approval of the Board, to fix remuneration of RS and A&A as Joint Statutory Auditors is proposed at the ensuing AGM. The details of payment of Statutory Auditors fees appear in financial statements.

16. MANAGEMENT OF RISK

The risk management function of the Company help in identifying, analysing, assessing, mitigating, monitoring and governing risks. The Company has a risk management policy. A separate section in this report titled "Management Discussion and Analysis" discusses about risk and its mitigating factors and the matters required under Section 134 (n) of the Act. In the opinion of the Board, there is no risk existing to threaten the existence of the Company. Report on risk assessment is presented to ARM at its meeting by the Chief Risk Officer of the Company. The Board on the recommendation of the ARMC appointed Chief Risk Officer ("CRO") of the Company with requisite qualification and experience as mention in the regulations of the RBI. The CRO reports to ARMC.

17. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUT GO

Section 134 (3) (m) of the Act read with Rule 8 of the Companies (Accounts) Rules 2014 specify the information to be furnished on conservation of energy, absorption of technology and foreign exchange earnings/outgo, which for the Year are furnished below.

The operations of the Company are not energy intensive. However, adequate measures for conservation of energy, usage of alternate sources of energy and investments for energy conservation, wherever required were taken. The Company did not absorbed any technology. There was foreign exchange earnings of ₹ 184.66 Lakhs (2020-21 : ₹ 190.28 Lakhs). The outgo of foreign exchange was Nil (2020-21 : ₹ 623.25 Lakhs)

18. ACKNOWLEDGEMENT

We thank our customers, share holders, investors, bankers, employees, trustees, vendors, auditors, deposit holders and debenture holders. The Board expresses its appreciation and gratitude for the guidance and cooperation extended to the Company by RBI, statutory authorities and regulators. The Board acknowledges the guidance of M/s RS and M/s A&A and M/s SPNP to the Company. The Board records the commitment and dedication of employees.

For and on behalf of the Board of Directors

Place : Chennai
Date : April 29, 2022

Debendranath Sarangi
Chairperson

Report on Corporate Governance

Annexure 1

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :

The philosophy of the Company on Corporate Governance aims at enhancing the stake holders' value by efficiently conducting business, meeting obligation to stake holders by being guided by the principles of transparency, accountability, compliance with regulations and integrity.

2. BOARD OF DIRECTORS

2.1 COMPOSITION AND APPOINTMENT

The Board of Directors of the Company ("Board") consists of Executive, Non-Executive, Independent and Non Independent Directors to ensure independent functioning of the Board. Out of nine as the total number of Directors as on March 31, 2022, four Directors, which is more than one third of the total number of members of the Board, are Independent with one Woman Independent Director. We feel that this is appropriate mix of executive, non executive and independent Directors to maintain independence and separate the functions of governance and management. The Independent Directors meet the criteria of independence specified in Regulation 16 (1) (b) and other applicable regulations of LODR and each Independent Director is independent of the management. The Independent Directors meet the criteria for appointment formulated by the Nomination and Remuneration Committee ("NRC") as approved by

the Board. NRC has formulated a Policy on Appointment, Remuneration and Diversity of Board (Annexure – 13), which is displayed on the web site of the Company (Refer table 1) .This ensures diversity of qualification, skill, experience, expertise, gender and age of the Board. The appointment of Directors is made through a transparent process as specified in the policy. Directors appointed are issued with appointment letters. The format of such appointment letter is displayed on the web site of the Company (Refer table 1). The Board periodically evaluates the need for change in size and composition of the Board. Independent Directors were appointed for a fixed period of five years from the date of their respective appointments and their appointments were approved by the members in respective meetings. Non Independent Directors were appointed as per provisions of law. On appointment and during each year, each Independent Director is familiarised with the Company, business, industry, roles and responsibilities, the details of which are displayed on the website of the Company (Refer table 1). The chairperson presides over BMs and meetings of the shareholders. The MD and CEO acts as a link between the Board and the management team. The following chart or matrix identified by the Board and the concerned Director as the required skills/ expertise/ competencies for the Directors of the Company and the individual Director concerned. in the context of the NBFC sector.

Report on Corporate Governance

Annexure 1 (Contd.)

No.	Name of the Director	Skills / Expertise / Competencies identified by Board												
		Financial	Regulatory affairs	Capital market/ treasury	Sales/ Marketing / Recovery	Technology	Risk Management	Planning	Business Analysis	Investor servicing	Decision making	Diversifying the products	Human Resource Management / Leadership	Mergers and Acquisitions
1	Debendranath Sarangi		YES					YES		YES		YES		
2	Yalamati Srinivasa Chakravarti	YES		YES	YES	YES	YES	YES			YES	YES		
3	Diwakar B Gandhi	YES	YES	YES	YES	YES					YES	YES		YES
4	Duruvasan Ramachandra			YES	YES	YES	YES				YES	YES		
5	Ignatius Michael Viljoen	YES					YES				YES	YES		
6	Maya S Sinha	YES	YES				YES		YES		YES	YES		
7	Shashank Singh	YES		YES				YES			YES			YES
8	Umesh G Revankar	YES	YES			YES	YES	YES			YES	YES		
9	Venkataraman Murali	YES	YES			YES	YES	YES	YES	YES	YES	YES		YES

Annexure 1 (Contd.)

2.1 DETAILS OF DIRECTORS

No	Name of the Director	DIN	Category of Directorships	Position	Name of the listed entities	Chairmanship of Committees	Membership of Committees	BM	ALCO	ARMC	BSMC	CSR	ITS	NRC	SRC	IDM	AGM	EGM #	*	**	***	Remuneration (in crores)	Percentage of increase during FY21	Ratio of remuneration of each Director/ Director/ to median remuneration of employees
1	Sri Debendranath Sarangi	01408349	NE	Chairperson	1.Voltas Ltd - Non Executive, Independent Director 2. Southern Petrochemical Industrial Corporation Ltd, Non Executive, Independent 3. Taminadu Petroproducts Ltd, Non Executive, Independent	-	CSR, NRC	6	-	-	-	3	-	5	-	2	Present	Present	5	1	-	0.1275	75.00	8.28
2	Sri Y S Chakravarti	00052308	E	MD and CEO	Shriram Transport Finance Company Limited - Non Executive, Non Independent Director	-	ALCO, CSR, IT Strategy Committee, SRC	6	4	-	-	3	2	-	2	-	Present	Present	1	-	-	0.8240	28.13	48.49
3	Sri Diwakar B Gandhi	00298276	NE	Director	CES Ltd - Non Executive, Independent Director	NRC	SRC, ARMC	6	-	2	-	-	-	5	2	2	Present	Present	6	-	-	0.135	114.29	8.87
4	Sri Durvasan Ramachandra	00223052	NE	Director	Shriram Transport Finance Company Limited - Non Executive, Non Independent Director	-	-	5	-	-	-	-	-	-	-	-	Present	Present	3	3	-	-	-	-
5	Sri Ignatius Michael Vijjen	08452443	NE	Director	Shreyas Shipping and Logistics Ltd - Non Executive, Independent Director	-	NRC	5	-	-	-	-	-	5	-	-	Present	Present	6	-	-	-	-	-
6	Smt Maya S Sinha	03056226	NE	Director	Zensar Technologies Ltd - Non Executive, Non Independent Director	CSR, SRC	ARMC	6	-	6	-	3	-	-	2	2	Present	Present	10	-	1	0.1475	113.33	9.46
7	Sri Pranab Prakash Pattanayak	00506007	NE	Director	Shriram Transport Finance Company Limited - Non Executive, Non Independent Director	ALCO	ARMC	3	3	3	-	-	-	-	-	1	Present	Present	1	-	-	0.0825	100.00	5.32
8	Sri Shashank Singh	02826978	NE	Director	Take Solutions Ltd - Non Executive, Independent Director	-	-	6	-	-	-	-	-	-	-	-	Present	Present	4	1	-	-	-	-
9	Sri Umesh G Revankar	00141189	NE	Director	Take Solutions Ltd - Non Executive, Independent Director	-	ALCO	1	1	-	-	-	-	-	-	-	Present	Not applicable	8	-	-	-	-	-
10	Sri Venkataraman Murali	00730218	NE	Director	Take Solutions Ltd - Non Executive, Independent Director	ARMC	SRC, ITS	6	-	6	-	-	2	-	2	2	Present	Present	4	1	1	0.1425	100.00	9.46

BM - Board Meeting, ALCO - Asset Liability Management Committee, ARMC - Audit and Risk Management Committee, BSMC - Banking and Securities Management Committee, CSR - Corporate Social Responsibility Committee, NRC - Nomination and Remuneration Committee, SRC - Stakeholders Relationship Committee, IDM - Independent Directors Meeting, AGM - Annual General Meeting

Sri Umesh G Revankar was appointed as an Additional Director w.e.f. December 14, 2021
Sri Pranab Prakash Pattanayak director resigned with effect from January 5, 2022.

ARMC was reconstituted with Sri Venkataraman Murali as the Chairperson, Ms Maya S Sinha and Sri Diwakar B Gandhi as Members of the Committee w.e.f. January 6, 2022

ALCO was reconstituted with Sri Y S Chakravarti as the Chairperson, Sri Ramasubramanian Chandrasekar and Sri Umesh G Revankar as Members of the Committee w.e.f. January 6, 2022

ITS was reconstituted with Sri Venkataraman Murali as Chairperson. Sri Y S Chakravarti, Sri Ramasubramanian Chandrasekar, Smt Anitha S, Sri R. Jayaraman and Sri M Karthikeyan as Members of the Committee w.e.f. November 2, 2020
SRC was reconstituted with Ms Maya S Sinha as Chairperson, Sri Diwakar B Gandhi, Sri Venkataraman Murali and Sri Y S Chakravarti as Members of the Committee w.e.f. November 3, 2020

Sri Ramasubramanian Chandrasekar is member of the ALCO but not member of the Board

Sri Ramasubramanian Chandrasekar, Smt Anitha, Sri R. Jayaraman and Sri M Karthikeyan are members of the IT Strategy Committee but not members of the Board

Sri Ramasubramanian Chandrasekar, Smt Kirithika Doraiswamy and Sri R. Jayaraman are members of the BSMC but not members of the Board

Non - Executive ("NE"), Executive ("E"), Non Independent ("NI"), Independent ("I"), Managing Director and Chief Executive Officer ("MD and CEO")

****Number of directorships held in other companies (including alternate directorship) held in other companies except Shriram City Union Finance Ltd, **Membership of the Committees of the Board of Directors of other companies. ***Chairmanship of the Committees of the Board of Directors of other companies.** "Committee" of other companies here means Audit Committee and Shareholders'/Investors' grievance committee public limited companies in India.

Remuneration : Independent Directors are paid sitting fees only for being a member and attending respective meetings of ALCO, ARMC, CSR, ITS, NRC, SRC, IDM and General Meeting ₹ 75,000 per meeting attended w.e.f. July 1, 2021. The remuneration of MD and CEO is as per terms of his appointment.

During FY22 sixty six meetings of BSMC, four meetings of ALCO, six meetings of ARMC, five meetings of NRC, two meetings of SRC, two meetings of CSR, two meetings of ITS and two meetings of IDM were held during FY21.

Percent increase-increase in remuneration in FY10 over FY20

Ratio of remuneration-Ratio of remuneration of each Director/ to median remuneration of employees

Name of Other listed entities - Name of other listed entities where directorship is held and category of directorship

Report on Corporate Governance

Annexure 1 (Contd.)

None of our Directors hold Company's equity shares or convertible instruments in their name or on beneficial basis by them as declared by them as per para C (2) (f) of Schedule V of LODR. All Directors have made declaration about their category of directorships in the Company at the time of their appointment and make this declaration annually. All such annual declarations for 2021-22 were placed before the Board Meeting ("BM") held on April 29, 2022. None of the Directors is related inter se in terms of 'relative' defined under the Act. Monitoring and managing misuse of Company's assets, potential conflicts of interest of management, board members and shareholders, and abuse in related party transactions are done by the Board on quarterly basis.

2.2 BOARD PROCESS

Board Meeting ("BM") takes place at least once in each calendar quarter with specific agenda to review, in addition to other matters, the performance and financial results of the Company. Management team makes presentations on the operations, financial results, strategy, internal audit, risk management and human resource at the meetings of the Board and Committees. Familiarisation programmes are conducted periodically. Additional BMs are held by giving appropriate notice on specific needs. The maximum time gap between two BMs does not exceed 120 days. The calendar of BMs for a financial year is decided in advance. Notice and Agenda of each BM are sent to each Director in advance. In addition to Directors and Senior Management team, persons who can give insight to respective subjects are invited to the BMs. In special and exceptional circumstances, additional or supplementary item(s) is/are permitted. The Chairman and Company Secretary draft the agenda for each BM in consultation with MD & CEO and CFO with inputs from Directors and the respective functional heads of the Company. Where it is not practicable to attach any document to the agenda of BM, the same is tabled at the BM. In cases of business exigencies or urgent matters, agenda with required papers and draft of the resolution to be passed are circulated. The information as per the requirement of corporate governance norms are made available to the Board including the information as mentioned in regulation 17 (7) of LODR. The Board is also free to take up any matter for discussion in agreement of specified number of Directors and in consultation with the Chairman. The Board has accepted all recommendations

of its committees during 2021-22. The required decisions taken in the BM are communicated to the concerned functional heads of the Company and an action taken report is placed at each BM. The Board has complete access to all the information and employees of the Company.

The deliberations and decisions occurring in every BM are entered in the minute book. The draft minutes are circulated within specified time to the members of the Board. The minutes are prepared by suitably incorporating the suggestions and changes given by members and are finalised by the Chair person. The minutes are signed by the chairperson of the same meeting or by the chairperson of the succeeding meeting within the specified time line. The minutes of the BM are circulated to all the members of the Board.

The process specified above for BMs are followed for the meetings of all the Committees constituted by the Board as far as practicable. The minutes of the meetings of the Committees are placed before the BM for discussion, action if any and noting. The minutes of the subsidiary company of the Company are placed before the BM on quarterly basis. The performance evaluation of all independent directors is done by the entire Board excluding the concerned independent director based on the criteria of performance evaluation laid down by the NRC. The Board also evaluates the fulfilment of the independence criteria as specified in LODR and their independence from the management. The criteria of performance evaluation of independent directors as laid down by the NRC is attached as Annexure - 13.

2.3 FUNCTIONING OF THE BOARD

The Board is the apex body constituted by share holders for overseeing the overall functioning of the Company. The day to day affairs of the Company are managed by senior management team headed by the Managing Director and Chief Executive Officer, who functions under the overall direction, supervision, and control of the Board. The Board and Committees review and guide on the matters specified in different regulations in addition to strategies, plans, risk management, budgets, setting performance objectives and monitors implementation and corporate performance. The Board monitors the effectiveness of practices with respect to governance, disclosure, communication and compliance with regulatory requirements. Board has constituted committees with specific terms of

Report on Corporate Governance

Annexure 1 (Contd.)

reference by delegating some of its power, where ever required. Committees constituted are as per requirements of business and as mandated under laws. On constitution of Committees, the Board defines the terms of reference and appoints members and the chairperson of the Committee. Committees are named according to broad term of reference. The Committees are constituted or re-constituted depending on business or regulatory need. The Committees are reconstituted with change in members as the need be. The Board thus exercises close control over the functioning of the Company with a view to enhancing the stakeholder value. The Board periodically reviews the compliance by the Company of all applicable laws, as well as steps taken by the Company to rectify non-compliance, if any. Independent Directors play an important role in the governance process of the Board.

2.4 BOARD MEETINGS AND ATTENDANCE OF DIRECTORS

Six BMs were held during the Year - on April 30, 2021, July 29, 2021, October 27, 2021, December 13, 2021, January 28, 2022 and March 8, 2022 and the time gap between the two BMs did not exceed 120 days during 2021-22. The attendance and other relevant details of each Director are mentioned in table 2.1. All the meetings of the Board and Committees were held virtually at Chennai through video conferencing during 2021-22 to adhere to social distancing norms. All the participants made declaration individually in the meetings about receipt of agenda, clarity of audio/video, recording of attendance etc at the beginning of each meeting.

None of the Directors is a member of more than 10 Committees and Chairman of more than 5 Committees across all listed entities as required under regulation 26 (1) of LODR. Directors submitted their requisite disclosures to the Company regarding their directorship and Committee positions in other Companies. The quorum for the BMs is as per provisions of law. The BMs are attended by in addition to, the members of the Board, senior management team and persons who can give insight to different subjects. Board Members attend the BMs being present personally or through video facilities. The meetings of Committees are held as per provisions of law. The number meetings held during the Year is mentioned in the table 2.1. As far as possible, same process is followed for meetings of Committees as BMs.

2.5 MEETING OF INDEPENDENT DIRECTORS

A meeting of Independent Directors was held on October 27, 2021 and December 13, 2021 as required under Regulation 25 (3) of the LODR and Schedule IV of the Act to discuss the matters specified therein. The attendance and other relevant details of each Director are mentioned in table 2.1

2.6 CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

The Board has laid down "Code of Conduct for Board Members and Senior Management" ('CCBS') for the members of the Board and for designated senior management personnel as required under regulation 17 (5) of the LODR. The CCBS is displayed on the web site of the Company (refer table 1). All the Board members and the designated senior management personnel affirmed compliance with the Code. A declaration to this effect signed by the Managing Director and CEO is attached as Annexure – 12.

2.7 REMUNERATION OF DIRECTORS

We affirm that the remuneration of the Directors is governed by the policy of the Company named "Policy on Appointment, Remuneration and Diversity of Board" displayed on the web site of the Company (refer table - 1). Non Executive Independent Directors get sitting fees for each of the meeting of the Board and Committee (where he/she is a member) attended. Such fees paid to the Directors during 2021-22 are mentioned in the table 2.1. The Managing Director (MD) and CEO of the Company is paid remuneration as per terms of his appointment approved by the Members. The details of remuneration of the MD and CEO is mentioned in Annexure – 9 and there are no stock option provided to the MD and CEO. No other remuneration is paid to the Directors except mentioned above. No member of the Board is granted stock options.

3. COMMITTEES OF THE BOARD

The Board has constituted committees for different purposes of the business of the Company and as per requirements outlined under the Act, LODR and regulations of RBI. Guidelines are set out in regulation 18, 19, 20, 21 of LODR. At the time of constituting a committee, the Board defines terms of reference, appoints members and chairperson. The Board makes any changes thereof of each committee as and when required. The

Report on Corporate Governance

Annexure 1 (Contd.)

committees are constituted or reconstituted based on business, regulatory and change requirement. The committees constituted by the Board are Asset Liability Management Committee, Audit and Risk Management Committee, Banking & Securities Management Committee, Corporate Social Responsibility Committee, IT Strategy Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. Brief terms of reference and the number of meetings of the committees held during the Year are provided below. The related attendance of members and composition of each Committee are mentioned in table 2.1.

3.1. ASSET LIABILITY MANAGEMENT COMMITTEE

This Committee was constituted as required under RBI notification no. DNBS. (PD).CC No. 15/02.01./2000-2001 dated June 27, 2001 applicable to Non Banking Finance Companies.

3.1.1 Brief terms of reference

(i) Formulate, review monitor and recommend Policy on Investment, Asset-Liability Management, Private Placement of NCDs, Securitisation, Interest Rate Approach and Gradation of Risk and other related matters, (ii) Formulation of business strategy in line with the Budget, (iii) provide frame work for measuring, monitoring and managing assets liabilities/interest risk/ liquidity risk/ business risk/ other risk, (iv) decide risk management objectives and ensuring adherence to the limits set by the Board, (v) monitor the asset liability gap, (vi) any other subject as may be specified by RBI from time to time.

3.1.2 Composition and Meetings

Composition of the Committee and attendance are mentioned in the table 2.1. During 2021-22, the Committee met 4 times on April 30, 2021, July 29, 2021, October 27, 2021 and January 28, 2022.

3.2. AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee constituted as required under Section 177 of the Act, regulation 18 and 21 of the LODR and regulation of the RBI

3.2.1 Brief description of the terms of reference

(i) Review financial reporting process, financial conditions, financial statements, results of operations and ensure financial statements are correct, sufficient and credible, (ii) Review internal control and its adequacy, financial controls, risk management systems,

risk assessment reports, management letters, audit report, (iii) Recommend appointment, re-appointment, terms of appointment/ reappointment and remuneration of statutory auditors and review performance and independence of auditor, (iv) review effectiveness of audit process, adequacy and structure of internal audit, internal audit report, investigation report and follow up action thereon, (v) Review repayment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors and scrutiny of inter-corporate loans, inter corporate investments and if necessary valuation of assets or undertaking, (vi) review and recommend monitor different policies including Risk Management Policy and formulate Related Party Transaction ("RPT") Policy and approve RPTs as required, (vii) review cyber security, (viii) approve appointment of Chief Financial Officer (CFO) (ix) Seek information from employees, obtain legal or professional advice and (x) review utilisation of loans and/ or advances from/investment by the Company in the subsidiary(ies) exceeding ₹ 100 crores or 10% of the asset size of the subsidiary(ies), whichever is lower including existing loans / advances / investments. The Company Secretary of the Company acts as the Secretary for the Committee.

3.2.2 Composition and Meetings

The Composition of the Committee and attendance are mentioned in the table 2.1. The Committee met 6 times during 2021-22 on April 30, 2021, July 29, 2021, October 27, 2021, December 13, 2021, January 28, 2022 and March 8, 2022.

3.3. BANKING & SECURITIES MANAGEMENT COMMITTEE

The Banking and Securities Management Committee is formed for the purpose of banking, borrowing, securities management and other day-to-day business requirement purposes. There were 66 meetings held during 2021-22.

3.4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility ("CSR") Committee was constituted as required under section 135 of the Act. The composition of the Committee and attendance are mentioned in the table 2.1

3.4.1 Brief description of the terms of reference

(i) Formulate, amend, change and recommend to the Board Corporate Social Responsibility ("CSR") Policy of the Company indicating the activities to be undertaken

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in compliance with applicable regulations (ii) plan, identify, evaluate, check sustainability, decide, approve execute and monitor CSR projects/ programs/activities (iii) recommend an annual action plan including the list of CSR projects or programmes specified in Schedule VII of the Act, the manner of execution, modalities of utilisation of funds in implementation, monitoring and reporting mechanism, and impact assessment pursuant to with the CSR Policy (iv) approve CSR activities/expenditure in case of emergency situations or natural calamities and ongoing multi year projects/ programmes/ activities having timelines not exceeding three years excluding the year in which the project/ programmes/ activity commenced (v) recommend ratification of existing projects/programmes/ activities the duration of which has been extended beyond one year by the Board (vi) monitor and decide on all the activities with respect to CSR including appointment of any CSR Agent/ intermediary/ Implementing agency and authorise any official to do any or all necessary acts and deeds as may be required for the purpose of CSR projects/program/activity of the Company (vii) ensure transfer of Unspent CSR amount to any fund specified in Schedule VII until a specific fund is notified by Ministry of Corporate Affairs for transfer of unspent CSR amount and (viii) ensure that the activities included in the CSR policy are undertaken by the Company

3.4.2 Composition and Meetings

The Committee met 3 times during 2021-22 on April 30, 2021, July 29, 2021 and October 27, 2021.

3.5 IT STRATEGY COMMITTEE

The Committee was formed as required under RBI/ DNBS/2016-17/53 Master Direction DNBS.PPD. No.04/66.15.001/2016-17 dated June 08, 2017 and other applicable regulations of RBI.

3.5.1 Brief description of terms of reference :

(i) Approve and monitor implementation of IT strategy by balancing risk and benefits etc, (ii) Formulate, evaluate and review effectiveness of IT outsourcing policy, contingency plan, (iii) Evaluate IT risks and materiality assessing significant risks and reporting to the Board of such risks, (iv) review independent audit report on IT policies and procedures and action taken on such reports

3.5.2 Composition and Meetings :

The Committee met on July 29, 2021 and January 28, 2022 during 2021-22.

3.6 NOMINATION AND REMUNERATION COMMITTEE

This Committee was constituted as required under Section 178 of the Act, regulation 19 of the LODR and regulations of RBI

3.6.1 Brief description of terms of reference :

(i) Identify fit and proper persons to be directors/ members of senior management and should such a need arise, (ii) recommend removal of director from the Board, (iii) Performance evaluation of directors, Board and Committee on an annual basis, (iv) Scrutiny of the declarations/undertakings by the Directors, (v) Formulation of the attributes for fit & proper person and independence of directors, (vi) Remuneration of directors and key managerial personnel ("KMP"), Management of employee talent, welfare, incentive scheme and stock option scheme.

3.6.2 Composition and Meetings :

The Committee met 5 times during 2021-22 on April 30, 2021, July 29, 2021, October 27, 2021, December 13, 2021 and January 28, 2022

3.7 STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee was constituted as required under Section 178 of the Act, regulation 20 of the LODR and regulations of RBI. The Committee looks into redressal of grievances of shareholders, debenture holders, other security holders.

3.7.1 Brief description of terms of reference:

(i) Investor/customer services/relations and resolution of grievances, (ii) Issue and listing of securities, (iii) Investor Education and Protection Fund ("IEPF") matters, (iv) Review of security holding patterns, (v) Monitor Code of Conduct for Insider Trading.

3.7.2 Composition and Meetings :

The Committee had met twice during 2021-22 on April 30, 2021 and July 29, 2021. There were no outstanding shareholder complaint at the beginning of 2021-22 and the Company has not received any complaint from the shareholder during 2021-22. No complaint was pending as on March 31, 2022.

4 SUBSIDIARY COMPANY

M/s Shriram Housing Finance Limited, CIN : U65929TN2010PLC078004 ("SHFL") is the only

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subsidiary of the Company. SHFL is managed by its Board of Directors consisting of 4 Directors out of which 2 Independent Directors and 2 non Independent Directors. Since, SHFL is an unlisted non material subsidiary, the Company is not required to nominate one of its independent directors on the Board of SHFL. However, the Board nominated Sri Venkataraman Murali, an independent director of the Company as a director on the Board of SHFL. The financial statements, in particular the investments made by SHFL were reviewed during 2021-22 by ARMC of the Company. The minutes of the meetings of BM and ARMC of SHFL were placed before the BM and ARMC of the Company quarterly. A statement containing all the significant transactions and arrangements entered into by SHFL was placed before ARMC of the Company. The Policy on Material Subsidiaries and Events and Policy on Preservation and Archival of Documents is available at the website (refer table – 1)

5 RELATED PARTY TRANSACTIONS

Related party is determined based on Section 188 of the Act, regulation 23, Part A of Schedule V and other applicable regulations of the LODR, RBI regulations and applicable accounting standard. The ARMC of the Company and the Board have approved policy on RPTs, which is displayed on the web site of the Company (refer table 1). The RPTs were reported to the ARMC and the Board on quarterly basis. Requisite approvals of ARMC and the Board were taken for RPTs. The details of transactions with entity(ies) belonging to promoter/promoter group which holds 10% or more shareholding in the Company is given in the notes to accounts of the financial statements. There were no material RPTs during 2021-22. RPTs are reported in note no. 42 of the Notes to accounts of the financial statements.

6 SHARE HOLDER INFORMATION AND DISCLOSURES

6.1 CORPORATE

The Company was incorporated on March 27, 1986 as Shriram Hire-Purchase Finance Private Limited with Registrar of Companies, Tamil Nadu, Chennai and got fresh certificate of incorporation consequent to change of name to Shriram City Union Finance Limited with effect from April 10, 1990. The Company made an initial public offering in December, 1994. The corporate identification number (CIN) allotted to the Company by Ministry of Corporate Affairs (MCA) is L65191TN1986PLC012840. The Company is registered as a Non Banking Finance Company ("NBFC") with RBI with registration number - 07-00458. The equity shares of the Company are listed in M/s BSE Limited ("BSE") and M/s National Stock Exchange of India Limited ("NSE").

6.2 APPOINTMENT/REAPPOINTMENT OF DIRECTORS

One third of the Directors (excluding Independent Directors) liable to retire by rotation, retires by rotation and if eligible seek reappointment at AGM. As per provisions of the Act and Articles of Association of the Company, Sri Ignatius Michael Viljoen holding (DIN – 008452443) will retire by rotation and being eligible has sought for re-appointment at the ensuing AGM. He has expressed his intention and confirmed his eligibility to continue as Director of the Company if appointed at the ensuing AGM. Sri Umesh Govind Revankar (DIN - 00141189) who was appointed as the additional director with effect from December 14, 2021 who hold office upto the conclusion of 36th AGM has expressed his intention and confirmed his eligibility to be appointed as Director of the Company. The details on the appointment of Sri Umesh Govind Revankar forms a part of the Notice of the ensuing AGM. The notice of the 36th AGM states about the appointment/re-appointment of above named Directors. .

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6.3 GENERAL BODY MEETINGS / POSTAL BALLOTS

The date, time and venue of last three AGMs held and special resolutions passed thereat are as follows. No Extraordinary General Meetings ("EGMs") was held during the last three years.

Year ended March 31	AGM	Location	Date	Time	Special Resolutions passed
2019	33rd AGM	Narada Gana Sabha (Mini Hall), No 314 (Old No 254) T T K Road, Alwarpet, Chennai – 600 018	July 29, 2019	10.00 am	*
2020	34th AGM	Video Conferencing ("VC") at Chennai	July 31, 2020	10.00 am	**
2021	35th AGM		July 29, 2021	10.00 am	***
2022	Extraordinary General Meeting		September 8, 2021	11.00 am	****

*Appointment of Sri Pranab Prakash Pattanayak (DIN- 00506007) as an Independent Director, Appointment of Sri Venkataraman Murali (DIN-00730218) as an Independent Director, Increase in borrowing powers under section 180(1) (c) of the Act for an amount not exceeding ₹ 40,000 crores and private placement of securities

**Appointment of Sri Ignatius Michael Viljoen (DIN – 08452443) as a Non Independent Director, Appointment of Sri Debendranath Sarangi (DIN – 01408349) as an Independent Director, Appointment of Smt Maya S Sinha (DIN – 03056226) as an Independent Director and Borrowing powers under section 180(1) (c) of the Act for an amount not exceeding ₹ 40,000 crores

*** Borrowing powers under section 180(1) (c) of the Act for an amount not exceeding ₹ 40,000 crores and Alteration of Article 26.2 of the Articles of Association of the Company.

**** Resignation of Auditors M/s G D Apte & Co. and their remuneration for 2021-22 and Appointment of M/s R Subramanian & Co, LLP and M/s Abarna and Ananthan as joint auditors of the Company and their remuneration.

The following special resolutions were passed under Section 180 (1) (a) of the Act through postal ballot and remote e-voting in 2020-21 for creation of security on the assets/ receivables of the Company and for securitisation

Type of voting	Votes casted in favour			Votes casted against			Date of declaration of results
	No of shareholders	No of votes	Percentage of votes	No of shareholders	No of votes	Percentage of votes	
E	58	4,17,43,594	97.01	14	12,86,011	2.99	July 28, 2015
PBF	166	12,81,551	99.94	9	553	0.04	
E	72	4,99,04,913	92.14	32	42,46,650	7.84	July 28, 2016
PBF	72	9,777	0.02	7	292	0.00	
E	100	5,85,57,370	99.85	6	80,871	0.14	June 12, 2018
PBF	74	8,009	0.01	5	127	0.00	
E	64	54,781,018	95.30	37	2,697,401	4.69	July 25, 2018
PBF	58	4,074	0.01	4	95	0.00	
E	57	5,50,04,731	94.64	36	31,09,304	5.35	July 29, 2019
PBF	60	5,002	0.01	1	5	0.00	
E	97	5,76,98,994	99.96	7	20,948	0.04	June 12, 2020
E	129	4,65,39,958	99.95	9	22,038	0.05	

Electronic ("E") and Postal Ballot Forms ("PBF")

The following special resolutions were passed through remote e-voting for issue of debentures on private placement basis by the Board

Type of voting	Votes casted in favour			Votes casted against			Date of declaration of results
	No of shareholders	No of votes	Percentage of votes	No of shareholders	No of votes	Percentage of votes	
E	98	5,76,99,894	99.97	7	20,054	0.03	June 12, 2020
E	126	4,65,39,698	99.95	10	22,039	0.05	June 12, 2021

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Sri P Sriram, M/s SPNP & Associates, Company Secretaries in practice was appointed as the scrutiniser for carrying the process of remote e-voting in fair and transparent manner.

All business set out in the notice of 36th AGM shall be conducted through remote e-voting in compliance with sections 108, and other applicable Sections of the Act, relevant rules and regulation 44 (3) of the LODR provided by the Company through CDSL. The notice of 36th AGM state the process of respective voting. The voting rights are based on the number shares of the Company held by the member on the cutoff date. The scrutiniser appointed by the Board shall submit his report on results of the respective voting to the Chairman after completion of his scrutiny within permissible time. The facility of e-voting shall be made available at the 36th AGM with the assistance of scrutinisers for the members, who have not casted their votes through remote e-voting.

6.4 MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

During 2021-22, there were no materially significant RPTs entered into, which were in potential conflict with the interest of the Company at large. The details of RPTs are presented in note no 42 of the financial statements attached hereto. The statement of RPTs is placed before the Audit Committee on quarterly basis. Omnibus approval was obtained for the transactions of repetitive nature. The Related Party Transaction Policy and dealing with RPTs as approved by the Board is uploaded on the Company's web site (Refer Table 1). None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company except the payment of sitting fees to Directors by the Company.

6.5 ACCOUNTING TREATMENT

The details of accounting treatment followed during 2021-22 are mentioned in the Notes to Financial Statements.

6.6 RISK MANAGEMENT

Our business is subject to uncertainties and risks. The impact of these risks may impact our performance. If any of the risks materialise, our business, financial and prospectus could be materially and adversely affected. The risk management function of the Company help in identifying, analysing, assessing, mitigating, monitoring and governing risks. The Company has risk management policy. A separate section in this report

titled "Management Discussion and Analysis" discusses about risk and its mitigating factors is attached to this report (Annexure - 3). Risk management is reviewed by ARMC of the Company on quarterly basis.

6.7 DETAILS OF NON COMPLIANCE AND PENALTIES, STRICTURES IMPOSED

There were no instances of non compliance by the Company on any matter relating to capital market during last three years. No penalties, strictures were imposed on the Company by stock exchanges or SEBI or any other statutory authority (ies) last 3 years except mentioned in the notes to accounts.

6.8 WHISTLE BLOWER, VIGIL MECHANISM AND PROHIBITION OF INSIDER TRADING

The Company promotes ethical behaviour in all its business activities. Accordingly ,the Company has formulated "Whistle blower and Vigil Mechanism Policy" in line with regulation 22 of the LODR and RBI regulations for employees to report concerns about unethical behaviour providing for adequate safeguard against victimisation of directors/employees, who avail of the mechanism. This policy is disclosed in the web site of the Company. No person is denied access to the ARMC. The Company has formulated "Code for Fair Disclosure and Conduct", which is displayed on the web site of the Company.

6.9 AUDIT OF RECONCILIATION OF SHARE CAPITAL

Audit of reconciliation of share capital is mandated under Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996. Accordingly, this audit for reconciliation of share capital admitted with NSDL and CDSL with the total issued and listed capital were carried out on a quarterly basis during 2021-22 by M/s SPNP & Associates ("SPNP"). SPNP was appointed by the Board. The audit reports did not have any adverse comment and the same were submitted quarterly to BSE and NSE within stipulated time.

6.10 MEANS OF COMMUNICATION

The Company communicates periodically with shareholders, debenture holders, fixed depositors through different modes such as individual letters, publication in news papers, disclosure to BSE/NSE, display on its web site, emails, annual reports etc. The annual and quarterly financial results of 2021-22 were published in newspaper in english in "Business Standard" and in Tamil in "Makkal

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Kural" within 48 hours of conclusion of the Board Meetings at which the respective financial results were approved. The quarterly/half /yearly financial results are published in the newspapers of wide circulation and are sent to registered email ids of individual shareholders. Financial Results are also displayed on the website of the Company (Refer Table 1), BSE and NSE.

The Company also give press release in different news papers after declaration of financial results for information of investors. The Company's website contains a separate section "INVESTOR", where shareholder/security holder information are displayed. Presentations made to institutional investors, investors/ earning conference calls or to the analysts transcripts, and other general information about the Company are also available on the Company's website https://www.nseprimeir.com/z_SHRIRAMCIT/earning_call.aspx and https://www.nseprimeir.com/z_SHRIRAMCIT/investor_presentation.aspx The annual report of the Company is also displayed at the same section of the website of the Company (Refer Table -1). Shareholders have been provided with an opportunity to update their email id for receiving correspondence and annual report in electronic form. The annual report and quarterly financial results were sent in electronic form to the registered email ids of shareholders. The Ministry of Corporate Affairs (MCA) and SEBI have exempted companies from circulation of physical copies of Annual Report for year ended March 31, 2022 vide general circular number 2/2022 dated May 5, 2022 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 respectively The

Annual Report of the Company containing director's report, standalone financial statements, consolidated financial statements, auditor's report thereon and other important information are circulated to members and others entitled thereto. The investor complaints are processed in centralised web based complaints redressal system controlled by SEBI known as SEBI Complaint redress system ("SCORES"). The Investor section of the web site contains specified email ids for investor servicing i.e. sect@shriramcity.in, scufncd18@shriramcity.com, customersupport@shriramcity.com, shriramcity@shriramcity.in The Company has been filing the information related to corporate governance, shareholding pattern, reconciliation of share capital audit and quarterly financial results in the website of NEAPS (National Electronic Application Processing System) viz <https://neaps.nseindia.com/NEWLISTINGCORP/> and on BSE Listing Centre <https://listing.bseindia.com>. The presentations made by the Company to analysts are displayed on the web site of the Company (Refer Table -1). The SRC of the Board examines and redresses grievances of the shareholders and investors. The status of grievances of shareholders and investors are reviewed by the ARMC and Board. The Company discloses to BSE/NSE information required to be disclosed under Regulation 30 read with Part A of Schedule III of the LODR including material information having a bearing on the performance / operations of the Company or other price sensitive information. The Board of Directors has approved a policy for determining materiality of events as required under LODR.

6.11 DETAILS OF 36TH AGM

a. Date and Time	July 22, 2022 at 10 a.m
b. Venue	The Company will conduct meeting through VC/OVAM pursuant to the MCA circular and as there is no requirement to have venue for the AGM. For details please refer to the Notice of AGM.
c. Dividend	Interim dividend and 2nd Interim dividend of ₹ 10.00 and ₹ 27.00 per equity share declared by the Board at its meeting held on October 27, 2021 and March 8, 2022 was paid on November 24, 2021 and March 25, 2022. The Board has not considered recommendation of final dividend at its meeting held on April 29, 2022.

6.12 FINANCIAL YEAR

The financial year for 2021-22 was from April 1, 2021 to March 31, 2022. The next financial year is from April 1, 2022 to March 31, 2023. The financial year of the Company is from April 1 to March 31.

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6.13 DETAILS OF LISTING ON STOCK EXCHANGES

The equity shares of the Company with ISIN – INE722A01011 are listed on BSE and NSE with stock code 532498 and SHRIRAMCIT respectively. The annual listing fees to BSE and NSE and annual custodian fees to NSDL and CDSL for the 2021-22 were paid on time by the Company. The details of listed secured redeemable non-convertible debentures (NCDs) of the Company are displayed on the website of the Company (refer Table -1). The Company submitted the documents/information to the respective Trustees to the issues and allotment of NCDs were made on time during 2021-22 in compliance of Regulation 55 of the LODR.

6.14 STOCK MARKET PRICE DATA

The volume and market price (high and low) of equity shares of the Company traded in each month during 2021 -22 are given below.

Month	NSE						BSE							
	Per share price (in ₹ of the Company)			Volume of shares traded	NIFTY (in ₹)			Per share price (in ₹ of the Company)			Volume of shares traded	SENSEX (in ₹)		
	High	Low	Average		High	Low	Average	High	Low	Average		High	Low	Average
Apr-21	1482.10	1400.10	1441.10	452404	14894.90	14296.40	14595.65	1480.25	1397.40	1438.83	189446	50029.83	47705.80	48867.82
May-21	1932.50	1523.80	1728.15	1968096	15582.80	14496.50	15039.65	1931.05	1518.80	1724.93	101343	51937.44	48253.51	50095.48
Jun-21	1741.55	1645.20	1693.38	920345	15869.25	15574.85	15722.05	1738.20	1655.45	1696.83	38984	52925.04	51849.48	52387.26
Jul-21	1859.15	1685.75	1772.45	795584	15924.20	15632.10	15778.15	1855.70	1687.55	1771.63	70221	53158.85	52198.51	52678.68
Aug-21	2158.10	1800.60	1979.35	2301147	17132.20	15885.15	16508.68	2163.95	1804.50	1984.23	153238	57552.39	52950.63	56251.51
Sep-21	2554.15	2033.25	2293.70	3303807	17855.10	17076.25	17465.68	2554.50	2031.60	2293.05	125530	60077.88	57338.21	58708.05
Oct-21	2287.05	2056.35	2171.70	849614	18477.05	17532.05	18004.55	2368.30	2065.25	2216.78	44117	61765.59	58765.58	60265.59
Nov-21	2225.95	1940.40	2083.18	748270	18109.45	16983.20	17546.33	2227.15	1941.65	2084.40	44755	60718.71	57064.87	58891.79
Dec-21	2146.75	1683.40	1915.08	2395977	17516.85	16614.20	17065.53	2143.60	1685.55	1914.58	95121	58807.13	55822.01	57314.57
Jan-22	1827.05	1666.25	1746.65	781859	18308.10	17101.95	17705.03	1821.65	1666.90	1744.28	43735	61308.91	57200.23	59254.57
Feb-22	1858.20	1513.80	1686.00	845200	17780.00	16247.95	17013.98	1858.00	1513.30	1685.65	35829	59558.33	54529.91	57044.12
Mar-22	1627.90	1441.55	1534.73	1079686	17498.25	15863.15	16680.70	1625.75	1443.80	1534.78	74506	58683.99	52842.75	55763.37

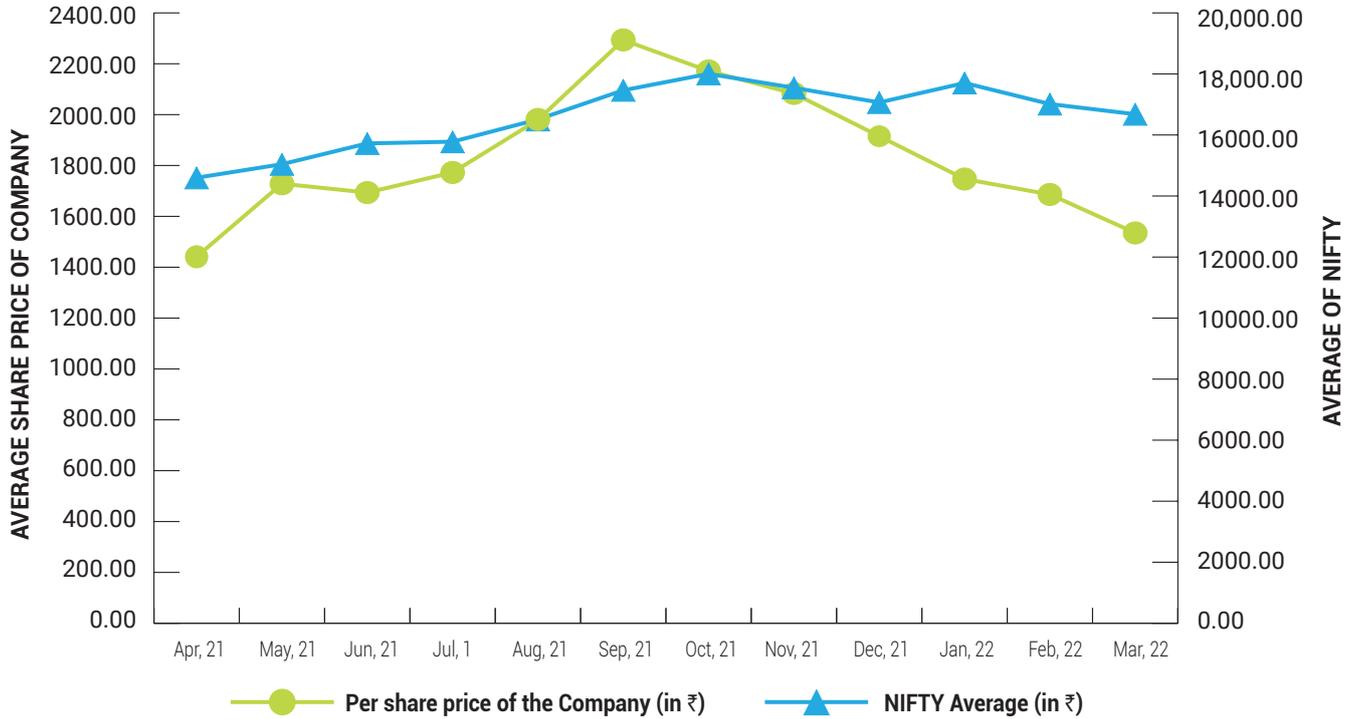
Average price per share= (High price per share+Low price per share)/2

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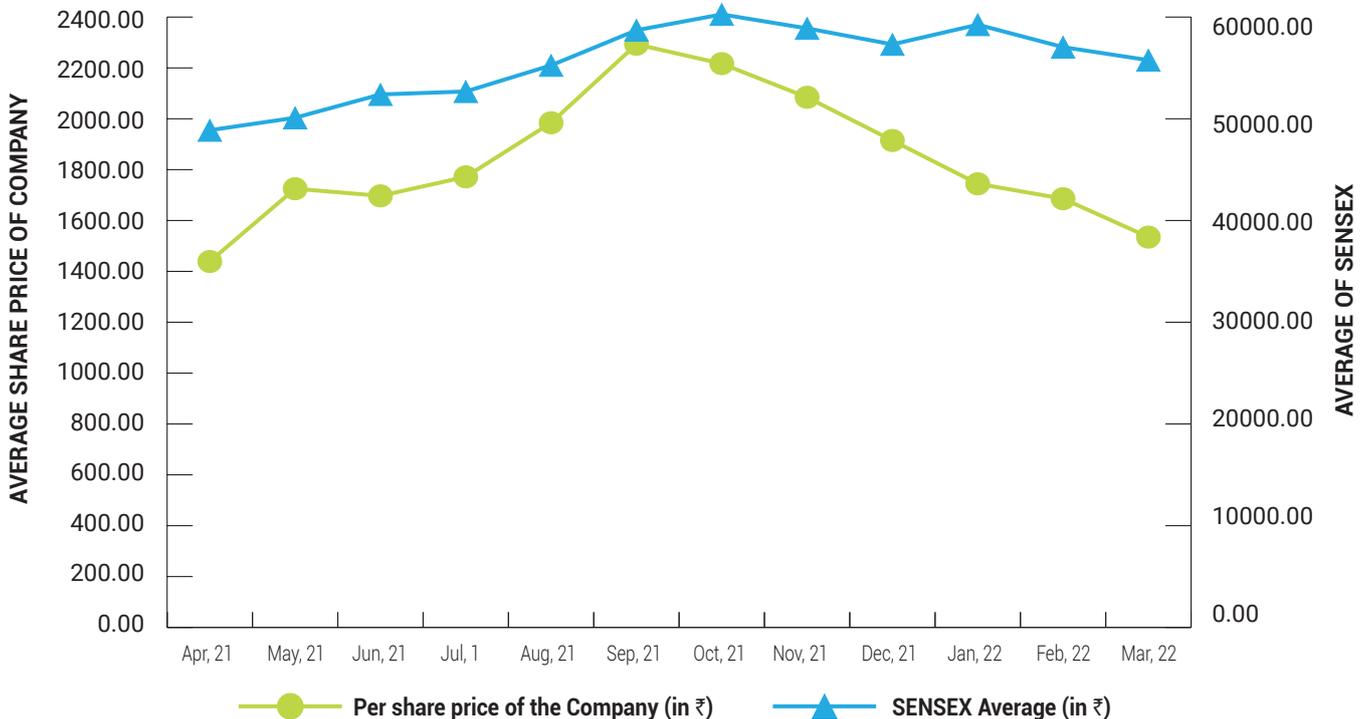
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6.15 MOVEMENT OF SHARE PRICE OF THE COMPANY IN COMPARISON TO NIFTY AND SENSEX

Company's Average Share Price v/s Average NIFTY



Company's Average Share Price v/s Average SENSEX



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6.16 CONTACT DETAILS

Particulars		Name	Address	Contact person name	Telephone number	Fax Number	E-mail id
Registrar and Transfer Agents (RTA)	Equity Shares & Dividend	Integrated Registry Management Services Private Limited	2nd Floor, Kences Towers, No. 1 Ramakrishna Street, Off North Usman Road, T. Nagar, Chennai – 600 017	Smt Anusha N Sri K Balasubramanian	+ 91 44 2814 0801 /02/03	+ 91 44 2814 2479	csdstd@integratedindia.in csdstd@integratedindia.in or scuf@integratedindia.in
	Public issue of NCDs 2011, 2012 and 2019						
	Public issue of NCDs 2013 and 2014						
Trustees for NCDs	Catalyst Trusteeship Limited	GDA House, First Floor, Plot No. 85, S No. 94 & 94, Bhusari Colony (Right), Kothrud, Pune – 411 038	Smt Rakhi Kulkarni	+ 91 20 2528 0081	+ 91 20 2528 0275	dt@ctltrustee.com or grievance@ctltrustee.com	
Regulators	Ministry of Corporate Affairs ("MCA")	'A' Wing, Shastri Bhawan, Rajendara Prasad, New Delhi – 110 001		+91 11 2338 4660/ 2338 4659			
	Securities and Exchange Board of India ("SEBI")	Plot No. C4-A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051		+91 22 2644 9000/ 4045 9000	+91 22 2644 9019 – 22 / 4045 9019-22	sebi@sebi.gov.in	
	Reserve Bank of India ("RBI")	16th Floor, Central Office Building Shahid Bhagat Singh Marg, Mumbai – 400 001		+91 22 2260 1000			
Stock Exchanges	National Stock Exchange of India Limited ("NSE")	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051		+91 22 2659 8100 – 8114	+91 22 2659 8120		
	BSE Limited ("BSE")	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001		+91 22 2272 1233	+91 22 2272 1919	corp.comm@bseindia.com	
Depository	National Securities Depository Limited ("NSDL")	Trade World, A wing, 4th floor, Kamala Mills Compound, Lower Parel, Mumbai – 400 013		+91 22 2499 4200 Toll free 1800 222 990	+91 22 2497 6351	info@nsdl.co.in	
	Central Depository Services (India) Limited ("CDSL")	Marathon Futurex, A – wing, 25th floor, N Services (India) Limited "CDSL")	Marathon Futurex, A – wing, 25th floor, N Services (India) Limited "CDSL")	+91 22 2305 8640/8624/8639/ 8663 Toll free 1800 22 5533		helpdesk@cdslindia.com	

The aforesaid details are displayed on the web site of the Company.

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6.17 SHARE TRANSFER SYSTEM:

Company's shares are held by the holders in dematerialised form and few share holders hold it in physical form. Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Transfer of shares held in dematerialised form are effected through the depositories with no involvement of the Company. In terms of Regulation 40 of LODR securities can be transferred only in dematerialised form w.e.f. April 1, 2019 except in transmission or transposition of securities. Further that transmission or transposition of securities held in physical or dematerialised form shall be processed and effected only in dematerialised form. As per SEBI circular No. SEBI/ HO/ MIRSD/ MIRSD_RTAMB /P/ CIR/ 2022/ 8 dated January 25, 2022, in case of Shares held in physical form, the RTA / Issuer Companies shall verify / process the service requests 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, Transposition and thereafter issue a 'Letter of confirmation' in lieu of physical securities certificate(s), to the securities holder/claimant within 30 days of its receipt of such request after removing objections, if any, for the purpose of dematerialisation. The Board has delegated the authority to approve transmission etc of shares and securities of the Company to it's BSMC. As stipulated under Regulation 40(9) of the LODR, the Company obtained half yearly certificates of compliance from M/s SPNP & Associates, Company Secretary in practice and filed copies of the said certificates with BSE & NSE during 2021-22 within stipulated time. There were no deviations reported in the said certificates. The Company also received internal audit report of RTA.

6.18 UPDATION OF DEMOGRAPHIC DETAILS :

Updation of Nomination, Permanent Account Number ('PAN'), Bank account details and other required details can be made by applying in the specified form with necessary enclosure to the RTA or Depository Participant as the case may be. It is mandatory under SEBI regulations to provide PAN card for transfer/transmission of securities.

6.19 DISTRIBUTION OF SHAREHOLDING AS AT MARCH 31, 2022

No. of equity shares held	Shareholders		Shares	
	Number	%	Number	%
UPTO 500	23,563	96.75	8,76,482	1.32
501-1000	371	1.52	2,71,301	0.41
1001-2000	176	0.72	2,48,824	0.37
2001-3000	63	0.26	1,58,528	0.24
3001-4000	22	0.09	76,395	0.11
4001-5000	15	0.06	66,695	0.10
5001-10000	50	0.21	3,69,947	0.56
10001 AND ABOVE	94	0.39	6,45,59,844	96.90
Total	24,354	100.00	6,66,28,016	100.00

6.20 SHAREHOLDING PATTERN (IN %) AS AT MARCH 31, 2022

Promoters	Mutual Funds	Banks and FIs	FII	Bodies Corporate	Individuals	Limited Liability Partnership	Foreign Company	Foreign Portfolio Investor	NRIs	Others	Alternative Investment Fund	Total
34.6117	4.0114	0.0025	0.0123	10.0502	2.8043	0.0016	20.1445	28.1581	0.1004	0.1028	0.0002	100

6.21 DEMATERIALISATION OF SHARES AND LIQUIDITY

The Company's equity shares are tradable compulsorily in dematerialised form in BSE and NSE, which are managed by NSDL and CDSL. The connectivity with NSDL and CDSL is established through the RTA. As on March 31, 2022, 6,65,12,698 of equity shares (99.83% of the shares), existed in dematerialised form. The Company's shares are liquid and are actively traded in both NSE and BSE.

Report on Corporate Governance

Annexure 1 (Contd.)

6.22 OUTSTANDING GDR/ADR/CONVERTIBLE WARRANTS, CONVERSION DATE AND IMPACT ON EQUITY

The Company has not issued any GDRs / ADRs. The Company has granted stock options to the eligible employees of the Company under Employees Stock Option Scheme, 2006 and Employees Stock Option Scheme 2013, the required details of which are set out in annexure to Report of Directors.

6.23 LOCATION

The Company is in the business of Non Banking Finance and operates through various offices in India with registered office at Chennai.

6.24 ADDRESS FOR CORRESPONDENCE

Registered Office : 123, Angappa Naicken Street, Chennai 600 001, Ph: +91 44 2534 1431

Secretarial Office : 144, Santhome High Road, Mylapore, Chennai 600 004. Ph : +91 44 4392 5300 Fax No : +91 44 4392 5430

Email : sect@shriramcity.in

6.25 CALENDAR FOR THE FINANCIAL YEAR 2021 – 2022 (TENTATIVE)

Annual General Meeting	September, 2022
Unaudited results for the quarter ending June 30, 2022	Last week of July, 2022
Unaudited results for the quarter / half –Year ending September 30, 2022	Last week of October, 2022
Unaudited results for the quarter ending December 31, 2022	Last week of January, 2023
Audited results for the Year ending March 31, 2023	Last week of May, 2023

6.26 ADOPTION OF MANDATORY AND NON MANDATORY REQUIREMENTS UNDER LODR

The Company has complied with all mandatory requirements and has also adopted the non mandatory requirements deemed appropriate. The report of the auditors of the Company does not contain any qualification on the financial statements. The posts of Chief Executive Officer ("CEO") and Chairman of the Company are held by two separate persons. The Company does not maintain a separate office for the Non-executive Chairman.

7. COMPLIANCE ON FINANCIAL REPORTING

The Company complies with the requirements of Financial Reporting. The MD & CEO and CFO give annual certification on financial reporting and internal control to the Board in terms of regulation 17(8) read with Part B of Schedule II of the LODR. The said certificate issued for 2021-22 is attached to this report as Annexure - 4 (Refer Table-1). The CEO & MD and CFO also issue certificate on financial results every quarter, while placing the quarterly financial results before the BM in terms of Regulation 33 (2) (a) of the LODR.

8. COMPLIANCE WITH CORPORATE GOVERNANCE

The Company has complied with the requirements of Corporate Governance. A certificate from the Joint Statutory auditors of the Company, M/s R Subramanian & Co, LLP and M/s Abarna and Ananathan., Chartered Accountants confirming compliance with the conditions of corporate governance as stipulated under Part E of Schedule V of the LODR is attached to this report (Annexure No - 2). The certificate is without any adverse remarks and reservation.

9. ELIGIBILITY FOR APPOINTMENT/CONTINUANCE AS A DIRECTOR

Each director has declared to the Company stating that he/she is not disqualified or debarred by the Board / Ministry of Corporate Affairs ("MCA") or any such statutory authority from being appointed as a director on the board of company or to continue as director of company. The Board at its meeting held on April 30, 2021 appointed SPNP as the Practicing Company Secretary for issuing the certificate on disqualification of directors.. Pursuant to Schedule V Para C clause (10)(i) of the LODR, the Company has obtained certificate from M/s SPNP & Associates practicing company secretary confirming that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority (Refer Annexure - 10)

Report on Corporate Governance

Annexure 2

R. SUBRAMANIAN AND COMPANY LLP

Chartered Accountants
New No. 6, Krishnaswamy Avenue, Luz,
Mylapore, Chennai – 600 004.

ABARNA AND ANANTHAN

Chartered Accountants
521, 3rd Main Rd, 2nd Phase,
6th Block, Banashankari, Bengaluru - 560085

INDEPENDENT AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Members Shriram City Union Finance Limited

1. We have examined the compliance of conditions of Corporate Governance by Shriram City Union Finance Limited ('the Company'), for the year ended on March 31, 2022, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

MANAGEMENT'S RESPONSIBILITY

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

AUDITOR'S RESPONSIBILITY

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We conducted our examination in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

OPINION

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by ICAI.
7. Based on our examination as above and to the best of the information and explanations given to us and representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2022.
8. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

RESTRICTION ON USE

9. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for any events or circumstances occurring after the date of this Certificate.

For R Subramanian and Company LLP

Chartered Accountants
FRN : 04137S / S200041

CA K Jayasankar

Partner
M No. 014156
UDIN : 22014156AIBOUT9841
Place : Chennai
Date : April 29, 2022

For Abarna and Ananthan

Chartered Accountants
FRN : 000003S

CA (Smt) Lalitha Rameswaran

Partner
M No. 207867
UDIN : 22207867AIBIBF6407

Management Discussion and Analysis

Annexure 3

COMPANY OVERVIEW

INTRODUCTION

Established in 1986, Shriram City Union Finance Limited is one of the leading NBFCs in the retail finance industry, providing timely borrowings to its customers and delivering value to its stakeholders. The Company is present in 986 branches in India through its offices with AUM of ₹ 33,186 crores as on March 31, 2022. The Company provides loans for businesses, for purchase of two-wheelers, commercial vehicles, against pledge of gold, against property and personal loan. The Company's subsidiary, Shriram Housing Finance Limited is a housing finance organisation registered with the National Housing Bank (NHB). The primary operation of the Company is providing loans for the purchase or construction of residential space and loans against property.

AUMs as on March 31 (₹ in crores)

2021-22	2020-21	2019-20
33,186	29,571	29,085

Product-wise Performance (₹ in crores)

Loan Type	Disbursement in 2021-22	AUM in 2021-22
MSMEs	6,972	14,718
Gold Loans	6,532	4,078
Two Wheelers	6,295	7,764
Personal Loans	3,987	4,068
Pre-owned Two Wheelers	1,123	1,025
Loan against Property	693	789
Auto Loans	538	744
Total	26,140	33,186

KEY HIGHLIGHTS 2021-22

- Steady growth in disbursements and AUM
- Improved profitability, asset yield and net-interest margins of 16.63%, 20.81% and 12.74%, respectively
- Comfortable ALM position across timelines
- Supported by strong collections
- Steady and strong credit ratings
- Digitisation in the overall processes, leading to efficient operations and higher level of customer convenience

Key Financial Ratios as on March 31,

Key Ratios-IND AS	2022	2021
Return on Average Total Assets (Annualised)	2.92%	3.10%
Return on Average Net-worth (Annualised)	13.06%	13.50%

Key Ratios-IND AS	2022	2021
Earnings Per Share (₹)(Basic)	164.16	153.16
Book Value Per Share (₹)	1,309.96	1,197.70
Capital Adequacy Ratio (CAR)	26.78%	28.64%
Interest Coverage Ratio	1.58	1.65
Debt-Equity Ratio	3.51	3.23

OPPORTUNITIES AND THREAT

Opportunities

- Industry leadership with dominant position
- Serving the under-served retail markets
- Strong brand pedigree and successful track record
- Wide product range and growth-accretive business fundamentals
- Robust financial management with balanced ALMs and lower NPAs
- Strong distribution network
- Business conducive environment with Government's focus on promoting MSME and Start-ups

Threats

- Regulatory challenges and credit availability
- Steep competition at the national level
- Product commoditisation

ECONOMIC REVIEW

OVERVIEW

The financial year 2021-22 set off on a positive note with resumption of economic activities, along with India's GDP growing at around 20.3% in the first quarter. However, the second wave of Covid-19, followed by partial lockdowns, hampered this progress although with less effect on the economy. Despite the second wave, India managed to achieve satisfactory growth backed by effective and speedy vaccination drives along with improved containment efforts. During the third quarter of the financial year, global inflation, rising crude oil prices and supply chain disruptions, led to a slower growth rate – further weakening the position of Indian rupee compared to US dollar. The Indian rupee ended as Asia's worst-performing currency for Calendar Year (CY) 2021. The Government raised its spending to tackle the pandemic and related concerns, thereon widening the budget deficit. According to Fitch Ratings, Indian economy is expected to witness estimated GDP of around 8.7% in 2021-22. Financial year 2020-21 witnessed the COVID-19 induced lockdowns and disruption of critical services, leading to decline in GDP to -6.6%.

Management Discussion and Analysis

Annexure 3 (Contd.)

On a positive note, the Government announced the Production Linked Scheme (PLI) across 14 key sectors, involving a capital infusion of ₹ 4 Trillion over the next five years. The PLI is expected to enhance the manufacturing capacities by 15-20%. Besides, the 'Gati Shakti: National Master Plan' launched by the Government involving a spending of ₹100 crores will further promote infrastructural development. The resultant impact would provide impetus to the manufacturing sector, increase employment generation, and reduce dependence on imports while generating higher exports.

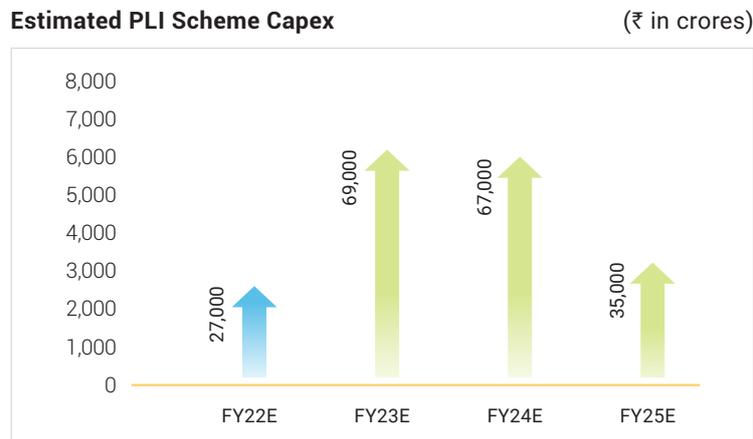
India - Forecast Summary

(%) FY starting April	Annual Avg. 2017-2021	FY20-21	FY21-22F	FY22-23F	FY23-24F
GDP	3.8	-6.6	8.7	8.5	7.0
Consumer spending	4.3	-6.0	9.1	12.1	5.8
Fixed investment	4.4	-10.4	11.9	4.9	7.2
Net trade (contribution pp)	-0.9	1.4	-3.0	-2.1	0.6
CPI inflation (end-year)	4.6	4.6	5.7	4.6	5.0
Policy interest rate (end-year)	5.28	4.00	4.00	4.75	5.00

F: Forecast

(Source: Fitch Ratings)

INDUSTRIAL / PRIVATE CAPEX IN NEXT FIVE YEARS TO BE FUELLED BY PLI SCHEME



OUTLOOK

The Russia-Ukraine conflict, and the economic sanctions imposed thereon has rapidly translated into escalation of energy costs, supply-chain disruptions, and inflation. As a result, causing a spike in crude oil prices, adding to the inflationary pressure. As per Fitch Rating, India is likely to grow at a slightly slower pace of 8.5% in 2022-23, driven mostly by the Government's aggressive fiscal stimulus and capital spending.

INDUSTRY STRUCTURE AND DEVELOPMENTS

INDIAN FINANCIAL SERVICES SECTOR

Indian Financial Services Sector comprises of commercial banks, insurance companies, non-banking financial

companies, co-operatives, pension funds, mutual funds, and other smaller financial entities. The past few years have been exciting for this sector with multiple themes emerging and trying to gain market foothold.

The Government of India along with the Reserve Bank of India (RBI), introduced several reforms to liberalise, regulate and enhance this industry. Various measures have been undertaken in order to facilitate easy access to finance for Micro, Small and Medium Enterprises (MSMEs). These measures include the launch of Credit Guarantee Fund Scheme for MSMEs, issuing guideline to banks regarding collateral requirements and setting up a Micro Units Development and Refinance Agency (MUDRA). Some of the key trends observed during the period include:

Management Discussion and Analysis

Annexure 3 (Contd.)

Growing demand: Increasing household income is driving the demand for financial services across income brackets.

Emergence of fintechs: Driven by rapid expansion of mobile and internet connectivity, India has over 2,100 operating fintechs on course to become one of the leading names as among the largest digital markets.

Data consolidation: In September 2021, eight Indian banks announced to roll out 'Account Aggregator' system, enabling consumers to consolidate all their financial data at one place.

Policy support: The Government approved 100% FDI for insurance intermediaries, and increased FDI limit in the insurance sector from 49% to 74%, under the Union Budget 2021-22. Besides, International Financial Services Centres Authority (Banking) Regulations 2020, shall drive and facilitate constituent operations in the IFSC, enabling the sector to reach its potential.

Growing penetration: With increasing disposable income and internet connectivity improvements, credit, insurance, and investment penetration is rising in rural areas alongside combined push by the Government and private sector, India stands to be among the world's most vibrant capital markets.

INDIAN NON-BANKING FINANCIAL COMPANIES (NBFCs)

NBFCs form an integral part of the Indian financial system. It supplements the role of the banking sector, creating a passage to connect the less-banked customers to the financial services and thus paving way for inclusive growth. Furthermore, NBFCs streamline their business model through efficient use of technology, data analytics and artificial intelligence, leading to enhanced customer experience and strong credit assessment. The NBFCs are judged by asset-quality, profitability, exposure to sensitive sector and capital adequacy of NBFCs.

RBI is constantly striving to bring necessary regulatory changes in the NBFCs to ensure financial stability in the long-run. Despite sluggish economic growth, NBFCs witnessed growing market share despite pandemic-induced slowdown, lower demand, and sharper bank focus on retail loans, during 2021-22. There is increased regulatory oversight and push towards convergence with banks through scale-based regulation, re-alignment in asset quality classification, NPA recognitions, provisions, and prompt corrective action norms, among other measures.

OUTLOOK OF NBFCs

The outlook for NBFCs is expected to remain stable owing to a better operating environment and favourable regulatory

measures. Sufficient capital buffers, stable margins, and sizeable on-balance sheet provisioning with adequate system liquidity, would further streamline competitive funding. Potential threat remains of any further pandemic waves or unfavourable interest rates and asset quality issues. As per India Ratings, the annual loan growth for NBFCs is likely to be around 14% in 2022-23. The sector is probable to observe normalcy in disbursements alongside increased demand for products, like loans against property, housing loans and vehicle finance, while personal and unsecured business loans too witnessed high demand during the pandemic. Growth in the vehicle finance segment is largely dependent on the increase in borrower's confidence and availability of vehicles – currently facing component shortage following the pandemic.

INDIAN MSME SEGMENT

The Indian MSME sector is considered to be the backbone of the Indian economy. It contributes significantly to the national socio-economic development, employment generation, and development of the backward and rural areas. The Government of India established the National Board for Micro, Small, and Medium Enterprises (NBMSME) under the Micro, Small, and Medium Enterprises Development Act, 2006. NBMSMEs examine the factors affecting the promotion and development of MSMEs. It is responsible for reviewing the existing policies and suggesting recommendations to the Government for further growth in the MSME sector. MSME's contributes to India's economic growth through a vast network of about 6.3 crores units, producing more than 8,000 products. It comprises 30% to India's nominal GDP and 33% to the manufacturing output. Around 50% of the MSMEs operate in rural, generating 45% of the total employment.

The budget allocation for the year 2021-22 has doubled to ₹ 15,700 crores, as compared to ₹ 7,572 crores in the 2020-21.

OUTLOOK OF MSMEs

The impact of the pandemic is eventually waning away, and the economy is steadily gaining back its momentum. India is now on the verge of a digital breakthrough and Industry 4.0, has made inroads across sectors, boosting the digitisation process by nearly a decade. MSMEs experienced a seamless digital transformation without considerable investments or modifications to the prevailing strategies. Overall, the general outlook for MSMEs is expected to improve, influenced by easing liquidity stress and steady asset quality.

Management Discussion and Analysis

Annexure 3 (Contd.)

ROLE OF NBFCS ACROSS DIFFERENT FORMS OF FINANCING

MSME Financing

NBFCs are preferred by MSMEs because of their ability to not only complement but also substitute banks for reaching remote areas, quick decision-making, and availing prompt services and expertise in niche segments. Moreover, the financial institutions have started to acknowledge the cash flow-based lending approach, instead of asset-based secured lending, to solve credit-related challenges faced by MSMEs. With new businesses and start-ups mushrooming across the country, NBFCs are developing technological edge to analyse borrowers' business data and gauge financial health of the prevailing and future businesses.

Auto Loans Financing

According to India Ratings, the domestic automobile is expected to witness an annual growth of 5 to 9% in sales volume for 2022-23 – following three consecutive years of a declined growth rate. This would be driven by an intermittent improvement in consumer sentiments and continued preference for personal mobility. There exists challenges amidst risks of supply chain disruptions and shortage of semi-conductors. Growth in sales of commercial vehicles would be driven by improvement in economic activities and infrastructure spending. The NBFCs enable vehicle financing to the remotest corners of the country.

Gold Loans Financing

The gold loan segment may record moderate growth in tandem with gold prices along with opening up of other financing avenues for borrowers.

Housing Loans Financing

According to ICRA, housing finance companies are likely to witness a portfolio growth of 9-11% in 2022-23, owing to increasing economic activity, lucrative interest rates and stability in property prices.

HUMAN RESOURCES

At SCUF, we continue to invest in the professional and personal well-being of our 27,997 employees. We are committed to creating a work environment that is diverse, inclusive, and positive, regardless of gender, age, ethnicity and background. Even during the pandemic, we proactively adopted work-from-home while also providing basic and necessary infrastructure

to our employees. We took various measures to provide a safe work environment on resumption of working from office. This included implementation of flexible work arrangements, use of video conferencing platforms, cleansing, disinfecting and sanitising measures at premises. We quickly adapted to technological changes, market changes and expectation of our customers. It is vital that our employees stay abreast of the latest industry developments and be future-ready. We conducted several workshops and seminars to align our employees with the rapidly changing business environment. This has allowed us to set long-term growth objectives and build career growth plans for every individual associated with the organisation. Company continues to ensure employee-friendly policies for smooth working.

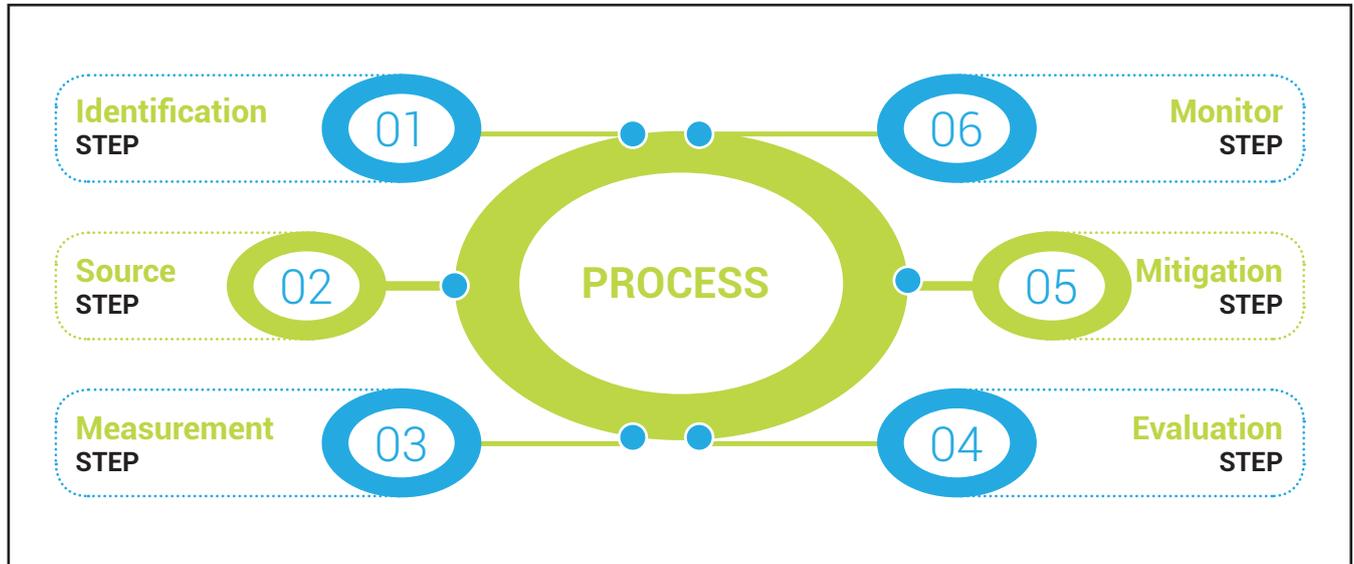
RISK MANAGEMENT

At SCUF, risk management forms the centre of our business strategy. We aim to consistently protect the interest of our customers, colleagues, shareholders, and the Company, while ensuring a sustainable growth. This is achieved through informed decision-making and robust risk management, supported by a consistent risk-focused culture. Our risk management framework is structured to align with the industry-accepted internal controls framework and standards. The maintenance of a strong control framework is of high priority and forms the foundation for the delivery of effective risk management. The Company is committed to ensuring its risk management practices reflect a high standard of governance, enabling the Management to effectively undertake prudent risk-taking activities. Our framework and de-risking policies are supported by standards, guidelines, processes, procedures, and controls that govern day-to-day activities in the Company's businesses. These policies are reviewed and approved by the Board Committees and the Senior Management. It encompasses independent identification, assessment, and management of risk across businesses verticals. The comprehensive risk management policies and processes help in identification, evaluation, and management of business risks, effectively. The Risk Management Committee has identified and categorised major risk classes encompassing Credit, Market, legal and regulatory, operational, liquidity, interest rate, cyber security and information technology risks, strategic risk, economic risk among other significant risks.

Management Discussion and Analysis

Annexure 3 (Contd.)

OUR RISK MANAGEMENT FRAMEWORK



KEY RISKS AND MITIGATION

Risk Type and Definition	Mitigation
<p>Credit Risk</p> <p>The risk of potential loss arising from the failure of borrowers and/or counterparties to meet their contractual obligations. The Company is exposed to credit risk from the lending activities.</p>	<ul style="list-style-type: none"> • With over three decades of experience, the Company manages credit risk through strict credit norms and with robust procedure. • We implemented a robust credit appraisal process for all business segments, simultaneously putting in place commensurate risk mitigation practices. • We implemented underwriting of borrowed capital, keeping in mind the inherent cash flows of the customers and by taking effective inputs from credit bureaus' information reports. • We undertake regular stress testing and scenario analysis of the entire credit portfolio to implement corrective actions. • We use defined credit ratings from established credit rating agencies as mandated by our process, to make portfolio investment decisions with systematic tracking of the portfolio. • We take appropriate risk exposures through rigorous analysis of the counterparty fundamentals, industry, and sectoral risks. • We ensure portfolio risk concentration through implementation of prudent allocation strategies across different asset classes, industry sectors, geographical regions, single liability, and joint liability groups.

Management Discussion and Analysis

Annexure 3 (Contd.)

Risk Type and Definition	Mitigation
<p>Market Risk</p> <p>The risk surrounding earnings and capital, arising from changes in the interest rates, credit spreads, foreign exchange rates, commodity prices, among others.</p>	<ul style="list-style-type: none"> • The Company's market risk management is governed by a set of framework, policies and processes that are subject to regular reviews to ensure overall relevance to the current market practices and regulatory guidelines. • We implemented the Asset Liability Management Committee (ALCO) for frequently monitoring market movements, Government policy decisions, changes in regulatory scenario affecting the NBFC space, and tweak the strategies accordingly. Thereon, operationalising in a prudent and timely manner. • We proactively monitor the market risks and accordingly de-risk loan book portfolio through a well-organised Market Risk Management System. • We periodically simulate impact arising from sudden market shocks, through rigorous stress testing of the portfolio across asset classes.
<p>Operational Risk</p> <p>The risk of loss resulting from inadequate or failed internal process, people, systems, organisation, regulatory and internal compliance or from external events.</p>	<ul style="list-style-type: none"> • The Company has an operational risk framework in place that assists all departments to achieve their objectives through the effective identification, assessment, measurement, control, and mitigation of risk. • Our state-of-the-art corporate governance practices, code of conduct, corporate ethos and organisation-wide approach for risk management are the pillars for mitigating operational risks. • We initiated need-based systematic reviews with regular updates to the internal controls and systems. • We initiated several systematic skill development programs and seminars to ensure organisation-wide standard and homogeneous potent workforce. • We have standard operating procedures and structure in place to ensure improved governance on transactions, portfolio assessment and regulatory compliance. • We enable risk-oriented audit procedures at systematic intervals across all departments to reduce enterprise risk exposure. • We conduct regular stress testing and audits of the Disaster Recovery (DR) plan and Business Continuity Plan (BCP), to assess the Company's preparedness against contingencies. • We ensure data security and data recovery through efficient contingency plans in place, against potential 'force majeure' contingencies.

Management Discussion and Analysis

Annexure 3 (Contd.)

Risk Type and Definition	Mitigation
<p>Interest Rate Risk</p> <p>The risk arising from a financial loss, owing to unfavourable interest rates for both lending and treasury operations. It has a significant influence upon a company's net-interest income and profitability.</p>	<ul style="list-style-type: none"> • The Company has put in place extensive policies and procedures to ensure that the assets and liabilities exposure are within the stipulated regulatory guidelines. • We enable rate-sensitive asset-liability maturity analysis to assess correlation of the loan book maturity profiles to interest rate fluctuations. • We set the interest spreads through categorisation of the entire gamut of assets and liabilities into several time-periods by synchronising them with contracted maturities or anticipated re-pricing dates. The difference between assets and liabilities maturity, or it being repriced at any time period, indicates the extent of exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities.
<p>Liquidity Risk</p> <p>The risk that arises from the Company's inability to meet its financial obligations as and when the need arises/within pre-determined timelines.</p>	<ul style="list-style-type: none"> • The Company's liquidity risk management is governed by a set of framework, policies, and processes, as approved by the ALCO. • We adopted extensive range of liquidity risk management policies, procedures, and controls. • We manage liquidity in alignment to the Asset Liability Management (ALM) policies and operating procedures. • We created maturity ladder, and use of cumulative surplus/deficit of funds calculation technique on any specific maturity date, standardise determination of liquidity risk. • We have a contingency plan in place for liquidity management in case of crisis. • We proactively monitor capital adequacy and asset exposure levels, to assess potential funding requirements. • We created diversified source of funding including borrowings from banks, financial institutions, capital markets and public (fixed) deposits to facilitate flexibility in meeting funding requirements. • We ensure systematic cash management and asset-liability management training programs, to solidify the Company's financial position in the long-run.

Management Discussion and Analysis

Annexure 3 (Contd.)

Risk Type and Definition	Mitigation
<p>Information Technology Risk</p> <p>The risk arising as a result of IT infrastructural failure or data loss/threats causing operational setback and financial losses.</p>	<ul style="list-style-type: none"> • We deployed state-of-the-art technology infrastructure and platform for processing of business information systems. • The Company has deployed efficient IT risk management mechanism with adequate measures, check, and controls. • We conduct systematic security drills and employee awareness programs. • We deployed Security Operations Centre (SoC) to secure IT infrastructure and network architecture on a 24x7 basis – identifying both internal and external threats, conducting disaster recovery drills in a systematic manner to achieve better Recovery Point Objective (RPO) and Recovery Time Objective (RTO) and undertaking rigorous security tests and evaluations prior to launching any application – to assure zero prospective loss to the customers or the organisation. • We regularly conduct vulnerability assessment and penetration testing, using internal resources and under the guidance of external experts. • We have drawn upon a contingency plan for rendering crucial business functions to customers, amid any functional section turning out to be non-functional at any point of time.
<p>Cyber Security Risk</p> <p>The risk arising out of cyber-attacks and hacking, owing to increased usage of internet and digital means.</p>	<ul style="list-style-type: none"> • The Company has deployed an effective and secure cybersecurity framework to manage threats. • We safeguard critical assets from cyber-attacks through our 24X7 Security Operations Centre (SoC) • We have systematically invested in installing state-of-the-art security system and hired professionals to ensure highest standards of preparedness against any cybersecurity threat. • We established security framework, policies and procedures aligned with best-in-class industry standards to protect information across all strata of the organisation. • We conduct all-inclusive security training programs and workshops for higher awareness on cyberattack incidents, such as malware, phishing, ransomware, spoofing, and more. • We procured ISO 27001 certification for Information Security Management System framing policies and procedures, on IT framework, covering all IT processes. • We installed Email Threat Prevention (ETP) services to quarantine potential e-mail threats in advance. • We conduct regular penetration tests to assess vulnerabilities in the IT infrastructure and network. • We scrutinise fraud protection measures for authentication of risk-based transactions.

Management Discussion and Analysis

Annexure 3 (Contd.)

INTERNAL AUDIT

The Audit Committee and Risk Management Committee encompassing members from the Board of Directors appraises performance of the Internal Audit function of the Company which helps to effectively control and adhere to the regulatory compliance guidelines laid out depicting highest standards of governance followed in the Company.

The Internal Control System of the Company is proportionate to its size, scale, nature, and complexity of operations. The Company conducts its internal audit within the parameters of regulatory framework through execution of annual internal audit plan. The Internal audit department carries out specific assessments laid by the management under existing regulations to monitor adequacy, efficacy and adherence to the internal controls, processes, and procedures. This helps in conservation of Company's assets.

The Company adopts Risk-based approach of Internal Audit (RBIA). The vital focus of this system is to focus on key risk areas of importance with main emphasis on risks that has extensive impact.

The Internal Audit department reports to the Audit Committee for Audit Planning & Reporting. The relevant audit reports are circulated to the management teams and the Audit Committee of the Board. The Audit Committee regularly reviews the audit findings as well as the adequacy and effectiveness of the internal control measures.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Company has in place an effective internal control system to synchronise its business processes, operations, financial reporting, fraud control, and compliance with extant regulatory guidelines and compliance parameters. Strict internal control and systems are devised as a depiction of the principles of the highest standards of governance. The Company ensures that

a standard and effective internal control framework operates throughout the organisation, providing assurance about safekeeping of the assets and execution of transactions as per the authorisation in compliance with the internal control policies of the Company. This confirms orderly and effective conduct of its business, including adherence to the Company's policies, accuracy and completeness of the accounting records and timely preparation of reliable financial information. The internal financial controls with reference to the financial statements were adequate and operating effectively.

The Management periodically reviews the framework, efficacy, and operating effectiveness of the Internal Financial Controls of the Company, broadly in accordance with the criteria established under the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organisations of the Treadway Commission ("COSO").

CAUTIONARY STATEMENT

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

Compliance Certificate By CEO / CFO

Annexure 4

To

The Board of Directors

Shriram City Union Finance Limited

Chennai

We, Y S Chakravarti, Managing Director and Chief Executive Officer and Sri Ramasubramanian Chandrasekar, Executive Director and Chief Financial Officer of M/s Shriram City Union Finance Limited ("Company") pursuant to Regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the best of our knowledge and belief, certify that

- (i) we have reviewed the Balance Sheet as at March 31, 2022 and statement of Profit and Loss for the year ending on same date, Cash Flow statement as on the same date and the notes there to (together known as financial statements).
- (ii) these financial statements do not contain any materially untrue statement or omit any material fact or they contain statements that might be misleading.
- (iii) these financial statements and other financial information included in this report present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (iv) there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (v) we accept responsibility for establishing and maintaining internal controls for financial reporting of the Company.
- (vi) we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting.
- (vii) there are no deficiencies in the design or operation of internal controls which are to be disclosed to the auditors and/or to the Audit and Risk Management Committee.
- (viii) we have indicated to the auditors of the Company and the Audit and Risk Management Committee that there were
 - a) no significant changes in internal control over financial reporting during the year covered by this report;
 - b) no significant changes in accounting policy has been made during the year covered by this report;
 - c) no significant instances of fraud detected during the year except the frauds reported in Notes to Accounts.

Yalamati Srinivasa Chakravarti

Managing Director and Chief Executive Officer
DIN - 00052308

Ramasubramanian Chandrasekar

Chief Financial Officer

Place : Chennai

Date : April 29, 2022

Form No. AOC - 2

Annexure 5

(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 ARM'S LENGTH BASIS

Sl. No.	Particulars	Remarks
a)	Name (s) of the related party and nature of relationship	-
b)	Nature of contracts/arrangements/transactions	-
c)	Duration of the contracts/ arrangements/ transactions	-
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	-
e)	Justification for entering into such contracts or arrangements or transactions	-
f)	Date(s) of approval by the Board	Not applicable
g)	Amount paid as advances, if any	-
h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Not applicable

2. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARM'S LENGTH BASIS

Sl. No.	Particulars	Remarks
a)	Name (s) of the related party and nature of relationship	-
b)	Nature of contracts/arrangements/transactions	-
c)	Duration of the contracts/ arrangements/ transactions	-
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	-
e)	Date(s) of approval by the Board	Not applicable
f)	Amount paid as advances, if any	-

Annexure 6

Disclosure pursuant to the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as at March 31, 2022.

PARTICULARS	SCUF Employees Stock Option Scheme, 2006
Date of shareholder's approval	October 30, 2006
a) Options Granted	13,55,000 equity shares of ₹ 10/- each
Vesting requirements	Options granted shall be vested after the period of one year from the date of grant
b) Exercise price	₹ 35/- per option
Maximum term of options granted	Options granted can be vested after the gap of a one Year and the vested options can be exercised within a period 10 Years
Source of shares	Primary
c) Options vested	13,55,000
d) Options exercised	13,44,140
Number of options outstanding at the beginning of the period	10,860
Number of options granted during the Year	-
Number of options forfeited / lapsed during the Year	-
Number of options vested during the Year	-
Number of options exercised during the Year	-
e) Number of shares arising as a result of exercise of option	-
f) Options lapsed	-
g) Variation of terms of options	-
h) Money realized by exercise of options	-
Number of options outstanding at the end of the Year	10,860
Number of options exercisable at the end of the Year	10,860
i) Total number of options in force	10,860
j) Employee wise details of options granted to:	
i) Senior Management Personnel	-
ii) Any other employee who receives a grant of option amounting to 5% or more of option granted	-
iii) identified employees who were granted option equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	-
k) Diluted earnings per share (EPS) pursuant to issue of Shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'	₹ 163.17
i) Method of calculation of employee compensation cost	Intrinsic value method
ii) Difference between the employee compensation cost so calculated at (i) above and the employee compensation cost that shall have been recognised if it had used the fair value of the Options	Fair Value method (Using Black Scholes Model): ₹ 30.82 crores Intrinsic Value method: ₹ 30.69 crores Difference in cost : ₹ 0.13 crores
iii) The impact of this difference on profits and on EPS of the Company	Fair Value method - (Using Black Scholes Model) Intrinsic Value method - Not Applicable Impact on Profit - Not Applicable Impact on Diluted EPS - Not Applicable
l) Weighted average exercise price	₹ 35.00
Weighted average fair value	₹ 227.42

Annexure 6 (Contd.)

PARTICULARS	SCUF Employees Stock Option Scheme, 2006
m) Fair value of options based on Black Scholes methodology	
Assumption risk free rate	7.67%
Expected life of options (in Years)	5
Expected volatility (based on Monthly Volatility of the Company's stock price on the NSE)	55.36%
Expected Dividends per share	₹ 3.00
Closing market price of share at NSE on date of option granted	₹ 261.45
PARTICULARS	SCUF Employees Stock Option Scheme, 2013
Date of shareholder's approval	May 31, 2013
a) Options Granted	26,27,000 equity shares of ₹ 10/- each
Vesting requirements	Options granted shall be vested after the period of one year from the date of grant
b) Exercise price	₹ 300/- per option
Maximum term of options granted	Options granted can be vested after the gap of a one Year and the vested options can be exercised within a period 10 Years
Source of shares	Primary
c) Options vested	18,23,100
d) Options exercised	
Number of options outstanding at the beginning of the period	9,10,543
Number of options granted during the Year	9,07,453
Number of options forfeited / lapsed during the Year	4,925
Number of options vested during the Year	
Number of options exercised during the Year	6,22,994
e) Number of shares arising as a result of exercise of option	6,22,994
f) Options lapsed	4,925
g) Variation of terms of options	-
h) Money realized by exercise of options	₹ 18,68,98,200
Number of options outstanding at the end of the Year	11,89,987
Number of options exercisable at the end of the Year	11,89,987
i) Total number of options in force	11,89,987
j) Employee wise details of options granted to:	
i) Senior Management Personnel	Mr. Chitta Ranjan Dash, Company Secretary Grant I to VI - 1200 shares for each Grant
ii) Any other employee who receives a grant of option amounting to 5% or more of option granted	Nil
iii) identified employees who were granted option equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil
k) Diluted earnings per share (EPS) pursuant to issue of Shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'	₹ 163.17
i) Method of calculation of employee compensation cost	Fair Value Method
ii) Difference between the employee compensation cost so calculated at (i) above and the employee compensation cost that shall have been recognised if it had used the fair value of the Options	Not Applicable, as Fair value method is followed
iii) The impact of this difference on profits and on EPS of the Company	Not Applicable, as Fair value method is followed

Annexure 6 (Contd.)

PARTICULARS	SCUF Employees Stock Option Scheme, 2013
l) Weighted average exercise price	₹ 300.00
Weighted average fair value	₹ 1125.66
m) Fair value of options based on Black Scholes methodology	Grant I – ₹ 399.20 Grant II – ₹ 560.18 Grant III – ₹ 756.39 Grant IV – ₹ 1539.79 Grant V – ₹ 1985.23 Grant VI – ₹ 1517.66
Assumption risk free rate	Grant I – 5.85% Grant II – 5.88% Grant III – 6.20% Grant IV – 4.48% Grant V – 4.82% Grant VI – 5.03%
Expected life of options (in Years)	10 Years from the vesting date.
Expected volatility (based on Monthly Volatility of the Company's stock price on the NSE)	Grant I – 38.28% Grant II – 44.52% Grant III – 47.21% Grant IV – 27.52% Grant V – 49.85% Grant VI – 53.76%
Expected Dividends per share	Nil
Closing market price of share at NSE on date of option granted	Grant I – ₹ 661.80 Grant II – ₹ 822.75 Grant III – ₹ 1018.70 Grant IV – ₹ 1814.10 Grant V – ₹ 2257.45 Grant VI – ₹ 1787.90

Annexure 7

R. SUBRAMANIAN AND COMPANY LLP

Chartered Accountants
New No. 6, Krishnaswamy Avenue, Luz,
Mylapore, Chennai – 600 004.

ABARNA AND ANANTHAN

Chartered Accountants
521, 3rd Main Rd, 2nd Phase,
6th Block, Banashankari, Bengaluru - 560085

The Members,
Shriram City Union Finance Limited

This is to certify that the 'SCUF Employees Stock Options Scheme 2006' ("the 2006 ESOP scheme") and 'SCUF Employees Stock Options Scheme 2013' ("the 2013 ESOP scheme") of Shriram City Union Finance Limited (CIN – L65191TN1986PLC012840), has been implemented in accordance with the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and in accordance with the resolution passed by the Company at its Extraordinary General Meeting held on October 30, 2006 and May 31, 2013 wherein the aforesaid 2006 ESOP scheme and 2013 ESOP scheme were approved by the shareholders respectively.

This Certificate is issued under Regulation 13 of the Securities and Exchange Board of India (Share based Employee benefits) Regulations, 2014.

For R Subramanian and Company LLP

Chartered Accountants
FRN : 04137S / S200041

CA K Jayasankar

Partner
M No. 014156
UDIN : 22014156AIBOUT9841
Place : Chennai
Date : April 29, 2022

For Abarna and Ananthan

Chartered Accountants
FRN : 000003S

CA (Smt) Lalitha Rameswaran

Partner
M No. 207867
UDIN : 22207867AIBIBF6407

Annexure 8

DISCLOSURE UNDER RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The remuneration of Sri Ramasubramanian Chandrasekar, Chief Financial Officer (“CFO”) and Sri C R Dash, Company Secretary (“CS”) during Financial Year 2021-22 (“FY22”) were ₹ 0.63 crores and ₹ 1.13 crores respectively. There was an increase of 16.67% in the remuneration of Sri Ramasubramanian Chandrasekar, CFO and increase of 101.79% the remuneration of Sri C R Dash, CS during 2021-22.

The percentage increase in the median remuneration of employees in the 2021-22 was 6.39% (2020-21 : 2.68%)

The total number of employees on the rolls of the Company as on March 31, 2022 was 27,997 (March 31, 2021 : 24,963).

The average percentile increase in salaries of employees of the Company other than key managerial personnel in 2021-22 was 13%. Average increase in key managerial remuneration was 49%. There were no exceptional circumstances for increase in the managerial remuneration.

INFORMATION AS REQUIRED UNDER RULE 5 (2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

EMPLOYEES IN RECEIPT OF REMUNERATION OF NOT LESS THAN ₹ 1.02 CRORES PER ANNUM

Financial Year: 2021-22

Name of the employee	Designation	Remuneration* (₹ in crores)	Nature of employment, whether contractual or otherwise	Qualifications	Experience (in Years)	Date of commencement of employment	Age (in Years)	Last employment held before joining the Company	Relationship with Director/ Manager of the Company
Venkateswara Rao V	Executive Director	1.80	Permanent	B.Sc/ M.Sc	34	01-Jul-1994	63	Shriram Chits Private Limited	No
Niranjan Rao V	Executive Director	1.79	Permanent	B.Com /M.Com	29	01-Sep-1993	57	Shriram Chits Private Limited	No
Ramachandran Nair	Business Head	1.79	Permanent	BA, PGDBM	28	12-Mar-2010	53	Fullerton India Credit Co Limited	No
Prasad V	Executive Director	1.77	Permanent	B.Com	31	08-Jan-2007	55	Shriram Chits Private Limited	No
Narasa Reddy P	Executive Director	1.71	Permanent	B.Sc	29	01-Apr-1993	56	Shriram Chits Private Limited	No
Siddhartha Pakrasi	Business Head	1.70	Permanent	B.Com, PGDM	25	27-Jun -2011	48	Hong Kong and Shanghai Banking Corporation	No
Praveen Kumar V	Executive Director	1.62	Permanent	B.Com, PGDM	28	01-Jun-2007	51	Shriram Chits P Limited	No
Parikshit Kapoor	Zonal Head - Sales	1.56	Permanent	M.B.A	19	14-Feb-2017	43	ICICI Bank Limited	No
Swapneel Patil	Head - Operations	1.26	Permanent	B.E, MMS	24	25-Mar-2013	48	Fullerton India credit Co Limited	No
Chitta Ranjan Dash	President and Company Secretary	1.13	Permanent	B.Com, CS,CA	33	16-April-2009	58	Prithivi Information solutions	No

Annexure 8 (Contd.)

TOP 10 EMPLOYEES IN TERMS OF REMUNERATION DRAWN

Financial Year : 2021-22

Sl. No.	Name of the employee	Designation	Remuneration* (₹ in crores)	Nature of employment, whether contractual or otherwise	Qualifications	Experience (in Years)	Date of commencement of employment	Age (in Years)	Last employment held before joining the Company	Relationship with Director/ Manager of the Company
1	Venkateswara Rao V	Executive Director	1.80	Permanent	B.Sc/ M.Sc	34	01-Jul-1994	63	Shriram Chits Private Limited	No
2	Niranjan Rao V	Executive Director	1.79	Permanent	B.Com /M.Com	29	01-Sep-1993	57	Shriram Chits Private Limited	No
3	Ramachandran Nair	Business Head	1.79	Permanent	BA, PGDBM	28	12-Mar-2010	53	Fullerton India Credit Co Limited	No
4	Prasad V	Executive Director	1.77	Permanent	B.Com	31	08-Jan-2007	55	Shriram Chits Private Limited	No
5	Narasa Reddy P	Executive Director	1.71	Permanent	B.Sc	29	01-Apr-1993	56	Shriram Chits Private Limited	No
6	Siddhartha Pakrasi	Business Head	1.70	Permanent	B.Com, PGDM	25	27-Jun -2011	48	Hong Kong and Shanghai Banking Corporation	No
7	Praveen Kumar V	Executive Director	1.62	Permanent	B.Com, PGDM	28	01-Jun-2007	51	Shriram Chits P Limited	No
8	Parikshit Kapoor	Zonal Head - Sales	1.56	Permanent	M.B.A	19	14-Feb-2017	43	ICICI Bank Limited	No
9	Swapneel Patil	Head - Operations	1.26	Permanent	B.E, MMS	24	25-Mar-2013	48	Fullerton India credit Co Limited	No
10	Chitta Ranjan Dash	President and Company Secretary	1.13	Permanent	B.Com, CS,CA	33	16-April-2009	58	Prithivi Information solutions	No

Annual Report on Corporate Social Responsibility Activities for the Financial Year Ended on March 31, 2022 ("2021-22")

Annexure 9

1. Brief outline on CSR Policy of the Company.

Shriram City Union Finance Limited ("Company") formulated a policy named "Corporate Social Responsibility ("CSR") Policy in line with Section 135 of the Companies Act 2013 ("CA13"), Schedule VII to CA13 and Companies (Corporate Social Responsibility Policy) Rules 2014. The Company's CSR Projects/Activities are carried on by the Company directly or through implementing agency as approved from time to time by the CSR Committee in accordance with CSR policy of the Company. The CSR spend is planned in advance keeping in view the amount required to be spent specified under the Companies Act 2013, CSR Policy, scalability and other related matters. The CSR projects of the Company during 2021-22 were undertaken on education, skill development, livelihood, health care and art and culture. The Company is open to join hands with other implementing agencies for optimal use of resources and skill. The CSR policy of the Company continues to be displayed on the website of the Company. (Refer Table – 1)

2. Composition of CSR Committee

S No	Name of the Director/ Designation	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
i	Smt Maya S Sinha, Chairperson	NE, I	3	3
ii	Sri Debendranath Sarangi, Member	NE, I	3	3
iii	Sri Yalamati Srinivasa Chakravarti, Member	E, NI	3	3

3. Web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company. https://www.primeinfobase.in/z_SHRIRAMCIT/pdf_files/Corporate_Social_Responsibility_Policy.zip and <https://www.shriramcity.in/about-us#communityservice>

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) - Not Applicable

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (₹ In lakh)	Amount required to be set off for the financial year, if any (₹ In lakh)
	TOTAL		

6. Average net profit of the Company as per section 135(5) - ₹ 1,416.96 crores

7. (a) Two percent of average net profit of the Company as per section 135(5) - ₹ 28.34 crores

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

(c) Amount required to be set off for 2021-22, if any - Nil

(d) Total CSR obligation for 2021-22 (7a+7b-7c).

Annexure 9 (Contd.)

8. (a) CSR amount spent or unspent for 2021-22:

Total Amount Spent for 2021-22. (₹ in crores)	Amount Unspent (₹ in crores)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
28.35	-	-	-	-	-

(b) Details of CSR amount spent against ongoing projects for 2021-22:

Amounts (₹ in crores)

(1) Sl. No.	(2) Name of the Project.	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the Project		(6) Project duration	(7) Amount allocated	(8) Amount spent in 2021-22	(9) Amount transferred to Unspent CSR Account [Ref: Section 135(6)]	(10) Mode of Implementation - Direct/Implementing Agency (Yes/No).	(11) Direct	
				State.	District.						Direct	CSR Registration Number.
1	2-wheeler automotive program - Pratham Foundations	Skill Development		HP	Bilaspur	Yearly	2.36	2.69		IA – Pratham Education Foundation		CSR0000258
				TN	Chennai							
				MP	Jabalpur							
				UP	Kanpur							
				UP	Muzaffarpur							
		TLG	Warangal									
2	Ramakrishna Mission Polytechnic College	Promoting Education		TN		Yearly	1.76	1.77		IA – Ramakrishna Mission Students Home		CSR00006101
3	Swami Vivekananda Rural Development Society -Single Teacher Schools	Education		TN		Yearly	2.00	2.00		IA Swami Vivekananda Rural Development Society		CSR00001905
4	Shriram Matriculation School - Tiruneermalai	Education		TN		Yearly	1.6	1.17		IA Shriram Foundations		CSR00010975
5	Shriram High School - Vijayawada	Education				Yearly	0.40	0.30		IA Shriram Foundations		CSR00010975
6	Chennai Mathematical Institute	Education		TN		Yearly	8.00	8.00		IA – CMI		CSR00001760
7	South India Club	Art & Culture				Yearly	4.77	7.50		IA SIC		CSR00017910
8	Ekadaksha Trust	Skill Development				Yearly	0.02	0.02		IA Ekadaksha		CSR00004698
TOTAL							21.21	23.45				

Annexure 9 (Contd.)

(c) Details of CSR amount spent against other than ongoing projects for 2021-22:

(1) Sl. No.	(2) Name of the Project.	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Amount spent for the project (₹ in crores).	(7) Mode of implementation on - Direct (Yes/No).	(8) Mode of implementation - Through implementing agency	
				State.	District.			Name	CSR Registration number
1	Pratham Mody Technical Institute	Skill Development		AMH	Ahmed Nagar	2.00	IA – Pratham Foundations		CSR00000258
2	Viveka Tirtha (Ramakrishna Mission)	Art & Culture		WB	Kolkata	2.50	IA – Ramakrishna Mission Students Home		CSR00006101
3	Toilet cum Bathroom (TCB project) (Swami Vivekananda Rural Development Society)	Healthcare & Hygiene		TN	Multiple	2.25	IA – Vivekananda Rural Development Society		CSR00001905
4	The Art of Living Free Schools	Education		Raj, MP & Odi		0.50	IA		CSR00002469
5	The Indian Red Cross Society	Healthcare & Hygiene		AP	Guntur	0.09	IA		CSR00020705
6	Sri Vidya Mandir Mat School,	Education		TN	Nagapattinam	0.50			CSR00000683
7	Skill Training Program for women (Single Teacher Schools)	Skill Development		TN	Tiruvallur	0.33			CSR00001905
8	Nethrodaya - Mugapair, Chennai	Healthcare & Hygiene		TN	Chennai	0.06			CSR00017927
TOTAL						8.23			

(d) Amount spent in Administrative Overheads

(e) Amount spent on Impact Assessment, if applicable - No

(f) Total amount spent for 2021-22 (including amount paid from CSR Unspent A/c FY2020-21) - ₹ 31.68 crores

(8b+8c+8d+8e)

(g) Excess amount for set off, if any –

Sl. No.	Particular	Amount ₹ in crores
(i)	Two percent of average net profit of the Company as per section 135(5)	28.34
(ii)	Total amount spent for the Financial Year (excluding amount paid from CSR Unspent A/c FY2020-21)	28.35
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.01
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.01

Annexure 9 (Contd.)

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

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer.	
1.							
2.							
3.							
	TOTAL						

(b) Details of CSR amount spent in 2021-22 for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed /Ongoing.
NIL								

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

(asset-wise details).

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

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5). – Not Applicable

Sd/-

Yalamati Srinivasa Chakravarti

DIN - 00052308

Managing Director and Chief Executive Officer

Sd/-

Maya S Sinha

DIN – 03056226

Chairperson – CSR Committee

Annexure 10

DECLARATION ON CERTIFICATE OF INDEPENDENCE FROM INDEPENDENT DIRECTORS

I hereby confirm that the Company has received from each of the independent directors namely Sri Debendranath Sarangi, Sri Diwakar B Gandhi, Smt Maya S Sinha, and Sri Venkataraman Murali certificate stating his/her independence as required under section 149 (6) of the Companies Act, 2013.

Place : Chennai
Date : April 29, 2022

Yalamati Srinivasa Chakravarti
DIN - 00052308
Managing Director and CEO

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members of
SHRIRAM CITY UNION FINANCE LIMITED
123, ANGAPPA NAICKEN STREET,
CHENNAI – 600001

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Shriram City Union Finance Limited having CIN L65191TN1986PLC012840 and having registered office at 123, Angappa Naicken Street, Chennai – 600001 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment at Current Designation in the Company
1.	Debendranath Sarangi	01408349	January 28, 2015
2.	Yalamati Srinivasa Chakravarti	00052308	July 1, 2019
3.	Diwakar Bhagwati Gandhi	00298276	April 1, 2019
4.	Duruvasan Ramachandra	00223052	June 6, 2012
5.	Ignatius Michael Viljoen	08452443	July 29, 2019
6.	Maya S Sinha	03056226	May 28, 2015
7.	Shashank Singh	02826978	October 28, 2015
8.	Umesh Govind Revankar	00141189	December 14, 2021
9.	Venkataraman Murali	00730218	December 1, 2011

Annexure 10 (Contd.)

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Chennai
Date : April 28, 2022

For SPNP & Associates
Nithya Pasupathy
Certificate of Practice No – 22562
Membership No. - F10601
UDIN : F010601D000226564

Annexure - 11

DECLARATION ON COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT

I hereby confirm that the Company has obtained from all the members of the Board and designated senior management employees of the Company affirmation that they have complied with "Code of Conduct for Board Members and Senior Management" ("Code") of the Company during the year ended March 31, 2022.

Place : Chennai
Date : April 29, 2022

Yalamati Srinivasa Chakravarti
DIN - 00052308
Managing Director and CEO

Annexure -12

POLICY ON APPOINTMENT, REMUNERATION AND DIVERSITY OF BOARD

1. Background :

Companies Act 2013 ("CA13") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") require the Nomination and Remuneration Committee of a company to recommend to the Board and the Board to approve a Policy on Appointment, Remuneration and Diversity of Board ("Policy"). Regulations of Reserve Bank of India ("RBI") also requires NBFCs to have a policy on Fit and Proper criteria for appointment of Directors. Accordingly, the Board of Directors ("Board") of M/s Shriram City Union Finance Limited ("Company") has approved this policy considering the recommendation of its Nomination and Remuneration Committee ("NRC").

2. Applicability :

This Policy covers the appointment, remuneration of Directors, Key Managerial Personnel ("KMP"), Senior Management Personnel of the Company and the performance appraisal of the Directors.

3. Definition :

All terms used in the Policy shall have the same meaning as ascribed to them under CA13, SEBI (LODR).

4. Objectives :

The objective of this policy is to stipulate criteria for

- Appointment, re-appointment, continuance, discontinuance and extension of term of directors KMPs and senior management
- Increase diversity at Board level and to make maximum use of the skills and industry experience of the directors.
- Retain, Promote, motivate and sustain talent in the Company
- Remuneration payable to the Directors, KMP and Senior Management personnel.
- Ensure the remuneration is reasonable, sufficient to attract and retain talents and is proportional to the effort, performance, dedication and achievement relating to the Company's operations of the concerned individual.
- Strike the balance between fixed component and variable incentive of remuneration.

5. Criteria For Appointment :

The appointment shall be based on the following criteria.

- Qualification, technical expertise, track record, and relevant experience for the concerned position
- Age, number of years of service, specialised expertise and period of employment or association with the Company.
- Special achievements and operational efficiency which contributed to growth in business in the relevant functional area.
- Constructive and active participation in the affairs of the Company.
- Exercising the responsibilities in a bona fide manner in the interest of the Company.

Policy On Appointment, Remuneration And Diversity Of Board

- Sufficient devotion of time to the assigned tasks.
- Diversity of the Board keeping in view the skills, qualification, experience in varied fields of finance, banking, administrative etc. of directors in different industry and other related matters.
- Having a valid Director Identification Number in case of a director and having name in the data base of the Indian Institute of Corporate Affairs in case of Independent Directors throughout the tenure in the Company.

Criteria For Remuneration:

The remuneration shall be sufficient based on the criteria of appointment mentioned above and shall be subjected to the limits mentioned below.

Annexure 12 (Contd.)

POLICY ON APPOINTMENT, REMUNERATION AND DIVERSITY OF BOARD

Category	Remuneration	Remarks
Whole-time Director & Managing Director	Basic Pay, allowances, Perquisites, Retirement benefits, ESOP and reimbursement of expenses incurred in performance of office duties	Subject to the ceiling limits prescribed under the CA13/ approval of Shareholders.
Director (other than Independent Director)	Sitting Fees and reimbursement of reasonable expenses for attending the meetings of Board and Committees, where such director is a member as decided by the Board from time to time.	Sitting Fees are subject to the applicable ceiling limits (not exceeding 1 lakh per meeting) prescribed under CA13.
Independent Directors	Sitting Fees of ₹ 75,000/- per meeting of the Board, per meeting of each Committee	
Senior Management Personnel/ KMP	Basic Pay, allowances, Perquisites, retirement benefits, ESOP reimbursement of expenses incurred in performance of office duties.	To be decided by the Managing Director based on appointee

The Managing Director shall decide about the remuneration of the executives based on the criteria set, subject to ceiling fixed under any applicable law at the time of appointment and shall decide about reasonable annual increase keeping in view the prevailing market condition, statutory requirements objectives/criteria and any other factor.

The following matters shall be brought to the attention of the NRC for evaluation and recommendation.

- a. Remuneration to any person in excess of Rupees two crore per annum
- b. Appointment / remuneration of Directors, KMPs, Senior management personnel.

Policy On Appointment, Remuneration And Diversity Of Board

The maximum remuneration payable to all the Directors/managerial personnel shall be capped as provided under Section 197,198, Schedule V of the Act.

On appointment, the Company shall issue appointment letter.

Process Of Evaluation:

The evaluation of the Board, Committee, Director and Chair Person shall be carried out at least once a year. The evaluation of performance of each independent director shall be done by all the directors except the concerned independent director. The evaluation of performance of non-independent directors shall be carried out by the Independent Directors. Independent Directors shall also evaluate the Board as a whole, the Chairperson of the Company, quantity and timeliness of flow of information. The evaluation shall be carried out through an evaluation sheet based on different criteria, i.e. qualification, experience, age, participation, attendance, knowledge, quality of discussion, beneficial contribution etc. The evaluation and the results thereof shall be confidential.

Performance Evaluation Of The Board/Committee:

Each director shall be provided with rating sheet on the pre set criteria. The rating sheet shall be filled in by each director with scores awarded by him/her and shall be handed over to the Company Secretary. The total score given by all the directors participating in the evaluation shall be totalled up and averaged out by dividing the total score with number of participating directors. Based on the average score, the Board may decide on the necessary improvemental activities to be under taken.

Performance Evaluation Of The Directors:

Each director shall be provided with rating sheet on the pre set criteria. The rating sheet shall be filled in by each director for all the directors except himself/herself with necessary details with scores awarded by him/her. The filled in rating sheet shall be handed over to the Company Secretary. The total score given by all the directors participating in the evaluation shall be totalled up and averaged out by dividing the total with number of participating directors.

Outcome Of The Evaluation

The outcome of the evaluation shall be placed before the Board, NRC and before the meeting of Independent Directors. The NRC, Meeting of Independent Directors based on their observation of the awarded scores placed before them, can suggest to the Board for action, if any. Based on the recommendation of relevant Committee and based on its own observation, Board can decide about continuance, discontinuance and extension.

Annexure 12 (Contd.)

Effect And Revision:

This policy shall come into effect from April 1, 2022 and shall remain in force till amended by the Board with recommendation of the Committee. Any regulatory changes affecting this Policy shall prevail over this Policy.

DIVIDEND DISTRIBUTION POLICY

1. Preamble :

Dividend is the payment made by a company to its shareholders, usually in the form of distribution of its profits. The profits earned by a company can either be retained in business and/or be used for acquisitions, expansion, diversification, business growth or it can be distributed to the shareholders. A company may choose to retain a part of its profits and distribute the balance among its shareholders as dividend. This Policy aims to balance between these. This Dividend Policy ("Policy") will guide dividend declaration and its pay-out by the Shriram City Union Finance Limited ("Company") in accordance with the provisions of Companies Act 2013 ("CA13"), Rules thereunder ("Rule") Secretarial Standard ("SS"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") and any other applicable rules and regulations. The objective of this policy is to ensure a regular dividend income for the shareholders and long term capital appreciation for all shareholders of the Company. The Board of Directors of the Company ("Board") will refer to the policy for declaring/ recommending dividends. This policy is framed as required under SEBI Circular No. SEBI/ LAD-NRO/GN/2016-17/008 dated July 8, 2016.

2. Applicability and Review :

It shall come into force with effect from April 1, 2022. Any change in applicable law, regulation shall prevail over this Policy. This policy shall be reviewed by the Board periodically for any changes or amendments. The Company has issued only Equity Shares and no Preference shares issued by the Company are outstanding.

3. Definitions :

- i. Company : Shriram City Union Finance Limited
- ii. Board : Board of Directors of the Company
- iii. Current Financial Year : The financial year for which the dividend is declared/ recommended
- iv. Dividend : Distribution of any sums to Members out of Profits of the Company and included both interim and final dividend
- v. Dividend Pay Out Ratio: The percentage of dividend paid/recommended bears to Profit determined for Dividend purposes.
- vi. Interim Dividend: Dividend declared by the Board
- vii. Final Dividend: Dividend recommended by the Board and declared by the Members at an Annual General Meeting of the Company.

4. Category of Dividends :

The CA13 provides for two forms of Dividend - Final and Interim.

(i) Interim Dividend

The Board shall have the absolute power to declare interim dividend during a financial year, as and when it considers fit. The Board may endeavour to declare an interim dividend one or more times in a financial year after finalisation of quarterly/half yearly/yearly financial accounts based on the profits of the Company.

(ii) Final Dividend

The Final dividend shall be recommended to the shareholders/members of the Company by the Board after the annual financial statements are approved by the Board. The Board shall recommend the payment of Final Dividend to the shareholders/members for their approval as an ordinary business item of the Annual General Meeting. **If the Board declares more than one interim dividend in a financial year, the Board may recommend to the shareholder to treat the last interim dividend as a final Dividend.**

Annexure 12 (Contd.)

5. Factors to be considered for declaring Dividend :

The payment/recommendation of dividend is to determine the amount of profit to be distributed among shareholders and amount of profit to be retained in business. The Board will endeavour to take a decision with an objective to enhance shareholders wealth and market value of the shares. The Board considers a stable dividend to constitute an important element of the Company's investment attractiveness and shareholder return. As a leading Non banking finance Company operating in rapidly developing, yet volatile, markets, its primary need is to maintain sufficient resources and financial flexibility to meet financial and operational requirements. The Retained earnings strengthen the Company's net owned funds. It will further help in maintaining Capital Adequacy Ratio (CAR) for the Company. The Board from time to time will decide utilisation of the retained earnings for organic/inorganic growth, market competition, creating long term shareholder value etc. The Board will ensure judicious balancing of these factors in the interest of the Company and its stakeholders. The decision regarding recommendation/declaration of dividend will depend upon various external and internal factors including the following:

(i) External Factors:-

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

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

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

(ii) Internal Factors:- In addition to the matters mentioned in CA13, regulations and this Policy, the following factors shall be considered.

Profitability, cash flow, cost of funds, business growth/expansion, diversification, additional investments, acquisition of business, modernisation and any other matter as may be decided by the Board from time to time.

The Shareholders of the Company may or may not expect dividend for a financial year(s) in the circumstances of (a) challenging/sluggish market conditions, (b) tough liquidity position, (c) losses/no profits/inadequate profits.

6. QUANTUM OF DIVIDEND :

Dividend shall be recommended/declared by the Board out of profits of the Current Financial Year of the Company. It shall not be recommended/paid out of Free Reserves or Profits of earlier financial years or both. No dividend shall be declared/paid if there is default in redemption of debentures, payment of interest on debentures, creation of debenture redemption reserve, creation of capital redemption reserve, payment of dividend declared. The following matters shall be considered for determining the quantum of dividend. Company shall declare/recommend and disclose the Dividend on per share basis only

- i) Current financial year's profit as determined for the purpose of Dividend in terms of applicable provisions of CA13.
 - ii) Transfer to reserves such amount as may be prescribed under the CA13, RBI regulation and other applicable regulation
- The determination of dividend pay-out shall depend upon regulatory, internal and external factors .The Board may maintain a Dividend pay-out ratio (including the applicable dividend distribution tax) in the range of 20 – 25% or such other range as may be decided by the Board from time to time of profits after tax (PAT).

7. Process Payment of Dividend :

- The Company will give prior intimation of 2 working days to Stock Exchanges (excluding the date of intimation and the date of the Board meeting) of date of Board Meeting in which the declaration / recommendation of dividend will be considered.
- The Company will inform about the decision taken by Board regarding dividend to Stock Exchange within 30 minutes of the closure of the Board Meeting.

Annexure 12 (Contd.)

- The Company will fix **Record date** for the purpose of determination for list of shareholders eligible to receive dividend. Persons appearing as members in the register of members or benpose of the Company shall be entitled for Dividend.
- The intimation for fixing **Record date** shall be given to exchange at least seven working days in advance (excluding the date of intimation and the record date).
- Payment of Dividend shall be made through electronic mode or cheques or payable at par warrants. If dividend is payable by at par warrants or cheques they shall be sent by speed post, if it exceeds one thousand five hundred rupees. The Company shall be discharged of its responsibility of payment of Dividend on the amount debited to the Dividend Banking account of the Company with such dividend paying Bank.
- The dividend declared shall be deposited in a scheduled bank in a separate account within five days form the date of declaration of such dividend.

8. Unclaimed/Unpaid Dividend :

- Dividend declared by a Company remaining unpaid or unclaimed within 30 days from the date of declaration of Dividend, the Company shall within 7 days from the date of expiry of the said period of thirty days to a special account to be opened by the Company in any Scheduled bank to be called the Unpaid Dividend Account.
- Any money transferred to the Unpaid Dividend Account of a Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company along with Interest accrued, if any, thereon to the Fund established by the Central Government called the Investor Education and Protection Fund ("IEPF") and investors can claim refund from IEPF and not from Company.

Business Responsibility Report

Annexure 13

BUSINESS RESPONSIBILITY REPORT FOR THE YEAR ENDED ON MARCH 31, 2022		
SECTION A : GENERAL INFORMATION ABOUT THE COMPANY		
1	Corporate Identity Number (CIN) of the Company	L65191TN1986PLC012840
2	Name of the Company	Shriram City Union Finance Limited
3	Registered address	123, Angappa Naicken Street, Chennai - 600 001
4	Website	www.shriramcity.in
5	E-mail id	sect@shriramcity.in
6	Financial Year reported	2020-2021
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code-64990
8	List three key products/services that the Company manufactures/provides (as on March 31, 2022)	Small Enterprise Finance, Two-wheeler loans, Personal loans, Loan against gold, Auto loans, Pre-owned two-wheeler loans and Loan against property.
9	Total number of locations where business activity is undertaken by the Company	
a)	Number of International Locations (Provide details of major 5)	Nil
b)	Number of National Locations	986
10	Markets served by the Company - Local /State/National/ International	National
SECTION B : FINANCIAL DETAILS OF THE COMPANY		
1	Paid up Capital (₹ in Lakhs) (Consolidated)	6,662.80
2	Total Turnover (₹ in Lakhs) (Consolidated)	7,07,749.10
3	Total profit after taxes (₹ in Lakhs) (Consolidated)	1,16,474.67
4	Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax (%)	2.83%
5	List of activities in which expenditure in 4 above has been incurred	Education, Health care, Welfare and Culture and skill development
SECTION C : OTHER DETAILS		
1	Does the Company have any Subsidiary Company / Companies	Yes. M/s Shriram Housing Finance Limited
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)	The Subsidiary does not participate in the BR initiatives of the Company
3	Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? (Less than 30%, 30%-60%, More than 60%)	No other entity participates in the BR initiatives of the Company
SECTION D : BR INFORMATION		
1	Details of Director/Directors responsible for BR	SriYalamati Srinivasa Chakravarti, Managing Director, DIN-00052308, Telephone No. +91 44 4392 5300, email id - md@shriramcity.com
a)	Details of the Director/Directors responsible for implementation of the BR policy/policies	
b)	Details of BR Head	

Business Responsibility Report

Annexure 13 (Contd.)

2. Principle-wise (as per NVGs) compliance with BR Policy(ies)

Sl	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders	Y	N	Y	N	N	Y	N	N	N
3	Does the policy conform to any national/ international standards? If yes, specify(50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board ? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board /Director official to oversee implementation of the policy	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online	Refer to the Note below								
7	Has the policy been formally communicated to all relevant internal and external stakeholders	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency	Y	Y	Y	Y	Y	Y	Y	Y	Y

Yes ("Y"), No ("N")

P1 Business should conduct and govern themselves with Ethics, Transparency and Accountability

P2 Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 Business should promote the wellbeing of all employees

P4 Business should respect the interest of and be responsive towards all stake holders, especially those who are disadvantaged, vulnerable and marginalised

P5 Business should respect and promote human rights

P6 Business should respect, protect and make efforts to restore the environment

P7 Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner

P8 Business should support inclusive growth and equitable development

P9 Business should engage with and provide value to their customers and consumers in a responsible manner

Business Responsibility Report

Annexure 13 (Contd.)

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

Answers to the question at 1 in the above table for all the Principles is Yes. So, explanation is not required.

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The Company has not understood the Principles									
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within next 1 year									
6	Any other reason (please specify)									

Notes for Sl no 3 to the above table : The policies are formulated based on applicable regulations/general practices and therefore the policies conform to national standards

Note for Sl no 6 to the above table: The web link for the policies of the Company are as follows [https:// www.shriramcity.in/Investors---->Company Information---->Policies](https://www.shriramcity.in/Investors---->Company%20Information---->Policies). The remaining policies are not displayed on the web site as they are internal to the Company

3. Governance related to BR

The Business Responsibility Policy constitute different policies of the Company. Those policies were implemented and the compliance of such policies were discussed in the meeting of the Board of Directors of the Company each quarter during 2021-22. This report is displayed on the web site as part of the Annual Report.

SECTION E : PRINCIPLE - WISE PERFORMANCE			
1	P1	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group / Joint Ventures / suppliers / Contractors / NGOs / Others?	Yes. It extends to Company only
2		How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof in about 50 words or so.	Please refer to notes to accounts
1	P2	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities	The Company is a NBFC . This is not applicable
2		For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)	Not Applicable
a		Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain	Not Applicable
b		Reduction during usage by customers (energy, water) has been achieved since the previous year	Not Applicable
3	P2	Does the Company have procedures in place for sustainable sourcing (including transportation)	Not Applicable
a		If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	Not Applicable
4		Has the Company taken any steps to procure goods and services from local & Small producers, including communities surrounding their place of work	The Company is a NBFC and Procures Goods locally ..The Company prefers employing from the same locality
5	P2	If yes, what steps have been taken to improve their capacity and capability of local and small vendors	The Company prefers employing from the same locality
5		Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	No. Not Applicable.

Business Responsibility Report

Annexure 13 (Contd.)

SECTION E : PRINCIPLE - WISE PERFORMANCE			
1		Please indicate the Total number of employees	27997
2	P3	Please indicate the Total number of employees hired on temporary/ contractual/ casual basis	362 as on March'22 Consultants on contract, Temporary & Casual – Nil
3		Please indicate the Number of permanent women employees	3648
4		Please indicate the Number of permanent employees with disabilities	36
5		Do you have an employee associated that is recognised by management	No
6		What percentage of your permanent employees is members of this recognised employee association	Not applicable
7		Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on end of the financial year	Nil
8	P3	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? (a) Permanent Employees, (b) Permanent Women Employees, (c) Casual/Temporary/Contractual Employees, (d) Employees with disabilities	All New Joinees and , (a) Permanent Employees – 53% of existing employees. (b) Permanent Women Employees – 62% of existing employees.. (c) Casual/ Temporary/ Contractual Employees - Nil Employees with disabilities – 50% of existing Employees.
1	P4	Has the Company mapped its internal and external stakeholders	Yes
2		Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders	Yes
3		Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.	Yes. Please refer to Note below.
1	P5	Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs / Others	Yes. Only to Company
2		How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management	Please refer to the notes to accounts
1		Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others	Company
2	P6	Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc. If yes, please give hyperlink for webpage etc.	Yes
3		Does the Company identify and assess potential environment risks	No
4		Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed	No
5		Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. If yes, please hyperlink for web page etc.	No
6		Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported	Not Applicable
7		Number of show cause / legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year	Nil

Business Responsibility Report

Annexure 13 (Contd.)

SECTION E : PRINCIPLE - WISE PERFORMANCE			
1		Is your Company a member of any trade and chamber or association ? If yes, Name only those major ones that your business deals with	Yes. M/s South India Hire Purchase Association, M/s Madras Chamber of Commerce and Industry
2	P7	Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes. Governance and Administration
1		Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes. Refer Note below
2		Are the programmes/projects undertaken through in-house team/own foundation /external NGO/government structures / any other organisation?	Programmes/Projects are undertaken by the Company, in house, external NGOs and combination of these.
3	P8	Have you done any impact assessment of your initiative	Yes
4		What is your Company's direct contribution to community development projects - Amount in ₹ and the details of the projects undertaken	Please refer "ANNUAL REPORT ON CSR"
5		Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.	Steps have been taken for community development through our lending activities and by our CSR activities
1		What percentage of customer complaints / consumer cases are pending as on the end of financial year.	Please refer to the notes to accounts
2		Does the Company display product information on the product label, over and above what is mandated as per local laws	Not Applicable
3	P9	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti -competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No
4		Did your Company carry out any consumer survey/ consumer satisfaction trends?	No

Notes

P4.3: A significant number of our borrowers belong to low income group and persons not having access to formal line of credit. This is our special initiative to identify such borrowers and meet their credit requirement. We also meet the education and welfare need of marginalised persons through our corporate social responsibility activity.

P8.1: The Company is driven by one of its objective of financial inclusiveness, in which the financial needs of persons not having access to formal banking system are provided with finance. This in turn contributes to inclusive growth and equitable development

SECTION E

PRINCIPLE -WISE PERFORMANCE

Business Responsibility ("BR") of the Company takes into consideration the principles of National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business ("NVG"). To enable it further, the Company has got Policies, Framework, Codes, Management Systems and Monitoring tools. The BR matters are monitored by the respective functional heads of the Company

Principle 1: Businesses should conduct and govern themselves with Ethics, transparency and accountability

The Company is governed with ethics, transparency, accountability and in compliance with applicable laws. Corporate Governance of the Company reflects ethics, transparency and accountability The Code of Conduct for Board Members

Business Responsibility Report

Annexure 13 (Contd.)

and Senior Management (“CCBS”) governs the conduct of Directors and Senior Management personnel and they confirm adherence to the CCBS annually. CCBS is reviewed and upgraded regularly. The Company regularly communicates in different modes with its members, security holders, other agencies and public at large. The Whistle Blower Policy of the Company is aimed at bringing out unethical conducts and thereby making transactions ethical and transparent. The Company conducts familiarisation programme for Independent Directors, which together with fair disclosure make activities transparent. The roles of Chairman and CEO are separately held by different individuals and the Chairman is an Independent Director, which bring in transparency and ethics.

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

The Company is engaged in the business of financing and provides loans to its borrowers and accepts deposits from public. The products and services provided by the Company, not being physical in nature are safe and sustainable. The Company as a whole works towards reducing our environmental foot prints.

Principle 3: Businesses should promote wellbeing of employees

The Company is an equal opportunity provider to all employees starting from their recruitment irrespective of their caste, creed, gender, race, religion, language, disability or sexual orientation. Our employees belong to all parts of the country and are selected based on individual merit without any discrimination or preference. We encourage the capable employees reaching senior positions and be a part of Company’s decision making process. Employee welfare measures on counselling on stress free living, medical and eye checkup, yoga etc. were conducted during the year. We maintain cordial relationship with our employees. We train our employees on upgrading functional and soft skills. In order to ensure healthy working conditions and prevent sexual harassment of women employees, we have constituted Internal Complaint Redressal Committee at various workplaces with a Policy on Prevention of Sexual Harassment at Workplace for Women in force. Employee continuing policies and compliance with regulation have promoted wellbeing of employees.

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

The Company respects the interests of stake holders. The grievances of share/security/deposit holders, borrowers, customers, regulators, government agencies, lenders others, public and society at large are responded to within stipulated time. In such response the interest of such stake holders and the Company are considered. Committee of the Board which meets quarterly oversees this. Our policy is to treat all customers in fair and transparent manner. The loan recovery and collection operation are in-house, which ensures relationship based recovery procedures well-suited to our customers. The Company pays dividend, interest, redemption value and other dues on their respective due dates subject to the requirement of process. The award of credit rating, which indicates high consider these. The Company’s CSR programmes are focused on education, skill development for disadvantaged sections of the society.

Principle 5: Businesses should respect and promote human rights

The Company employs without discrimination and pays fair wages to employees. The employees are given equal opportunity to suggest for betterment. The Company has implemented policy on Prevention of Sexual Harassment of women. Employees are treated equally with dignity. We comply and adhere to all the human rights laws and guidelines.

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

The Company has made many of its processes automated making it less paper based information. We appeal to our shareholders, security holders, NCD/FD holders, borrowers for dealing with us electronically (demat, email, direct credit to bank a/c etc), thereby reducing use of paper. We continue to create awareness about environment protection among employees & customers. The Company adheres to all pollution control measures. We use electronic methods of communication within and outside our offices and avoid use of paper as far as possible.

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

The Company is a member of and actively participates in organisations representing NBFC industry, through which different

Business Responsibility Report

Annexure 13 (Contd.)

matters of NBFC industry are represented and influenced. Additionally, the Company also represents business interest of NBFC industry to regulatory authorities in a responsible manner.

Principle 8: Businesses should support inclusive growth and equitable development

We meet the financial need of persons of areas generally in unbanked/less banked areas with many of our branches at semi urban and rural areas. We also mobilise deposits from these areas. These two promote the 'financial inclusion' which is the focus point of all welfare initiatives of the government. Our CSR activities contribute the development and growth of persons in semi urban and rural areas.

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

Our customers have derived value by being associated with us in availing finance and keeping money deposited with us. When availing finances have helped in achieving advancement, progress, growth in their business, the deposits have helped them with reasonable return to carry out their objectives.. We engage with our customers to understand their need in order to offer a suitable product to them on timely basis. The redressal of customer grievances within reasonable time helps us to serve our customers in responsible manner. Our other services like insurance, settlement of insurance claims, support for housing loans have helped us to value to our services to customers.

Form No.Mr-3 Secretarial Audit Report

Annexure 14

FINANCIAL YEAR ENDED MARCH 31, 2022

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

To,

THE MEMBERS,

Shriram City Union Finance Limited

123, Angappa Naicken Street,

Chennai -600001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Shriram City Union Finance Limited, Corporate Identification Number L65191TN1986PLC012840 ("the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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 authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the following provisions as amended from time to time:

- 1) The Companies Act,2013 (the Act) and the rules made there under;
- 2) The Securities Contracts (Regulation) Act, 1956('SCRA') and the rules made there under;
- 3) The Depositories and Participants Regulations, 2018 and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
- 5) The following Regulations and Guidelines as amended from time to time 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 and any amended from time to time;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) 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;
 - g) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.
- 6) Reserve Bank of India Act, 1934;
- 7) Master Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007 and circulars of Reserve Bank of India thereon;
- 8) Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016;
- 9) Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998
- 10) Non-Banking Financial Companies– Corporate Governance (Reserve Bank) Directions, 2015.

Form No.Mr-3 Secretarial Audit Report

Annexure 14 (Contd.)

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

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except for certain delay in intimation to Stock exchanges.:

I 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions were carried out with majority approval of the Board and there was no instance of dissent voting by any member during the period under review.

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

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

- I. During the period under review, the Board of Directors of the Company in its meeting held on December 13, 2021 has approved the Composite Scheme of Arrangement and Amalgamation for : (i) the amalgamation of Shrulekha Business Consultancy Private Limited ("SBCPL") with Shriram Capital Limited ("SCL"); (ii) the demerger of that undertaking from SCL, which is carrying on the business of Financial Services, and the transfer and vesting thereof into Shriram Investment Holdings Limited ("SIHL"); (iii) the demerger of those undertakings from SCL, which are carrying on the businesses of a) Life Insurance and b) General Insurance, and the transfer and vesting of the same into a) Shriram LI Holdings Private Limited ("SLIH"), and b) Shriram GI Holdings Private Limited ("SGIH") respectively; (iv) the amalgamation of SCL (with its remaining undertaking and investments) with Shriram Transport Finance Company Limited ("STFC"); and (v) the amalgamation of Company with STFC.
- II. Issuance and allotment of 6,22,994 equity shares for an aggregate amount of ₹ 62,29,940 under Employee Stock Option Plan to the employees of the Company on various dates

For M/s. SPNP& Associates,

P. Sriram

Proprietor

Certificate of Practice No - 3310

Membership No - F4862

UDIN- F004862D000232881

Peer Review No- S2011TN155200

Place: Chennai

Date: April 28, 2022

Form No.Mr-3 Secretarial Audit Report

Annexure 14 (Contd.)

To

The Members,

Shriram City Union Finance Limited

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

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

For M/s. SPNP& Associates,

P. Sriram

Proprietor

Certificate of Practice No - 3310

Membership No - F4862

UDIN: F004862D000232881

Place: Chennai

Date: April 28, 2022

TABLE – 1

TABLE OF WEB LINK FOR POLICIES/OTHERS MATTERS APPEARING IN DIRECTORS REPORT OF THE COMPANY

S. No	Name of the Policies	Web Link
1.	Dividend Distribution Policy	https://www.primeinfobase.in/z_SHRIRAMCIT/pdf_files/Dividend_Distribution_Policy.zip
2.	Related Party Transaction Policy	https://www.primeinfobase.in/z_SHRIRAMCIT/pdf_files/SCUF_Related_Party_Transaction_RPT_Policy.zip
3.	Whistle Blower and Vigil Mechanism Policy	https://www.primeinfobase.in/z_SHRIRAMCIT/pdf_files/SCUF_Whistle_Blower_and_Vigil_Mechanism_Policy.zip
4.	Policy on Appointment Remuneration and Diversity of Board	https://www.primeinfobase.in/z_SHRIRAMCIT/pdf_files/Policy_on_Appointment_Remuneration_and_Diverstiy_of_Board.zip
5.	Terms and conditions of appointment of Independent Director	https://www.primeinfobase.in/z_SHRIRAMCIT/pdf_files/Terms_and_conditions_of_appointment_of_Independent_Directors.zip
6.	Familiarisation Programme for Independent Directors	https://www.primeinfobase.in/z_SHRIRAMCIT/pdf_files/Familiarisation_Programme_for_Independent_Directors.zip
7.	Code of Conduct for Board Members and Senior Management	https://www.primeinfobase.in/z_SHRIRAMCIT/pdf_files/Code_of_Conduct_for_Board_Members_and_Senior_Management.zip
8.	Policy on Material Subsidiary (ies) and Events	https://www.primeinfobase.in/z_SHRIRAMCIT/pdf_files/Policy_on_Material_Subsidiary_ies_and_Events.zip
9.	Policy on Preservation and Archival of Documents	https://www.primeinfobase.in/z_SHRIRAMCIT/pdf_files/SCUF_Policy_on_Preservation_and_Archival_Documents.zip
10.	Code for Fair Disclosure and Conduct	https://www.primeinfobase.in/z_SHRIRAMCIT/pdf_files/Fair_Disclosure_of_Unpublished_Price_Sensitive_Information.zip
11.	Corporate Social Responsibility Policy	https://www.primeinfobase.in/z_SHRIRAMCIT/pdf_files/Corporate_Social_Responsibility_Policy.zip
12.	Annual Return	https://www.primeinfobase.in/z_SHRIRAMCIT/files/MGT-7.zip
13.	Unclaimed Deposits/ Debentures/ Sub Debt	https://www.primeinfobase.in/pages_new/Unclaimed_FD_Debenture.aspx?value=7UgP1IltRM3M600MSHCcMw==
14.	Unclaimed/ Unpaid Dividend	https://www.primeinfobase.in/z_SHRIRAMCIT/unclaimed_dividend.aspx?value=7UgP1IltRM3M600MSHCcMw==
15.	Standalone and Consolidated Financial Statements	https://www.primeinfobase.in/ir_download/PPN_AnnualReports/Shriram_City_AR_FY2021-22.zip
16.	Financial Results of the Company	https://www.primeinfobase.in/pages_new/FinResultSummary.aspx?value=7UgP1IltRM3M600MSHCcMw==
17.	Annual Report of the Company	https://www.primeinfobase.in/ir_download/PPN_AnnualReports/Shriram_City_AR_FY2021-22.zip
18.	Investors Presentation	https://www.primeinfobase.in/z_SHRIRAMCIT/investor_presentation.aspx?value=7UgP1IltRM3M600MSHCcMw==
19.	Earning call transcripts	https://www.primeinfobase.in/z_SHRIRAMCIT/earning_call.aspx?value=7UgP1IltRM3M600MSHCcMw==
20.	Listed Secured redeemable Non-Convertible Debentures (NCDs)	https://www.primeinfobase.in/z_SHRIRAMCIT/files/DETAILS_OF_LISTED_SECURED_REDEEMABLE_NCDs.pdf

Independent Auditor's Report

To the Members of Shriram City Union Finance Limited

REPORT ON THE AUDIT OF STANDALONE FINANCIAL STATEMENTS

OPINION

1. We have audited the accompanying Standalone Financial Statements of Shriram City Union Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022 and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and Notes to the Financial Statements, including a summary of the Significant Accounting Policies and other explanatory information hereinafter referred to as Financial Statements
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the Profit (Including Other Comprehensive Income), the Statement of changes in Equity, and its cash flows for the year ended on that date.

BASIS FOR OPINION

3. We conducted our audit of the financial statements 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with

the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial statements.

EMPHASIS OF MATTER

4. Attention is drawn to Note No 68.8 to the Financial statements which describe the fact that the additional ECL provision on account of COVID-19 is made based on the Company's historical experience, collection efficiencies till date, internal assessment on the impacted segments and other emerging forward-looking factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic. The Company's management is continuously monitoring the situation and the economic factors affecting the operations of the Company. Further, the extent to which the COVID-19 pandemic will impact the Company's Financial Performance is dependent on future developments, which are highly uncertain

Our opinion is not modified in respect of the above matter.

KEY AUDIT MATTERS

5. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the year under report. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Independent Auditor's Report (Contd.)

Sr. No.	Key Audit Matter	Auditor's Response
i	<p>Impairment and Write-offs</p> <p>The Recognition and Measurement of Impairment and Write-off of Loans and Advances involves estimates, management judgements and appropriate processing of information from the IT systems because of which the same has been identified as a key audit matter.</p>	<p>Our key audit procedures included:</p> <ul style="list-style-type: none"> ● We test checked the computation of the Probable default (PD) which denotes the statistical pattern of occurrence of defaults in individual accounts over a period of past five years. ● We also test checked the computation of the ratio of Loss Given Default (LGD) which denotes the non-recoveries (after considering the collections) till the date of Balance Sheet. ● We reviewed the changes made by the management in estimating the PD and the LGD on the background of COVID 19 outbreak and additional ECL provisions made on the basis of above revisions. ● We examined the computation of Impairment Losses by application of PD and LGD and ensured that the entire pool of Loans and advances has been considered for the same. ● We reviewed the Internal financial controls over data extraction and data validation from the ERP system for computation of PD and LGD with the participation of our internal IT expert. ● We performed analytical procedures for ascertaining of reasonableness of Impairment provisions. ● We carried out a combination of procedures involving enquiry and observation, re-performance on a test basis and inspection of evidence in respect of computation of provisions including considering the situations where additional impairment was required for individual accounts and review of procedures and practices, justification notes and approvals in case of Bad Debts written off. ● Our audit procedures did not reveal any significant inconsistencies with respect to provisions for impairment and write-offs.
ii	<p>Assessment of Provisions and Contingent liabilities in respect of certain litigations including Direct and Indirect Taxes, various claims led by other parties not acknowledged as debt (Note No. 41 to the financial statements):</p> <p>There is high level of judgement required in estimating the level of provisioning. The company's assessment is supported by the facts of matter, their own judgment, past experience, and advice from legal and independent tax consultants wherever considered necessary.</p> <p>Accordingly, unexpected adverse outcomes may significantly impact the Company's reported profit and state of affairs presented in the Balance Sheet.</p>	<p>Our audit approach involved:</p> <p>Obtaining an understanding of internal controls relevant to the audit in order to design our audit procedures that are appropriate in the circumstances;</p> <ol style="list-style-type: none"> a. Understanding the current status of the litigations/ tax assessments; b. Examining recent orders and/or communication received from various tax authorities/ judicial forums and follow up action thereon; c. Evaluating the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal / tax advice

Independent Auditor's Report (Contd.)

Sr. No.	Key Audit Matter	Auditor's Response
	We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgments/ interpretation of law involved	d. Review and analysis of evaluation of the contentions of the Company through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues; and verification of disclosures related to significant litigations and taxation matters.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

6. The Company's Board of Directors is responsible for the other information. The other information included in the Company's annual report like Management Discussion and Analysis, Director's Report and Corporate Governance Report, but does not include the Standalone Financial Statements and our auditors' report thereon which we obtained prior to the date of this auditor's report, and Annual Report, which is expected to be made available to us after that date.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

7. The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the Financial Position, Financial Performance (including Other Comprehensive Income), Changes in Equity and Cash Flows of the Company in accordance with the accounting principles generally accepted in India,

including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

8. 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 auditors' 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

Independent Auditor's Report (Contd.)

can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the

disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone 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 year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

9. The comparative financial Statements of the Company for the year ended March 31, 2021 included in Standalone Financial Statements, were audited by the then Statutory Auditors "G.D. Apte & Co., Chartered Accountants" for the year ended March 31, 2021 whose reports dated April 30, 2021 expressed an unmodified opinion on those financial statements. Our opinion is not modified in respect of this matter.

Independent Auditor's Report (Contd.)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

10. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Companies Act, 2013, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
11. As required by Section 143(3) of the Act, we report, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e) On the basis of the written representations received from the Directors as on March 31, 2022 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2022 from being appointed as a Director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company, and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer note 41 to the Financial Statement
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company does not have derivative contracts.
 - iii. There has been no delay in transferring amounts, 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 the knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities Identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, 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

Independent Auditor's Report (Contd.)

- guarantee, security or the like on behalf of the Ultimate Beneficiaries ; and
- (c) Based on such audit procedures we have considered reasonable and appropriate in the circumstances, nothing has come to the notice that has caused us to believe that the representations under sub-clause 11(h)(iv)(a) and (b) contain any material misstatement.
- v. As stated in Note 24 to the standalone financial statements :
- (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.
- (c) The Board of Directors of the Company have not proposed any final dividend for the year.

For R. Subramanian and Company LLP

Chartered Accountants
FRN: 004137S/S200041

CA K. Jayasankar

Partner
M No 014156
UDIN: 22014156AICEAR6843
Place: Chennai
Date: April 29, 2022

For Abarna & Ananthan

Chartered Accountants
FRN- 000003S

CA (Mrs) Lalitha Rameswaran

Partner
M No 207867
UDIN: 22207867AIZNCU9979

Annexure "A" to the Independent Auditors' Report

OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF SHRIRAM CITY UNION FINANCE LIMITED

THE ANNEXURE REFERRED TO IN PARAGRAPH 10 UNDER THE HEADING 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' OF OUR REPORT OF EVEN DATE:

- (i) (a) (1) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment (PPE);
- (2) The company is maintaining proper records showing full particulars of intangible assets;
- (b) The Company has a regular programme of physical verification of its PPE by which all PPE are verified in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company
- (d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) Based on our examination of the Books of Accounts and other Records of the company and based on the information and explanation provided by the management, no proceedings has been initiated or pending against the company for holding any benami property under Benami Transactions (Prohibition) Act, 1988..
- (ii) (a) The Company is in the business of providing loans and does not have any physical inventories. Accordingly, the provision of clause 3(ii)(a) of the Order is not applicable to it.
- (b) The company has been sanctioned working capital limits in excess of ₹ Five crores (Both fund and non - fund based) by banks on the basis of security of Current Assets. The quarterly returns or statements filed by the company with the banks or financial institutions are in agreement with the books of account of the Company.
- (iii) (a) Since the Company's principal business is to give loans. Accordingly, the provision of clause 3(iii)(a) of the Order is not applicable to it.
- (b) The company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934, in our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees, provided during the year are, prima facie, not prejudicial to the Company's interest.
- (c) The company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its customers as stipulated. In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and in cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting.
- (d) The company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors and report total amount overdue including principal and / or payment of interest by its customers for more than 90 days. In cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer note 10 to the Standalone Financial Statements for summarised details of such loans / advances which are not repaid by borrowers as per stipulations as also details of reasonable steps taken by the Company for recovery thereof.
- (e) Since the Company's principal business is to give loans, the provision of clause 3(iii)(e) of the Order is not applicable to it.

Annexure "A" to the Independent Auditors' Report (Contd.)

- (f) Based on our audit procedures, according to the information and explanation made available to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year except for the dealer advances which constitute 0.29% (aggregate amount of dealer advance ₹ 9,709.95/- lakhs) of the total advances as at March 31, 2022. No such loans have been granted to Promoters and Related Parties as defined under Clause 76 of Section 2 of the Act.
- (iv) According to the information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees in contravention of provisions of Section 185 of the Act. The Company has complied with the provisions of Section 186(1) of the Act; the other provisions of Section 186 of the Act are not applicable to the Company.
- (v) In respect of deposits accepted, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of section 73 to 76 and other relevant provisions of the Act and the rules framed there under, to the extent applicable, have been complied with. We were informed by the management that no order has been passed by the Company Law Board, National Company
- Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) The Central Government has not prescribed the maintenance of cost records under sub-section (1) section 148 of the Act for the business activities carried out by the Company. Accordingly, the provision of clause 3(vi) of the Order is not applicable to the Company.
- (vii) According to the information and explanations given to us in respect of Statutory dues
- (a) The Company is regular in depositing undisputed Statutory dues, including Goods and Service Tax Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Duty of Customs, Cess, and any other Statutory Dues to the appropriate authorities and there were no undisputed amounts payable which were in arrears as at 31st March 2022 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of examination of books of account and records of the company, we report that there are no dues in respect of Income tax, Sales tax, Service tax, Customs Duty, Excise Duty, Value added tax, Goods and services tax or cess which have not been deposited on account of any dispute except for following cases:

Name of Statute	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending
		(Rs. In Lakhs)		
Finance Act, 1994	Service Tax Demands	7,687.17	April 2008 to September 2014	Customs, Excise and Service Tax Appellate Tribunal, Chennai
Kerala Value Added Tax, 2003	Value added Tax	4.65	AY 2007-08	Dy. Commissioner (Appeals) Ernakulum, Kerala
Income Tax Act, 1961	Income Tax	24,248.76 *	AY 2014-15	National Faceless Appeal Centre, Delhi
Income Tax Act, 1961	Income Tax	15.71	AY 2014-15	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	625.22	AY 2015-16	National Faceless Appeal Centre, Delhi
Income Tax Act, 1961	Income Tax	398.8	AY 2018-19	Commissioner of Income Tax (Appeals)

*Due to technical error in Income Tax Portal, the entire taxes paid by the Company including prepaid taxes were not considered by Department in the order u/s.147 read with section 144B of the Income Tax Act dated 24/03/2022 for the A.Y.2014-15. The department has incorrectly determined the tax demand payable at ₹ 24,248.76 lakhs. The Company has filed Rectification Petition u/s.154 before Jurisdictional Assessing Officer to rectify the mistakes made in the Assessment Order.

Annexure "A" to the Independent Auditors' Report (Contd.)

- (viii) There are no transactions relating to previously unrecorded income in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowing or in the payment of interest thereon to any lender;
- (b) The Company is not declared as a wilful defaulter by any bank or financial institution or other lender;
- (c) The term loans were applied for the purpose for which the loans were obtained;
- (d) The funds raised on short term basis have not been utilised for long term purposes;
- (e) 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) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies;
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence the requirements of section 42 and section 62 of the Companies Act, 2013 is not applicable;
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the course of our audit, other than the instances of fraud noticed and reported by the management in terms of the regulatory provisions applicable to the Company amounting to ₹ 0.70 Lakhs comprising of one instance.
- (b) There is no report under sub-section (12) of section 143 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) There are no complaints received during the year under whistle-blower Mechanism;
- (xii) The Company is not a Nidhi Company and hence complying with the provisions of the Nidhi Rules, 2014 does not arise.
- (xiii) All transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable and the details have been disclosed in the Financial Statements, etc., as required by the applicable Accounting Standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered, during the course of our audit, the reports of the Internal Auditor(s) for the period under audit, issued to the company during the year till date, in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors"
- (xv) The Company has not entered into any non-cash transactions with Directors or any persons connected with him.
- (xvi) (a) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and the Company has obtained the required registration.
- (b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid CoR from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) According to the information and explanations given to us, the Company is not a Core Investment Company ('CIC') as defined under the Regulations by the Reserve Bank of India.
- (d) As per the information provided to us during the course of our audit, the group to which the Company belongs has 3 CIC's as defined in the Core Investment Companies (Reserve Bank) Directions, 2016.
- (xvii) The company has not incurred cash losses in the financial year and in the immediately preceding financial year.

Annexure "A" to the Independent Auditors' Report (Contd.)

(xviii) During the current year the previous statutory auditors of the company have resigned due to the revised guidelines issued by Reserve bank of India vide notification No. DOS.CO.ARG/SEC.01/08/91/001/2021-22 dated 27th April 2021 regulating appointment of Statutory auditors of the Company. According to the information and explanations given to us, there have been no issues, objections or concerns raised by the said outgoing statutory auditors of the company.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that

our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) According to the information and explanations given to us and based on our examination of the records of the Company, it is not required to transfer any unspent amount as at the end of the previous financial year pertaining to the year under report to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub section 5 of section 135 of the said Act.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, there is no amount which is remaining unspent for the current year under sub section 5 of section 135 of the Act. Hence reporting under this clause is not applicable.
- (xxi) There have been no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements.

For R. Subramanian and Company LLP

Chartered Accountants
FRN: 004137S/S200041

CA K. Jayasankar

Partner
M No 014156
UDIN: 22014156AICEAR6843
Place: Chennai
Date: April 29, 2022

For Abarna & Ananthan

Chartered Accountants
FRN- 000003S

CA (Mrs) Lalitha Rameswaran

Partner
M No 207867
UDIN: 22207867AIZNCU9979

Annexure "B" to the Independent Auditors' Report

OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF SHRIRAM CITY UNION FINANCE LIMITED

(REFERRED TO IN PARAGRAPH 11(F) UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE)

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT").

We have audited the Internal Financial Controls with reference to the financial statements of Shriram City Union Finance Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

1. 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 Act.

AUDITORS' RESPONSIBILITY

2. Our responsibility is to express an opinion on the Company's Internal Financial Controls with reference to the financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls 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 with reference to the financial statements of the Company and their operating effectiveness. Our audit of Internal Financial Controls with reference to the financial statements of the Company included obtaining 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 Auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls System over Financial Reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

3. A Company's Internal Financial Controls with reference to the financial statements of the Company 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:
 - (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
 - (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company; and
 - (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Annexure "B" to the Independent Auditors' Report (Contd.)

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

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

OPINION

In our opinion, the Company has, in all material respects, an adequate Internal Financial Controls with reference to the financial statements of the Company and such Internal Financial Controls with reference to the financial statements of the Company were operating effectively as at March 31, 2022, based on the Internal Control over Financial Reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

For R. Subramanian and Company LLP

Chartered Accountants
FRN: 004137S/S200041

CA K. Jayasankar

Partner
M No 014156
UDIN: 22014156AICEAR6843
Place: Chennai
Date: April 29, 2022

For Abarna & Ananthan

Chartered Accountants
FRN- 000003S

CA (Mrs) Lalitha Rameswaran

Partner
M No 207867
UDIN: 22207867AIZNCU9979

Standalone Balance Sheet as at March 31, 2022

₹ in Lakhs

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
I ASSETS			
1 FINANCIAL ASSETS			
Cash and cash equivalents	7	5,21,731.36	3,81,528.17
Bank balance other than above	8	1,39,547.45	1,39,908.12
Receivables			
(I) Trade receivables	9	439.09	229.99
(II) Other receivables		-	-
Loans	10	31,02,384.88	27,42,011.64
Investments	11	1,83,628.24	1,01,732.24
Other financial assets	12	4,799.68	4,253.43
Total Financial Assets		39,52,530.70	33,69,663.59
2 NON-FINANCIAL ASSETS			
Current tax assets (net)	34	2,665.62	4,502.79
Deferred tax assets (net)	34	15,166.44	12,815.28
Property, plant and equipment	13	6,414.65	6,437.72
Intangible assets	14	189.16	204.44
Right-of-use assets	15	16,260.25	15,618.41
Other non-financial assets	16	13,537.61	11,761.28
Total Non-Financial Assets		54,233.73	51,339.92
Total Assets		40,06,764.43	34,21,003.51
II LIABILITIES AND EQUITY			
LIABILITIES			
1 FINANCIAL LIABILITIES			
Payables			
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises	17	6.39	18.90
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	17	4,049.95	6,729.05
Debt securities	18	6,51,514.10	4,26,363.00
Borrowings (other than debt securities)	19	17,28,828.82	15,77,279.14
Deposits	20	6,82,838.64	5,52,888.78
Other financial liabilities	21	33,382.68	40,962.53
Total Financial Liabilities		31,00,620.58	26,04,241.40
2 NON-FINANCIAL LIABILITIES			
Provisions	22	2,659.89	2,631.25
Other non-financial liabilities	23	6,236.32	2,278.27
Total Non-Financial Liabilities		8,896.21	4,909.52
Total Liabilities		31,09,516.79	26,09,150.92
3 EQUITY			
Equity share capital	24	6,662.80	6,600.50
Other equity	25	8,90,584.84	8,05,252.09
Total Equity		8,97,247.64	8,11,852.59
Total Liabilities and Equity		40,06,764.43	34,21,003.51

See accompanying notes forming part of the financial statements.

As per our report of even date

For M/s R Subramanian & Company LLP
Chartered Accountants
Firm Registration No.004137S/ S200041

For M/s Abarna & Ananthan
Chartered Accountants
Firm Registration No.000003S

**For and on behalf of the Board of Directors of
Shriram City Union Finance Limited**

K Jayasankar

Partner
Membership No.014156

Place: Chennai
Date : April 29, 2022

Lalitha Rameswaran

Partner
Membership No.207867

**Yalamati Srinivasa
Chakravarti**

Managing Director and CEO
DIN: 00052308

C R Dash
Company Secretary

Venkataraman Murali

Director
DIN: 00730218

R Chandrasekar
Chief Financial Officer

Standalone Statement of Profit & Loss for the year ended March 31, 2022

Particulars	Notes	₹ in Lakhs	
		Year ended March 31, 2022	Year ended March 31, 2021
REVENUE FROM OPERATIONS			
(i) Interest income	26	6,21,422.90	5,57,155.86
(ii) Dividend income		184.66	190.28
(iii) Fees and commission income	27	12,706.42	4,721.75
(iv) Net gain on fair value changes	28	59.50	131.95
(v) Net gain on derecognition of financial instruments under amortised cost category		210.38	-
(vi) Bad debts recovery		18,091.74	10,869.81
I Total revenue from operations		6,52,675.60	5,73,069.65
II Other income		363.63	773.82
III Total income (I+II)		6,53,039.23	5,73,843.47
EXPENSES			
(i) Finance cost	29	2,53,252.52	2,13,388.43
(ii) Net loss on derecognition of financial instruments under amortised cost category		-	167.03
(iii) Fees and commission expenses		10,373.41	10,384.64
(iv) Impairment on financial instruments	30	3,512.13	285.73
(v) Bad debts written off		85,253.45	84,799.87
(vi) Employee benefit expenses	31	97,236.64	76,366.07
(vii) Depreciation, amortisation and impairment	32	7,835.49	7,984.14
(viii) Royalty		7,076.06	6,254.89
(ix) Professional charges		12,664.85	13,010.25
(x) Other expenses	33	29,710.31	22,263.67
IV Total expenses		5,06,914.86	4,34,904.72
V Profit before exceptional items and tax (III - IV)		1,46,124.37	1,38,938.75
VI Exceptional items		-	-
VII Profit before tax (V+VI)		1,46,124.37	1,38,938.75
VIII Tax expense:			
(1) Current tax	34	38,975.40	46,219.68
(2) Tax adjustment for earlier years	34	334.21	-
(3) Deferred tax	34	(1,804.74)	(8,375.35)
IX Profit for the year (VII-VIII)		1,08,619.50	1,01,094.42
X Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) on defined benefit plan		(157.43)	1,178.74
Gain/(Loss) on Fair valuation of quoted investments in equity shares		(2,171.10)	768.97
(ii) Income tax provision / (reversal) relating to items that will not be reclassified to profit or loss		(546.42)	632.84
Subtotal (A)		(1,782.11)	1,314.87
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal (B)		-	-
Other comprehensive income (A+B)		(1,782.11)	1,314.87
XI Total Comprehensive Income for the year (IX+ X)		1,06,837.39	1,02,409.29
XII Earnings per equity share (face value ₹ 10/- per equity share)			
Basic (₹)	35	164.16	153.16
Diluted (₹)	35	163.17	152.81

See accompanying notes forming part of the financial statements.

As per our report of even date

For M/s R Subramanian & Company LLP
Chartered Accountants
Firm Registration No.004137S/ S200041

For M/s Abarna & Ananthan
Chartered Accountants
Firm Registration No.000003S

**For and on behalf of the Board of Directors of
Shriram City Union Finance Limited**

K Jayasankar

Partner
Membership No.014156

Place: Chennai
Date : April 29, 2022

Lalitha Rameswaran

Partner
Membership No.207867

**Yalamati Srinivasa
Chakravarti**

Managing Director and CEO
DIN: 00052308

C R Dash
Company Secretary

Venkataraman Murali

Director
DIN: 00730218

R Chandrasekar
Chief Financial Officer

Standalone Cash flow statement for the year ended March 31, 2022

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Tax	1,46,124.37	1,38,938.75
Adjustments for :		
Depreciation, amortisation and impairment	7,835.49	7,984.14
(Profit) / loss on sale of property, plant and equipment (net)	-	12.12
Bad debts written off	85,253.45	84,799.87
Impairment on financial instruments	3,512.13	285.73
Unwinding of financial guarantee obligation	-	(117.13)
Amortisation of premium on Government securities	353.35	71.20
Interest on lease liabilities	1,842.01	1,718.12
Interest income on fair valuation of security deposits	(216.56)	(256.02)
Net (gain) / loss on sale of investments and fair value changes of investment/ derivative	(59.50)	(131.95)
Net (gain) / loss on derecognition of financial instruments under amortised cost category	(210.38)	167.03
Lease concessions received	(37.62)	(432.51)
Share based payments to employees	9,867.63	1,847.93
Dividend income considered as cash flow from investing activity	(184.66)	(190.28)
Operating profit before working capital changes	2,54,079.71	2,34,697.00
Movements in working capital:		
(Increase) / decrease in loans and advances	(4,49,095.21)	(1,65,666.23)
(Increase) / decrease in other non - financial assets	(1,651.15)	(3,714.30)
(Increase) / decrease in other financial assets	(350.77)	3,366.91
(Increase) / decrease in bank deposits	362.76	(42,861.05)
(Increase) / decrease in receivables	(223.99)	(146.50)
(Increase) / decrease in investments	(34,361.02)	(27,495.03)
Increase / (decrease) in other financial liabilities	(2,215.91)	(14,597.36)
Increase / (decrease) in other non - financial liabilities	3,958.05	80.45
Increase / (decrease) in other payables	(2,691.61)	670.12
Increase / (decrease) in other provisions	(136.35)	(302.76)
Cash generated from operations	(2,32,325.49)	(15,968.75)
Direct taxes paid (net of refunds)	(37,472.44)	(37,652.91)
Net cash from / (used in) operating activities (A)	(2,69,797.93)	(53,621.66)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(2,381.76)	(1,945.96)
Investment in subsidiary	(50,000.00)	-
Capital advance for assets	(125.18)	(16.97)
Proceeds from sale of fixed assets	47.36	36.62
Dividend income	184.66	190.28
Net cash from / (used in) investing activities (B)	(52,274.92)	(1,736.03)

Standalone Cash flow statement for the year ended March 31, 2022 (Contd.)

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital including securities premium and share application money	1,868.98	0.74
Increase / (Decrease) of debt securities	2,25,151.10	(20,464.65)
Increase / (Decrease) of borrowings	1,51,549.68	1,32,653.58
Increase / (Decrease) of deposits	1,29,949.86	1,51,681.98
Increase / (Decrease) of subordinated liabilities	-	(23,923.91)
Payment of lease liabilities	(6,464.13)	(5,644.23)
Dividend paid on equity shares	(39,779.45)	(6,600.43)
Net Cash from / (used in) financing activities (C)	4,62,276.04	2,27,703.08
Net increase / (decrease) in cash and cash equivalents (A+B+C)	1,40,203.19	1,72,345.39
Cash and cash equivalents at the beginning of the year	3,81,528.17	2,09,182.78
Cash and cash equivalents at the end of the year	5,21,731.36	3,81,528.17

₹ in Lakhs

Components of cash and cash equivalents	As at March 31, 2022	As at March 31, 2021
Cash on hand	6,886.27	5,427.01
Balances with Banks		
- in current accounts	72,577.15	1,32,365.06
- in deposit accounts having original maturity less than three months	4,42,267.94	2,43,736.10
Total	5,21,731.36	3,81,528.17

Notes

The above Cash flow statement has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'. See accompanying notes forming part of the financial statements.

As per our report of even date

For M/s R Subramanian & Company LLP
Chartered Accountants
Firm Registration No.004137S/ S200041

For M/s Abarna & Ananthan
Chartered Accountants
Firm Registration No.000003S

**For and on behalf of the Board of Directors of
Shriram City Union Finance Limited**

K Jayasankar

Partner
Membership No.014156

Place: Chennai
Date : April 29, 2022

Lalitha Rameswaran

Partner
Membership No.207867

Yalamati Srinivasa Chakravarti

Managing Director and CEO
DIN: 00052308

C R Dash
Company Secretary

Venkataraman Murali

Director
DIN: 00730218

R Chandrasekar
Chief Financial Officer

Standalone Statement of changes in Equity for the year ended March 31, 2022

A. EQUITY SHARE CAPITAL

(1) CURRENT REPORTING PERIOD

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	₹ in Lakhs	
				Balance at the end of the current reporting period	As at March 31, 2022
6,600.50	-	6,600.50	62.30		6,662.80

(2) PREVIOUS REPORTING PERIOD

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	₹ in Lakhs	
				Balance at the end of the previous reporting period	As at March 31, 2021
6,600.29	-	6,600.29	0.21		6,600.50

B. OTHER EQUITY

(1) CURRENT REPORTING PERIOD

Particulars	Share application money pending allotment	Capital reserve	Securities premium account	Share options outstanding	Reserves and Surplus				Other comprehensive income	Money received against share warrants	Total	
					Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	Capital redemption reserve	Other Reserves					Retained earnings
							General reserve					
Balance as at March 31, 2021	-	7,871.88	1,75,524.19	1,872.52	2,328.98	1,11,374.46	3,57,665.75	(306.99)	-	8,05,252.09		
Profit for the year	-	-	-	-	-	-	108,619.50	-	-	1,08,619.50		
Remeasurement gain / (loss) on defined benefit plan	-	-	-	-	-	-	-	(157.43)	-	(157.43)		
Gain / (loss) on fair valuation of quoted investments in equity shares	-	-	-	-	-	-	-	(2,171.10)	-	(2,171.10)		
Income tax on remeasurement gain / (loss) on defined benefit plan and gain / (loss) on fair valuation of quoted investments in equity shares	-	-	-	-	-	-	-	546.42	-	546.42		
Share Premium received during the year on exercise of ESOPs	-	-	5,180.44	-	-	-	-	-	-	5,180.44		
Expenses on Employee Stock Option Plan (Refer Note No. 37)	-	-	-	9,867.63	-	-	-	-	-	9,867.63		
Adjustment on exercise of Employee Stock Option Plan	-	-	-	(3,373.76)	-	-	-	-	-	(3,373.76)		
Final equity dividend FY 2020-21	-	-	-	-	-	-	(8,580.65)	-	-	(8,580.65)		
Interim equity dividend FY 2021-22	-	-	-	-	-	-	(24,598.30)	-	-	(24,598.30)		
Transfer to statutory reserve	-	-	-	-	-	-	(21,760.00)	-	-	(21,760.00)		
Transfer to general reserve	-	-	-	-	-	-	(10,880.00)	-	-	(10,880.00)		
Balance as at March 31, 2022	-	7,871.88	1,80,704.63	8,366.39	2,328.98	1,22,254.46	4,00,466.30	(2,089.10)	-	8,90,584.84		

Standalone Statement of changes in Equity for the year ended March 31, 2022 (Contd.)

B. OTHER EQUITY (Contd.)

(2) PREVIOUS REPORTING PERIOD

Particulars	Share application money pending allotment	Reserves and Surplus					Other comprehensive income	Money received against share warrants	Total
		Capital reserve	Securities premium account	Share options outstanding	Other Reserves				
					Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	Capital redemption reserve			
Balance as at March 31, 2020	-	7,871.88	1,75,518.91	29.35	1,28,431.30	2,328.98	1,01,124.46	3,00,512.26	7,14,195.28
Profit for the year	-	-	-	-	-	-	-	1,01,094.42	101,094.42
Remeasurement gain / (loss) on defined benefit plan	-	-	-	-	-	-	-	-	-
Gain / (loss) on fair valuation of quoted investments in equity shares	-	-	-	-	-	-	-	1,178.74	1,178.74
Income tax on remeasurement gain / (loss) on defined benefit plan and gain / (loss) on fair valuation of quoted investments in equity shares	-	-	-	-	-	-	-	768.97	768.97
Share premium received during the year on exercise of ESOPs	-	-	5.28	-	-	-	-	-	-
Expenses on Employee Stock Option Plan (Refer Note No. 37)	-	-	-	1,847.93	-	-	-	-	1,847.93
Adjustment on exercise of Employee Stock Option Plan	-	-	-	(4.76)	-	-	-	-	(4.76)
Interim equity dividend FY 2020-21	-	-	-	-	-	-	-	(13,200.93)	(13,200.93)
Transfer to statutory reserve	-	-	-	-	20,490.00	-	-	(20,490.00)	-
Transfer to general reserve	-	-	-	-	-	-	10,250.00	(10,250.00)	-
Balance as at March 31, 2021	-	7,871.88	175,524.19	1,872.52	148,921.30	2,328.98	111,374.46	3,57,665.75	805,252.09

₹ in Lakhs

See accompanying notes forming part of the financial statements.

As per our report of even date

For M/s R Subramanian & Company LLP

Chartered Accountants
Firm Registration No.004137S/ S200041

K Jayasankar

Partner
Membership No.014156

Place: Chennai

Date : April 29, 2022

For M/s Abarna & Ananthan

Chartered Accountants
Firm Registration No.0000003S

Lalitha Rameswaran

Partner
Membership No.207867

For and on behalf of the Board of Directors of Shriram City Union Finance Limited

Yalamati Srinivasa Chakravarti

Managing Director and CEO
DIN: 00052308

C R Dash

Company Secretary

Venkataraman Murali

Director
DIN: 00730218

R Chandrasekar

Chief Financial Officer

Notes forming part of the Standalone financial statements for the year ended March 31, 2022

1. CORPORATE INFORMATION

Shriram City Union Finance Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on BSE Limited and National Stock Exchange of India Limited. The Company is primarily engaged in the business of financing small and medium enterprises, two-wheelers and pledged jewels. It also provides personal loans, auto loans, pre-owned two wheeler loans and loan against property. The Company is a Deposit Accepting Non- Banking Finance Company (NBFC) registered as a Loan Company with the Reserve Bank of India (RBI) and Ministry of Corporate Affairs. The registration details are as follows:

RBI 07-00458

CorporateIdentityNumber(CIN) L65191TN1986PLC012840
IRDA CA0652

Shriram Capital Limited is the promoter of the Company. The registered office of the Company is at No.123, Angappa Naicken Street, Chennai – 600 001. The principal place of business is at No.144, Santhome High Road, Mylapore, Chennai – 600 004. The financial statements of the Company for the year ended March 31, 2022 were approved for issue in accordance with the resolution of the Board of Directors on April 29, 2022.

2. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, other relevant provisions of the Act and the RBI guidelines/regulations to the extent applicable on an accrual basis including the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and notification for Implementation of Indian Accounting Standards vide circular RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 issued by RBI.

The financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards. Accounting policies have been consistently applied to all periods presented,

unless otherwise stated except where a newly – issued accounting standards is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Company are discussed in Note 6 - Significant accounting judgements, estimates and assumptions.

The financial statements are presented in Indian Rupees (INR) and all values are rounded off to the nearest Lakhs upto two decimals, except when otherwise indicated.

3. PRESENTATION OF FINANCIAL STATEMENT

The Balance Sheet, Statement of Profit and Loss and Statement of changes in Equity of the Company are prepared and presented in the format prescribed in the Division III of Schedule III of the Act applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7. Financial assets and financial liabilities are generally reported on gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

- i. The normal course of business
- ii. The event of default
- iii. The event of insolvency or bankruptcy of the Company and/or its counterparties

Derivative assets and liabilities with master netting arrangements (e.g. International Swaps and Derivative Association Arrangements) are presented net if all the above criteria are met.

4.1. STATEMENT OF COMPLIANCE

These standalone or separate financial statements of the Company have been prepared in accordance with Indian Accounting Standards notified under section 133 of the Companies Act, 2013 ("the Act") read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and the other relevant provisions of the Act.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

4.2 Recent Accounting Developments

On March 23, 2022, the ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2022. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 1, 2022.

Ind AS 101 - First time adoption of Ind AS

Ind AS 103 - Business Combination

Ind AS 109 - Financial Instrument

Ind AS 16 - Property, Plant and Equipment

Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets

Ind AS 41 - Agriculture

Application of above standards are not expected to have any significant impact on the Company's financial statement.

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 Financial instruments

(i) Classification of financial instruments

a. Financial Assets

The Company classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost (amortised cost)
2. Financial assets to be measured at fair value through other comprehensive income (FVTCOI)
3. Financial assets to be measured at fair value through profit or loss account (FVTPL)

The classification depends on the contractual terms of the financial assets, cash flows and the Company's business model for managing financial assets which are explained below:

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business

model are evaluated and reported to the entity's key management personnel

- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.
- At initial recognition of a financial asset, the Company determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Company reassesses its business models each reporting period to determine whether the business model/ (s) have changed since the preceding period. For the current and prior reporting period the Company has not identified a change in its business model.

The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk,

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss

b. Financial Liabilities

The Company classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

(ii) Financial assets measured at amortised cost

These financial assets comprise bank balances, Trade Receivables, Loans, investments and other financial assets.

Financial assets are measured at amortised cost where they have:

- a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
- b) are held within a business model whose objective is achieved by holding to collect contractual cash flows.

These financial assets are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost.

(iii) Financial assets measured at fair value through other comprehensive income

Financial Assets other than equity instruments:

These financial assets are measured at fair value through other comprehensive income where they have:

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

These financial assets are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of

equity. Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in Statement of profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of profit and loss. As at the reporting date the Company does not have any financial instruments other than equity shares measured at fair value through other comprehensive income.

Equity instruments

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Company in a business combination to which Ind AS 103 'Business Combination' applies, are measured at fair value through other comprehensive income, where an irrevocable election has been made by management and when such instruments meet the definition of Equity under Ind AS 32 *Financial Instruments: Presentation*. Such classification is determined on an instrument-by-instrument basis.

Amounts presented in other comprehensive income are not subsequently transferred to Statement of profit or loss. Dividends on such investments are recognised in Statement of profit or loss.

(iv) Items at fair value through profit or loss

Financial assets which are not classified in any of the above categories are measured at FVTPL.

Items at fair value through profit or loss comprise:

- a. Investments (including equity shares) held for trading;

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

Trading derivatives and trading securities are classified as held for trading and recognised at fair value.
- b. Items specifically designated as fair value through profit or loss on initial recognition;

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

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

a different basis. As at the reporting date the Company does not have any financial instruments designated as measured at fair value through profit or loss.

- c. Debt instruments with contractual terms that do not represent solely payments of principal and interest. As at the reporting date the Company does not have any such financial instruments measured at fair value through profit or loss.

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

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces an accounting mismatch or:

- if a host contract contains one or more embedded derivatives; or
- if financial assets and liabilities are both managed and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Company's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income. As at the reporting date, the Company has not designated any financial instruments as measured at fair value through profit or loss.

(v) Investment in subsidiaries

The Company has accounted for its investments in subsidiary at cost.

(vi) Derivatives

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').

- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.

The Company enters into derivative transactions with various counterparties to hedge its foreign currency risks and interest rate risks. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Company undertakes derivative transactions for hedging on-balance sheet liabilities. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The notional amount and fair value of such derivatives are disclosed separately. Changes in the fair value of derivatives are included in net gain on fair value changes.

(vii) Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and transaction costs that are an integral part of the Effective Interest Rate (EIR).

(viii) Financial guarantees

Financial guarantees are initially recognised in the financial statements at fair value, being the premium received. Subsequent to initial recognition, the Company's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss.

- The premium is recognised in the statement of profit and loss on a straight-line basis over the life of the guarantee.

(ix) Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition apart from the exceptional circumstances in which company changes its business model for managing financial assets. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities until the year ended March 31, 2022.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

(x) Recognition and Derecognition of financial assets and liabilities

Recognition:

- a) Loans and Advances are initially recognised when the funds are transferred to the customers' account or delivery of assets by the dealer whichever is earlier.
- b) Investments are initially recognised on the settlement date.
- c) Debt securities, deposits and borrowings are initially recognised when funds reach the Company.
- d) Other Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Derecognition of financial assets other than due to substantial modification

a) Financial assets:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:

- i. The Company has transferred its contractual rights to receive cash flows from the financial asset, or
- ii. It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- i. The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- ii. The Company cannot sell or pledge the original asset other than as security to the eventual recipients
- iii. The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- i. The Company has transferred substantially all the risks and rewards of the asset, or
- ii. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

Accordingly, gain on sale or derecognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS 109. Also, the Company recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset. As per the guidelines of RBI, the Company is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ("MRR"). Therefore, it continue to recognise the portion retained by it as MRR.

b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss. As at the reporting date the Company does not have any financial liabilities which have been derecognised.

(xi) Impairment of financial assets

Overview of the ECL principles

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

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

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible

within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on individual basis, depending on the nature of the underlying portfolio of financial instruments. The Company has grouped its loan portfolio into Gold Loan, Auto Loans, MSME Loans (sanctioned amount less than ₹ 5 crores), MSME Loans (sanctioned amount more than ₹ 5 crores), Two Wheelers Loans, Personal Loans, Pre-Owned Two Wheeler Loans and Loan against property.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Company classifies all standard advances and advances upto 30 days default under this category. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. 30 Days Past Due is considered as significant increase in credit risk.

Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 Days Past

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

Due is considered as default for classifying a financial instrument as credit impaired. If an event (for eg. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

As required by RBI Circular reference no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020; where impairment allowance under Ind AS 109 is lower than the provisioning required as per extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) including borrower/beneficiary wise classification, provisioning for standard as well as restructured assets, NPA ageing, etc., the Company shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'.

Pursuant to the RBI circular dated November 12, 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications", the Company has aligned its definition of default from "Days Past Due Approach as on reporting date" to "Days Past Due Approach as on Day end" with effect from November 12, 2021.

Loan commitments

When estimating expected credit loss for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;

- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

Financial guarantee contracts

The Company's liability under financial guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss, and the ECL provision. For this purpose, the Company estimates ECLs by applying a credit conversion factor. The ECLs related to financial guarantee contracts are recognised within Provisions. Currently, the Company does not have any financial guarantees.

ECL on Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to Statement of profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets. As at the reporting date the Company does not have any debt instruments measured at fair value through OCI.

The mechanics of ECL

The Company calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The concept of PD is further explained in Note 45.

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date. The concept of EAD is further explained in Note 45.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The concept of LGD is further explained in Note 45.

Forward looking information

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

The above calculated PDs, EAD and LGDs are reviewed annually and changes in the forward looking estimates are analysed.

Collateral Valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as movable and immovable assets, guarantees, etc. Though the fair value of collateral has not been carried out, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as vehicles, is valued based on data provided by third parties or management judgements.

Collateral repossessed

In its normal course of business whenever default occurs, the Company may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

(xii) Write-offs

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

(xiii) Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Company measures certain categories of financial instruments (as explained in note 6.1(iii) to 6.1(vi)) at fair value on each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i. In the principal market for the asset or liability, or
- ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

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

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

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

Difference between transaction price and fair value at initial recognition

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

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in Statement of profit or loss when the inputs become observable, or when the instrument is derecognised.

5.2 Revenue from operations

(i) Interest Income

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL.

The EIR in case of a financial asset is computed

- As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.
- By considering all the contractual terms of the financial instrument in estimating the cash flows
- Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest income on credit impaired assets is recognised by applying the effective interest rate to the net amortised cost (net of provision) of the financial asset.

Interest on delayed payments by customers are treated to accrue only on realisation, due to uncertainty of realisation and are accounted accordingly.

(ii) Dividend Income

Dividend income is recognised

- When the right to receive the payment is established,
- it is probable that the economic benefits associated with the dividend will flow to the entity and

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

- c. the amount of the dividend can be measured reliably

(iii) Fees & Commission Income

Fees and commissions are recognised when the Company satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as set out below, unless included in the effective interest calculation:

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

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

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

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

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

(iv) Net gain or loss on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss (refer note 28), held by the Company on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes..

(v) Recoveries of financial assets written off

The Company recognises income on recoveries of financial assets written off on realisation basis.

(vi) Net gain or loss on derecognition of financial instruments under amortised cost category

Net gain or loss on derecognition of financial instruments under amortised cost category is recognised upfront in the statement of profit and loss, being the difference between the carrying amount (measured at the date of recognition) and the consideration received (including any new asset obtained less any new liability assumed) .

5.3 Expenses

(i) Finance costs

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL.

The EIR in case of a financial liability is computed

- As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.
- By considering all the contractual terms of the financial instrument in estimating the cash flows.
- Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in Finance Cost with the corresponding adjustment to the carrying amount of the liabilities.

Interest expense includes issue costs that are initially recognised as part of the carrying value of the financial liability and amortised over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, Rating Fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

(ii) Retirement and other employee benefits

Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

Post-employment employee benefits

a) Defined contribution schemes

All the employees of the Company are entitled to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) Defined Benefit schemes

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognises each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the

obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Net interest recognised in Statement of profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

The Company fully contributes all ascertained liabilities to The Trustees – SCUF Employees Group Gratuity Trust. Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Companies.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

Other long-term employee benefits

Company's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.

The Company presents the Provision for compensated absences under provisions in the Balance Sheet.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

Employee Stock Options

Eligible employees in terms of the Employees Stock Options Scheme of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments granted (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in Share Option Outstanding Reserves in equity, over the period in which the performance and / or service conditions are fulfilled in employee benefits expense / vesting period. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The Statement of Profit and Loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. No expense is recognised for awards that do not ultimately vest.

(iii) Lease

The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) The Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases,

the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. After the commencement date, the lease liability is adjusted by increasing the carrying amount to reflect interest on the lease liability; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount to reflect any reassessment or lease modifications. The lease liability is also remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The interest on the lease liability is recognised in the statement of Profit & Loss except to the extent that it can be allocated to any Property, Plant & Equipment. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

Rent concession consequent to modification of lease terms due to COVID 19 pandemic have been accounted for as other income with a reduction in lease liability in terms of practical expedient under IND AS 116 Leases.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognised on a straight line basis over the term of the relevant lease.

(iv) Other income and expenses

All Other income and expense are recognised in the period they occur.

(v) Impairment of non-financial assets

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

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

(vi) Taxes

Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside Statement of profit or loss is recognised outside Statement of profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

Minimum Alternate Tax (MAT)

Minimum alternate tax (MAT) paid is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as a deferred tax asset only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

Credit Entitlement" under Deferred Tax Assets. The Company reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Goods and services tax / value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

- i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- ii. When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(vii) Dividends on ordinary shares

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Companies Act, final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when it is approved by the Board of Directors of the Company. A corresponding amount is recognised directly in equity.

5.4 Foreign currency translation

(i) Functional and presentational currency

The standalone financial statements are presented in Indian Rupees which is also functional currency of the Company and the currency of the primary economic environment in which the Company operates.

(ii) Transactions and balances

Initial recognition

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Conversion

Monetary assets and liabilities denominated in foreign currency, which are outstanding as at the reporting

date, are translated at the reporting date at the closing exchange rate and the resultant exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

5.5 Cash and cash equivalents

Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value, cheques on hand and balances with banks. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

5.6 Property, plant and equipment

Property, plant and equipment (PPE) are measured at Historical cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation

Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013 except for Leasehold Improvements which are amortised on a straight-line basis over the period of lease

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

or estimated period of useful life of such improvement, subject to a maximum period of 60 months. Leasehold improvements include all expenditure incurred on the leasehold premises that have future economic benefits. Land is not depreciated.

The estimated useful lives are as follows:

Particulars	Useful life as prescribed by Schedule II of the Companies Act, 2013	Useful life estimated by Company
Building	60 years	60 years
Plant and machinery	15 years	15 years
Electrical equipment	10 years	10 years
Generator	10 years	10 years
Furniture and fixture	10 years	10 years
Air conditioner	10 years	10 years
Electronic equipment	10 years	10 years
Office equipment	5 years	5 years
Refrigerator	10 years	10 years
Motor car	8 years	8 years
Vehicles	10 years	10 years
Server and networking	6 years	6 years
Computer	3 years	3 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

5.7 Intangible assets

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

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible

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

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

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

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

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

5.8 Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. As at reporting date, the Company does not have any such provisions where the effect of time value of money is material.

5.9 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent liabilities are reviewed at each Balance Sheet date.

5.10 Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised in the financial statements. Contingent assets are disclosed where an inflow of economic benefits is probable.

Contingent assets are reviewed at each Balance Sheet date.

5.11 Earning Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the

beginning of the year, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

6. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with the Ind AS requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period and reported amounts of income and expenses for the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Accounting estimates could change from period to period. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

6.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

6.2 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually

6.3 Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

6.4 Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in

particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The impairment loss on loans and advances is disclosed in more detail in *Note 5.1(xi) Overview of ECL principles*.

6.5 Contingent liabilities and provisions other than impairment on loan portfolio

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

6.6 Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

6.7 Other estimates

These include contingent liabilities, useful lives of tangible and intangible assets etc.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 7: CASH AND CASH EQUIVALENTS

Particulars	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Cash on hand	6,886.27	5,427.01
Balances with banks (of the nature of cash and cash equivalents)		
-Current Account	72,577.15	1,32,365.06
-Bank deposit with original maturity less than three months	4,42,267.94	2,43,736.10
Total	5,21,731.36	3,81,528.17

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

NOTE 8: BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Unclaimed dividend accounts	88.51	86.42
Bank deposits with original maturity for more than 3 months*	16,065.55	41,238.45
Balances with banks to the extent held as Margin Money or security against the borrowings, guarantees, other commitments.	83,283.32	98,583.25
Fixed deposits against demand loan	40,110.07	-
Total	1,39,547.45	1,39,908.12

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

*Includes deposits March 31, 2022: ₹ 14,310.13 Lakhs (March 31, 2021: ₹ 21,197.76 Lakhs) towards SLR requirement for Public Deposits Outstanding.

NOTE 9: RECEIVABLES

(I) Trade Receivables

Particulars	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Trade receivables considered good-secured	-	-
Trade receivables considered good-unsecured	463.61	239.62
Trade receivables which have significant increase in credit risk	-	-
Trade receivables -credit impaired	-	-
Gross carrying amount	463.61	239.62
Less: Allowances for impairment loss on trade receivables considered good-unsecured	(24.52)	(9.63)
Less: Allowances for impairment loss on credit impaired trade receivables	-	-
Net carrying amount	439.09	229.99

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member.

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

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 9: RECEIVABLES (Contd.)

As at March 31, 2022

₹ in Lakhs

Particulars	Unbilled	Not Due for payment	Outstanding from due date of payment					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	-	418.11	45.50	-	-	-	-	463.61
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Gross carrying amount	-	418.11	45.50	-	-	-	-	463.61
ECL - Simplified approach	-	(22.12)	(2.40)	-	-	-	-	(24.52)
Net carrying amount	-	395.99	43.10	-	-	-	-	439.09

As at March 31, 2021

₹ in Lakhs

Particulars	Unbilled	Not Due for payment	Outstanding from due date of payment					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	-	203.02	36.60	-	-	-	-	239.62
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Gross carrying amount	-	203.02	36.60	-	-	-	-	239.62
ECL - Simplified approach	-	(8.16)	(1.47)	-	-	-	-	(9.63)
Net carrying amount	-	194.86	35.13	-	-	-	-	229.99

Reconciliation of impairment allowance on trade receivable

₹ in Lakhs

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as per March 31, 2020	3.36
Add: Addition during the year	6.27
Less: Reduction during the year	-
Impairment allowance as per March 31, 2021	9.63
Add: Addition during the year	14.89
Less: Reduction during the year	-
Impairment allowance as per March 31, 2022	24.52

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 10: LOANS AND ADVANCES

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Loans (at amortised cost)		
(A)		
i) Term loans	33,10,360.67	29,46,518.91
ii) Others	-	-
Total (A) - Gross	33,10,360.67	29,46,518.91
Less: Impairment loss allowance (Refer Note No. 68.8)	2,07,975.79	2,04,507.27
Total (A) - Net	31,02,384.88	27,42,011.64
(B)		
i) Secured by tangible assets	26,89,945.61	25,63,875.73
ii) Secured by deposits	752.37	457.95
iii) Unsecured	6,19,662.69	3,82,185.23
Total (B) - Gross	33,10,360.67	29,46,518.91
Less: Impairment loss allowance (Refer Note No. 68.8)	2,07,975.79	2,04,507.27
Total (B) - Net	31,02,384.88	27,42,011.64
(C)		
Loans outside India	-	-
Loans in India		
i) Public Sector	-	-
ii) Others		
Corporate	50,643.64	70,712.74
Retail	32,59,717.03	28,75,806.17
Total (C) - Gross	33,10,360.67	29,46,518.91
Less: Impairment loss allowance (Refer Note No. 68.8)	2,07,975.79	2,04,507.27
Total (C) - Net	31,02,384.88	27,42,011.64

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

Credit Quality of Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in note 45.2 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in note 45.2.

₹ in Lakhs

Particulars	As at March 31, 2022				As at March 31, 2021			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Internal rating grade								
Performing								
High grade	20,13,945.43	-	-	20,13,945.43	17,55,270.88	-	-	17,55,270.88
Standard grade	7,01,168.42	-	-	7,01,168.42	7,70,117.07	-	-	7,70,117.07
Sub-standard grade	-	3,18,301.75	-	3,18,301.75	-	1,10,721.99	-	1,10,721.99
Past due but not impaired	-	68,075.87	-	68,075.87	-	1,22,810.23	-	1,22,810.23
Non-Performing	-	-	2,08,869.20	2,08,869.20	-	-	1,87,598.74	1,87,598.74
Total	27,15,113.85	3,86,377.62	2,08,869.20	33,10,360.67	25,25,387.95	2,33,532.22	1,87,598.74	29,46,518.91

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 10: LOANS AND ADVANCES (Contd.)

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

₹ in Lakhs

Particulars	Year ended March 31, 2022				Year ended March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	25,25,387.95	2,33,532.22	1,87,598.74	29,46,518.91	24,71,361.98	1,67,996.84	2,26,293.73	28,65,652.55
New assets originated or purchased	24,11,254.97	1,75,763.41	27,014.76	26,14,033.14	16,45,829.62	57,095.43	12,470.98	17,15,396.03
Assets derecognised or repaid (excluding write-offs)	(18,73,385.16)	(2,24,389.36)	(67,163.41)	(21,64,937.93)	(14,16,719.93)	(83,725.31)	(49,284.56)	(15,49,729.80)
Transfers to Stage 1	55,604.01	(47,072.61)	(8,531.40)	-	72,877.88	(67,932.14)	(4,945.74)	-
Transfers to Stage 2	(3,12,395.39)	3,20,225.23	(7,829.84)	-	(1,77,805.13)	1,84,215.77	(6,410.64)	-
Transfers to Stage 3	(86,028.43)	(67,287.56)	1,53,315.99	-	(64,389.05)	(23,883.91)	88,272.96	-
Changes to contractual cash flows due to modifications not resulting in derecognition	1,837.31	(2,118.12)	280.81	-	(406.77)	239.36	167.41	-
Amounts written off	(7,161.41)	(2,275.59)	(75,816.45)	(85,253.45)	(5,360.65)	(473.82)	(78,965.40)	(84,799.87)
Gross carrying amount closing balance	27,15,113.85	3,86,377.62	2,08,869.20	33,10,360.67	25,25,387.95	2,33,532.22	1,87,598.74	29,46,518.91

Reconciliation of ECL balance is given below:

₹ in Lakhs

Particulars	Year ended March 31, 2022				Year ended March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	88,122.35	16,514.34	99,870.58	2,04,507.27	83,680.54	11,043.90	1,09,675.14	2,04,399.58
New assets originated or purchased	60,509.39	8,020.07	11,118.45	79,647.91	41,177.23	2,207.62	2,523.54	45,908.39
Transfers to Stage 1	10,982.15	(5,591.61)	(5,390.54)	-	7,895.83	(5,261.93)	(2,633.90)	-
Transfers to Stage 2	(11,522.99)	15,932.48	(4,409.49)	-	(6,921.24)	10,237.09	(3,315.85)	-
Transfers to Stage 3	(3,408.03)	(4,637.56)	8,045.59	-	(2,545.34)	(2,127.16)	4,672.50	-
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery	(49,958.96)	(10,484.03)	69,517.05	9,074.06	(29,804.02)	888.64	67,914.55	38,999.17
Amounts written off	(7,161.41)	(2,275.59)	(75,816.45)	(85,253.45)	(5,360.65)	(473.82)	(78,965.40)	(84,799.87)
ECL allowance - closing balance	87,562.50	17,478.10	1,02,935.19	2,07,975.79	88,122.35	16,514.34	99,870.58	2,04,507.27

The contractual amount outstanding on loans that have been written off during the financial year, but were still subject to enforcement activity was ₹ 73,970.01 Lakhs (₹ 77,527.99 Lakhs for March 31, 2021).

The Company, in the normal course collects the dues by cheques / mandates and where there is a default, the Company issues a demand notice and initiates arbitration or in the alternative proceeds under SARFAESI Act, where the immovable property is offered as a collateral security. The Company may initiate civil suit in certain cases for recovery of the amount due. Proceedings under IBC may also initiated for recovery of the amount due under the loan agreement. In case of vehicle loan, the Company where possible takes steps to repossess the vehicle and in case of Jewel loan the Company takes steps to auction the jewels on issue of notice, to realise the dues.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 11: INVESTMENTS

₹ in Lakhs

Particulars	Amortised Cost	At Fair value		Sub-total (At Fair Value)	Others (At Cost)	Total
		Through Other Comprehensive Income	Through profit and loss account			
AS AT MARCH 31, 2022						
i) Mutual funds	-	-	493.53	493.53	-	493.53
ii) Government securities	77,134.27	-	-	-	-	77,134.27
iii) Equity instruments *	-	7,515.00	-	7,515.00	-	7,515.00
iv) Subsidiary (Refer Note No. 36)	-	-	-	-	66,544.00	66,544.00
v) Subsidiary- Deemed investment in subsidiary	-	-	-	-	183.91	183.91
vi) Treasury Bills	31,640.35	-	-	-	-	31,640.35
vii) Investments in Pass Through Certificate	123.73	-	-	-	-	123.73
Total Gross (A)	1,08,898.35	7,515.00	493.53	8,008.53	66,727.91	1,83,634.79
(i) Investments outside India	-	7,515.00	-	7,515.00	-	7,515.00
(ii) Investments in India	1,08,898.35	-	493.53	493.53	66,727.91	1,76,119.79
Total Gross (B)	1,08,898.35	7,515.00	493.53	8,008.53	66,727.91	1,83,634.79
Less : Allowance for impairment loss (C)	(6.55)	-	-	-	-	(6.55)
Total - Net D = (B) - (C)	1,08,891.80	7,515.00	493.53	8,008.53	66,727.91	1,83,628.24
As at March 31, 2021						
i) Mutual funds	-	-	434.03	434.03	-	434.03
ii) Government securities	8,638.94	-	-	-	-	8,638.94
iii) Equity instruments *	-	9,686.10	-	9,686.10	-	9,686.10
iv) Subsidiary (Refer Note No. 36)	-	-	-	-	16,544.00	16,544.00
v) Subsidiary- Deemed investment in subsidiary	-	-	-	-	183.91	183.91
vi) Treasury Bills	66,090.73	-	-	-	-	66,090.73
vii) Investments in Pass Through Certificate	161.00	-	-	-	-	161.00
Total Gross (A)	74,890.67	9,686.10	434.03	10,120.13	16,727.91	1,01,738.71
(i) Investments outside India	-	9,686.10	-	9,686.10	-	9,686.10
(ii) Investments in India	74,890.67	-	434.03	434.03	16,727.91	92,052.61
Total Gross (B)	74,890.67	9,686.10	434.03	10,120.13	16,727.91	1,01,738.71
Less : Allowance for impairment loss (C)	(6.47)	-	-	-	-	(6.47)
Total - Net D = (B) - (C)	74,884.20	9,686.10	434.03	10,120.13	16,727.91	1,01,732.24

More information regarding the valuation methodologies can be found in Note 44.9

There are no investments designated at FVTPL.

* The Company received dividends of ₹ 184.66 Lakhs (March 31, 2021: ₹ 190.28 Lakhs) from its investments measured at FVTOCI securities, recorded as dividend income.

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 11: INVESTMENTS (Contd.)

internal grading system are explained in note 45.2.

₹ in Lakhs

Internal Grade Rating	As at March 31, 2022				As at March 31, 2021			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
Performing								
High grade	1,83,634.79	-	-	1,83,634.79	1,01,738.71	-	-	1,01,738.71
Standard grade	-	-	-	-	-	-	-	-
Non-performing								
Individually impaired	-	-	-	-	-	-	-	-
Total	1,83,634.79	-	-	1,83,634.79	1,01,738.71	-	-	1,01,738.71

An analysis of changes in gross carrying amount and the corresponding ECLs is as follows:

₹ in Lakhs

Particulars	Year Ended March 31, 2022				Year Ended March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount – opening balance	1,01,738.71	-	-	1,01,738.71	73,413.97	-	-	73,413.97
New assets originated or purchased	1,46,349.17	-	-	1,46,349.17	82,880.03	-	-	82,880.03
Assets derecognised or matured	(65,840.77)	-	-	(65,840.77)	(58,255.78)	-	-	(58,255.78)
Other changes								
Amortisation of G-sec Premium	2,068.22	-	-	2,068.22	(71.20)	-	-	(71.20)
Interest on investment at amortised cost	1,431.06	-	-	1,431.06	2,870.77	-	-	2,870.77
Change in fair value								
OCI	(2,171.10)	-	-	(2,171.10)	768.97	-	-	768.97
Profit & Loss	59.50	-	-	59.50	131.95	-	-	131.95
Closing balance	1,83,634.79	-	-	1,83,634.79	1,01,738.71	-	-	1,01,738.71

Reconciliation of ECL balance is given below:

₹ in Lakhs

Particulars	Year Ended March 31, 2022				Year Ended March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance in ECL	6.47	-	-	6.47	-	-	-	-
New assets originated or purchased	5.33	-	-	5.33	6.47	-	-	6.47
Changes to models and inputs used for ECL calculations	2.05	-	-	2.05	-	-	-	-
Recoveries	(7.30)	-	-	(7.30)	-	-	-	-
Closing balance in ECL	6.55	-	-	6.55	6.47	-	-	6.47

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 12 : OTHER FINANCIAL ASSETS

Particulars	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Security deposits	2,417.57	2,296.02
Assignment receivable	1,186.25	1,036.67
Less: ECL on Assignment Receivable	(62.75)	(41.67)
Other receivables	303.17	0.16
Employee benefits recoverable from former employers for transfer of employees	955.44	962.25
Total	4,799.68	4,253.43

Reconciliation of impairment allowance on Assignment receivable

Particulars	₹ in Lakhs
	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as per March 31, 2020	62.32
Add: Addition during the year	-
Less: Reversal during the year	(20.65)
Impairment allowance as per March 31, 2021	41.67
Add: Addition during the year	21.08
Less: Reversal during the year	-
Impairment allowance as per March 31, 2022	62.75

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 13: PROPERTY, PLANT AND EQUIPMENTS

Particulars	Land-Freehold	Building	Office equipments	Electrical Installations	Computer Equipments	Furniture & Fixtures	Vehicles	Leasehold Improvements	Total
₹ in Lakhs									
GROSS BLOCK AT COST									
As at March 31, 2020	2.31	12.94	3,224.58	3,593.26	7,502.40	2,755.80	70.26	13,419.59	30,581.14
Additions	-	-	30.19	178.31	793.72	108.40	27.52	658.42	1,796.56
Disposals	-	-	5.77	89.03	505.88	15.54	16.57	64.39	697.18
As at March 31, 2021	2.31	12.94	3,249.00	3,682.54	7,790.24	2,848.66	81.21	14,013.62	31,680.52
Additions	-	-	47.08	257.47	749.33	256.93	-	937.52	2,248.33
Disposals	-	-	53.64	75.50	510.48	23.66	13.86	296.52	973.66
As at March 31, 2022	2.31	12.94	3,242.44	3,864.51	8,029.09	3,081.93	67.35	14,654.62	32,955.19
ACCUMULATED DEPRECIATION AND IMPAIRMENT:									
As at March 31, 2020	-	4.02	2,705.37	1,601.85	6,054.62	1,617.60	30.93	11,325.73	23,340.12
Disposals	-	-	5.51	72.89	480.62	13.66	11.80	63.96	648.44
Depreciation charge for the year	-	0.17	145.04	329.06	786.31	194.98	7.77	1,087.79	2,551.12
As at March 31, 2021	-	4.19	2,844.90	1,858.02	6,360.31	1,798.92	26.90	12,349.56	25,242.80
Disposals	-	-	51.17	67.93	485.06	20.08	7.77	294.29	926.30
Depreciation charge for the year	-	0.17	114.15	338.17	643.26	192.29	8.25	927.75	2,224.04
As at March 31, 2022	-	4.36	2,907.88	2,128.26	6,518.51	1,971.13	27.38	12,983.02	26,540.54
Net carrying amount as at March 31, 2021	2.31	8.75	404.10	1,824.52	1,429.93	1,049.74	54.31	1,664.06	6,437.72
Net carrying amount as at March 31, 2022	2.31	8.58	334.56	1,736.25	1,510.58	1,110.80	39.97	1,671.60	6,414.65

Carrying value of Property, plant and equipment pledged as collateral for liabilities or commitments as at March 31, 2022 is ₹ 2.31 Lakhs (March 31 2021: ₹ 2.31 Lakhs).

There are no assets acquired on account of business combination nor revalued for the year ended March 31, 2022 and March 31, 2021.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 14 : OTHER INTANGIBLE ASSETS

		₹ in Lakhs
Particulars		Computer Software
Gross block at cost		
As at March 31, 2020		4,057.25
Additions		149.41
Disposals		-
As at March 31, 2021		4,206.66
Additions		133.43
Disposals		0.71
As at March 31, 2022		4,339.38
Accumulated amortisation and impairment losses		
As at March 31, 2020		3,864.07
Amortisation charge for the year		138.15
Disposals		-
As at March 31, 2021		4,002.22
Amortisation charge for the year		148.71
Disposals		0.71
As at March 31, 2022		4,150.22
Net carrying amount as at March 31, 2021		204.44
Net carrying amount as at March 31, 2022		189.16

Other than internally generated

NOTE 15 : RIGHT OF USE ASSETS

Office Premises

		₹ in Lakhs	
Particulars	As at March 31, 2022	As at March 31, 2021	
Gross Carrying Amount	15,618.41	15,487.33	
Additions	6,575.32	6,385.90	
Amortisation charge for the year	(5,462.74)	(5,294.87)	
Deletions	(470.74)	(959.95)	
Net Carrying Amount	16,260.25	15,618.41	

NOTE 16 : OTHER NON-FINANCIAL ASSETS

		₹ in Lakhs	
Particulars	As at March 31, 2022	As at March 31, 2021	
Goods and Service tax credit (input) receivable	10,159.75	8,681.43	
Other Advances	127.11	127.22	
Statutory duties paid under protest	766.66	766.66	
Capital advances	213.24	88.06	
Prepaid expenses	1,411.87	622.36	
Deposit with gratuity fund in excess of obligation	858.98	1,475.55	
Total	13,537.61	11,761.28	

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 17 : OTHER PAYABLES

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
(i) total outstanding dues of micro enterprises and small enterprises (Refer Note No. 46)	6.39	18.90
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	4,049.95	6,729.05
Total	4,056.34	6,747.95

AS AT MARCH 31, 2022

₹ in Lakhs

Particulars	Unbilled	Not Due for payment	Outstanding from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	6.39	-	-	-	6.39
Others	3,158.74	840.15	51.06	-	-	-	4,049.95
Disputed dues – MSME	-	-	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-	-	-
Total	3,158.74	840.15	57.45	-	-	-	4,056.34

As at March 31, 2021

₹ in Lakhs

Particulars	Unbilled	Not Due for payment	Outstanding from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	"More than 3 years"	
MSME	-	0.28	18.62	-	-	-	18.90
Others	3,542.30	1,842.35	1,342.41	1.99	-	-	6,729.05
Disputed dues – MSME	-	-	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-	-	-
Total	3,542.30	1,842.63	1,361.03	1.99	-	-	6,747.95

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 18 : DEBT SECURITIES

Particulars	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Redeemable Non-Convertible Debentures (Secured)		
Public issue*	38,902.41	86,924.21
Privately placed**	6,12,611.69	3,39,438.79
Total	6,51,514.10	4,26,363.00
Debt securities in India	6,51,514.10	4,26,363.00
Debt securities outside India	-	-
Total	6,51,514.10	4,26,363.00

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

* Includes ₹ 4,163.59 Lakhs (March 31, 2021 ₹ 5,192.17 Lakhs) issued to related parties.

** Includes ₹ 20,065.85 Lakhs (March 31, 2021 ₹ 2,389.34 Lakhs) issued to related parties.

A. Public Issue of Redeemable Non-Convertible Debentures (NCDs) Secured of ₹ 1,000/- each - Quoted

(i) Issued in 2019

Tranche I Series	Rate of Interest	₹ in Lakhs		Redemption Date
		As at March 31, 2022	As at March 31, 2021	
Series I	9.55%	-	42,330.07	30-Apr-21
Series II	9.54%	-	2,955.37	30-Apr-21
Series III	9.65%	7,061.02	6,985.01	30-Apr-22
Series IV	9.26%	4,082.17	4,034.35	30-Apr-22
Series V	9.64%	3,220.49	2,902.22	30-Apr-22
Series VI	9.75%	7,111.79	7,065.31	30-Apr-24
Series VII	9.35%	3,456.31	3,431.69	30-Apr-24
Series VIII	9.75%	2,708.83	2,450.56	30-Apr-24
		27,640.61	72,154.58	

Tranche II Series	Rate of Interest	₹ in Lakhs		Redemption Date
		As at March 31, 2022	As at March 31, 2021	
Series I	9.55%	-	3,098.30	25-Sep-21
Series II	9.55%	-	617.73	25-Sep-21
Series III	9.70%	1,656.51	1,646.07	25-Sep-22
Series IV	9.30%	1,322.31	1,313.58	25-Sep-22
Series V	9.71%	1,036.45	938.58	25-Sep-22
Series VI	9.85%	5,441.10	5,420.43	25-Sep-24
Series VII	9.45%	1,096.67	1,092.30	25-Sep-24
Series VIII	9.88%	708.76	642.64	25-Sep-24
		11,261.80	14,769.63	
Grand Total - Tranche I and II		38,902.41	86,924.21	

Nature of security

The repayment of secured redeemable non convertible debentures of ₹ 1,000/- each at face value on maturity together with interest thereon are secured by mortgage of immovable property and by way of charge on the Company's specifically identified assets such as book debts / loan receivables in favour of the Trustees appointed.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 18 : DEBT SECURITIES (Contd.)

Secured redeemable non- convertible debentures may be bought back subject to applicable statutory and/ or regulatory requirements, upon the terms and conditions as may be decided by the Company.

B. Redeemable Non-Convertible Debentures - Secured

Privately Placed Redeemable Non-Convertible Debenture -Institutional

Details of Privately Placed Redeemable Non-Convertible Debenture (NCDs) of ₹ 10,00,000/- each - Quoted and for two INEs - INE722A07AG5 and INE722A07AH3, the face value is ₹ 1,00,000/- each

Rate of Interest	₹ in Lakhs		Redemption Date
	As at March 31, 2022	As at March 31, 2021	
9.70%**	-	54,807.61	5-Mar-22
8.98%	-	15,540.55	9-Mar-22
9.90%	11,189.80	10,290.26	4-Apr-22
8.98%	20,868.80	20,713.25	6-Apr-22
8.15%	2,569.63	2,529.63	18-May-22
8.92%	22,183.83	20,034.55	18-Aug-22
9.90%	11,972.00	10,992.93	29-Sep-22
8.09%	8,203.85	8,202.91	5-Dec-22
7.70%	35,688.48	-	21-Dec-22
8.60%	16,339.29	14,825.47	27-Jan-23
9.25%	23,648.62	49,812.53	28-Feb-23
8.60%	52,900.01	47,903.37	1-Mar-23
9.25%**	2,460.80	2,479.95	5-Mar-23
8.90%	11,510.17	11,513.58	27-Mar-23
8.40%	21,322.23	19,705.94	30-Mar-23
8.40%	32,037.06	29,091.02	17-May-23
7.50%	44,180.04	-	22-May-23
8.22%	20,489.35	-	1-Mar-24
8.20%	30,540.84	-	23-May-24
9.25%#	49,775.36	4,970.79	28-May-24
8.25%	5,224.94	-	23-Jul-24
7.95% #	25,591.91	-	12-Aug-24
7.48%	30,618.48	-	21-Sep-24
9.25%	978.34	975.18	8-Feb-30
9.25%	4,851.84	4,833.76	22-Feb-30
9.50%	2,934.67	2,926.36	7-Feb-31
9.50%	7,307.97	7,289.15	21-Feb-31
9.00%	10,194.95	-	23-Jun-31
8.75%	10,340.55	-	23-Jul-31
8.65%	19,235.88	-	21-Sep-31
9.05%	59,852.59	-	20-Dec-31
9.00%	17,599.41	-	22-Feb-32
Total	6,12,611.69	3,39,438.79	

** Two NCDs having INEs INE722A07AG5 and INE722A07AH3 have face value of ₹ 1,00,000/- each

Out of the above, the following INE722A07AU6 and INE722A07AY8 totalling to ₹ 75,367.27 Lakhs (March 31, 2021: ₹ 4,970.79 Lakhs for INE722A07AU6) are having put option facility, as may be subject to applicable statutory and / or regulatory requirements, upon the terms and conditions as may be decided by the Company.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 18 : DEBT SECURITIES (Contd.)

Nature of security

The redemption of principal amount of secured redeemable non-convertible debentures with all interest thereon are secured by a mortgage on the specified immovable property and by way of charge on the Company's specifically identified assets such as book- debts/ loan receivables in favour of the trustee appointed.

These secured redeemable non-convertible debentures are redeemable at par over a period of 15 months to 120 months from the date of allotment depending on the terms of the agreement.

NOTE 19: BORROWINGS (OTHER THAN DEBT SECURITIES)

Particulars	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Secured		
Term Loan		
from bank in INR	8,82,119.19	7,62,526.16
from financial institution/ NBFC in INR	3,42,121.77	2,63,930.95
from bank in INR-Securitisation	18,860.95	38,605.98
from financial institution/ NBFC in INR- Securitisation	1,91,152.68	2,99,853.14
from bank in INR - Demand Loan against Fixed Deposits	36,000.00	-
Loans repayable on demand		
Cash credit / Overdraft facilities from banks	22,992.47	35,847.57
Working Capital demand loan from banks	2,35,581.76	1,76,515.34
Total	17,28,828.82	15,77,279.14
Borrowings in India	17,28,828.82	15,77,279.14
Borrowings outside India	-	-
Total	17,28,828.82	15,77,279.14

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

The borrowings have not been guaranteed by directors or others. The Company has not defaulted in repayment of principal and interest to its lenders.

The Company has utilised the funds raised from banks and financial institutions for the specific purpose for which they were borrowed.

The Company has borrowed funds from banks and financial institutions on the basis of security of current assets. It has filed quarterly returns or statements of current assets with banks and financial institutions and the said returns/statements are in agreement with books of accounts.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 19: BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

Term Loan from Bank in Indian currency-Secured

Terms of Repayment as at March 31, 2022

₹ in Lakhs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 Months	7.00% to 10.60%	1 to 36 installments of Bullet, Monthly and Quarterly frequency	1,05,194.31
12-24 Months	7.95% to 9.95%	8 to 33 installments of Monthly and Quarterly frequency	1,68,521.16
24-36 Months	7.90% to 9.40%	9 to 36 installments of Monthly and Quarterly frequency	2,65,847.97
36-48 Months	8.00% to 9.50%	11 to 15 installments of Quarterly frequency	2,93,265.45
48-60 Months	8.50%	19 installments of Quarterly frequency	49,290.30
Total			8,82,119.19

Terms of Repayment as at March 31, 2021

₹ in Lakhs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 Months	7.20% to 11.50%	1 to 24 installments of Bullet, Monthly, Quarterly and Half-yearly frequency	2,06,881.75
12-24 Months	7.80% to 10.60%	3 to 36 installments of Monthly and Quarterly frequency	2,27,252.09
24-36 Months	8.15% to 10.20%	8 to 33 installments of Monthly and Quarterly frequency	1,83,430.03
36-48 Months	8.50% to 9.45%	14 to 15 installments of Quarterly frequency	1,44,962.29
Total			7,62,526.16

Nature of Security

Term Loans from banks are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Term Loan from Financial Institutions/ NBFC-Secured

Terms of Repayment as at March 31, 2022

₹ in Lakhs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 Months	7.60% to 8.50%	1 to 20 installments of Bullet and Quarterly frequency	13,788.04
12-24 Months	8.25%	10 installments of Quarterly frequency	3,489.60
24-36 Months	8.25% to 10.50%	10 to 12 installments of Quarterly and Half yearly frequency	41,862.26
36-48 Months	7.20% to 9.75%	20 installments of Quarterly frequency	1,14,847.39
48-60 Months	8.00% to 8.75%	19 to 20 installments of Quarterly frequency	1,68,134.48
Total			3,42,121.77

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 19: BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

Terms of Repayment as at March 31, 2021

			₹ in Lakhs
Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 Months	6.21% to 9.00%	1 to 4 installments of Bullet and Quarterly frequency	43,882.35
12-24 Months	7.60% to 9.40%	12 to 20 installments of Quarterly frequency	12,851.91
24-36 Months	8.25%	10 installments of Quarterly frequency	4,359.24
36-48 Months	10.50%	20 installments of Half-yearly frequency	27,875.40
48-60 Months	7.20% to 9.75%	20 installments of Quarterly frequency	1,44,803.84
Above 60 Months	8.75%	20 installments of Quarterly frequency	30,158.21
Total			2,63,930.95

Nature of security

Term loans from institutions are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Term loan from banks - INR -Securitisation

Terms of Repayment as at March 31, 2022

			₹ in Lakhs
Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Total Amount
24-36 Months	8.95% to 9.10%	1 to 70 installments of Monthly frequency	18,860.95
Total			18,860.95

Terms of Repayment as at March 31, 2021

			₹ in Lakhs
Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Total Amount
48-60 Months	9.10% to 10.00%	1 to 70 installments of Monthly frequency	38,605.98
Total			38,605.98

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 19: BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

Term loan from Financial Institutions/ NBFC - INR - Securitisation

Terms of Repayment as at March 31, 2022

₹ in Lakhs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 Months	7.78% to 8.20%	1 to 23 installments of Monthly frequency	13,044.73
12-24 Months	6.69% to 10.25%	1 to 52 installments of Monthly frequency	84,014.24
24-36 Months	7.85% to 10.25%	1 to 72 installments of Monthly frequency	37,750.90
36-48 Months	9.00% to 10.25%	1 to 72 installments of Monthly frequency	19,398.17
Above 60 Months	9.11%	1 to 75 installments of Monthly frequency	36,944.64
Total			1,91,152.68

Terms of Repayment as at March 31, 2021

₹ in Lakhs

Tenor (from the date of Balance Sheet date)	Rate of interest	Repayment details	Total Amount
Upto 12 Months	10.40%	1 to 23 installments of Monthly frequency	445.01
12-24 Months	8.20% to 10.55%	1 to 30 installments of Monthly frequency	72,922.50
24-36 Months	8.20% to 10.25%	1 to 52 installments of Monthly frequency	76,426.41
36-48 Months	10.25% to 10.30%	1 to 72 installments of Monthly frequency	40,005.80
48-60 Months	9.00% to 10.25%	1 to 72 installments of Monthly frequency	45,937.46
Above 60 Months	9.11%	1 to 75 installments of Monthly frequency	64,115.96
Total			2,99,853.14

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

Term loan from banks - INR - Demand Loan against fixed deposits

₹ in Lakhs

Tenor (from the date of Balance Sheet date)	Rate of Interest	As at March 31, 2022	As at March 31, 2021
Secured against fixed deposits of ₹ 40,000/- Lakhs	4.10%	36,000.00	-
Total		36,000.00	-

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 19: BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

Loans repayable on demand-Secured

Cash Credit from Banks

Particulars	Rate of Interest	₹ in Lakhs	
		As at March 31, 2022	As at March 31, 2021
Secured with exclusive charge by way of hypothecation of specific assets under financing.	7.20% to 10.45%	22,992.47	35,847.57
Total		22,992.47	35,847.57

Working capital Demand loan from Banks

Particulars	Rate of Interest	₹ in Lakhs	
		As at March 31, 2022	As at March 31, 2021
Secured with exclusive charge by way of hypothecation of specific assets under financing.	6.71% to 10.15%	2,35,581.76	1,76,515.34
Total		2,35,581.76	1,76,515.34

NOTE 20: DEPOSITS

Particulars	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Unsecured		
Deposits		
i) Public deposits * (Refer Note No. 51)	6,82,450.02	5,52,881.69
ii) Recurring deposits	388.62	7.09
Total	6,82,838.64	5,52,888.78

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

* includes ₹ 1,260.27 Lakhs (March 31, 2021 ₹ 1,052.63 Lakhs) accepted from related parties.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 20: DEPOSITS (Contd.)

Details of Public Deposits - Unsecured

Terms of Repayment as at March 31, 2022

₹ in Lakhs

Redeemable at par (from the date of Balance Sheet Date)	Rate of interest		Total
	>= 6% < 8%	>= 8% < 10%	
Upto 12 months	87,019.02	1,25,498.09	2,12,517.11
12-24 months	39,264.30	1,20,641.25	1,59,905.55
24-36 months	94,828.10	73,436.12	1,68,264.22
36-48 months	3,136.10	65,482.04	68,618.14
48-60 months	40,776.40	32,368.60	73,145.00
Total	2,65,023.92	4,17,426.10	6,82,450.02

Terms of Repayment as at March 31, 2021

₹ in Lakhs

Redeemable at par (from the date of Balance Sheet Date)	Rate of interest		Total
	>= 6% < 8%	>= 8% < 10%	
Upto 12 months	65,754.95	97,205.09	1,62,960.04
12-24 months	23,585.51	1,22,138.47	1,45,723.98
24-36 months	17,871.37	1,17,186.77	1,35,058.14
36-48 months	775.24	43,779.59	44,554.83
48-60 months	-	64,584.70	64,584.70
Total	1,07,987.07	4,44,894.62	5,52,881.69

Details of Recurring deposits - Unsecured

Terms of Repayment as at March 31, 2022

₹ in Lakhs

Redeemable at par (from the date of Balance Sheet Date)	Rate of interest		Total
	>= 6% < 8%	>= 8% < 10%	
Upto 12 months	152.56	-	152.56
12-24 months	33.38	5.70	39.08
24-36 months	0.01	47.94	47.95
36-48 months	-	40.05	40.05
48-60 months	-	108.98	108.98
Total	185.95	202.67	388.62

Terms of Repayment as at March 31, 2021

₹ in Lakhs

Redeemable at par (from the date of Balance Sheet Date)	Rate of interest		Total
	>= 6% < 8%	>= 8% < 10%	
Upto 12 months	2.10	-	2.10
12-24 months	0.49	-	0.49
24-36 months	-	0.70	0.70
36-48 months	-	0.05	0.05
48-60 months	-	3.75	3.75
Total	2.59	4.50	7.09

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 21: OTHER FINANCIAL LIABILITIES

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Investor education and protection fund shall be credited by the following amounts (as and when due) #		
- Unclaimed dividend	88.51	86.42
- Unclaimed matured deposits and interest thereon	6,616.72	6,156.82
- Unclaimed matured debentures and interest thereon	386.92	573.98
- Unclaimed matured subordinate debts and interest accrued thereon	921.31	2,059.81
Payable on account of assignment	261.03	1,587.76
Royalty payable	1,732.25	1,641.31
Creditors for Supply & Services	325.69	353.48
Employee related payables	5,123.04	5,005.11
Lease Liability	17,927.21	16,757.24
COVID-19 Ex-gratia relief Payable	-	140.10
Dividend payable*	-	6,600.50
Total	33,382.68	40,962.53

There are no amounts due to be transferred to Investor Education and Protection Fund (IEPF)

* Represents second interim dividend declared on March 26, 2021 which is payable to the shareholders whose names appeared on the register of members as at April 7, 2021 being record date. This second interim dividend was paid to shareholders on April 19, 2021.

Lease Liability

AS AT MARCH 31, 2022

₹ in Lakhs

Class of Underlying Asset	Opening Balance of Lease Liabilities (Balance as on March 31, 2021)	Additions to Lease Liabilities, made during the year	Reduction in Lease Liabilities due to termination of Lease agreement	Finance Cost Accrued during the year	Payment of Lease Liabilities during the year	Rent Lease Concession	Amount of Lease Liabilities as on March 31, 2022
Office Premises	16,757.24	6,383.38	(516.05)	1,842.01	(6,501.75)	(37.62)	17,927.21

As at March 31, 2021

₹ in Lakhs

Class of Underlying Asset	Opening Balance of Lease Liabilities (Balance as on March 31, 2020)	Additions to Lease Liabilities, made during the year	Reduction in Lease Liabilities due to termination of Lease agreement	Finance Cost Accrued during the year	Payment of Lease Liabilities during the year	Rent Lease Concession	Amount of Lease Liabilities as on March 31, 2021
Office Premises	15,977.38	6,147.24	(1,008.76)	1,718.12	(5,644.23)	(432.51)	16,757.24

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 21: OTHER FINANCIAL LIABILITIES (Contd.)

Particulars	₹ in Lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Amounts recognised in the Statement of Profit and Loss		
Amortisation expense of right-of-use assets	5,462.74	5,294.87
Interest expense on lease liabilities	1,842.01	1,718.12
Expense relating to short-term leases (included in other expenses)	-	-
Expense relating to leases of low-value assets (included in other expenses)	-	-
Variable lease payments (included in other expenses)	-	-
The Company had remeasured lease liability in respect of certain leases during the year and income on such remeasurement of leases as per Ind AS 116 is included in other income	(37.62)	(432.51)
Total amount recognised in profit or loss	7,267.13	6,580.48

"The Company does not face a significant liquidity risk with regard to its lease liabilities as the assets are sufficient to meet the obligations related to lease liabilities as and when they fall due."

Lease Liability

The table below provides details regarding the contractual maturities of lease liabilities.

Particulars	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Not later than one year	4,519.19	4,128.59
Later than one year but not later than five years	9,907.77	9,314.95
Later than 5 years	3,500.25	3,313.70
Total	17,927.21	16,757.24

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

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 22: PROVISIONS

₹ in Lakhs

Particulars	As at	As at
	March 31, 2022	March 31, 2021
For Employee benefit		
- Provision for compensated absences	2,434.60	2,413.52
For Others		
- Undrawn loan commitment	225.29	217.73
Total	2,659.89	2,631.25

Loan Commitment

Credit quality of exposure

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 45.2 along policies on whether ECL allowances are calculated on an individual or collective basis.

₹ in Lakhs

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	Stage 1 Collective	Stage 1 Collective
Internal Rating Grade		
Performing		
High Grade	6,402.47	5,378.39
Total	6,402.47	5,378.39

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to other undrawn loan commitments is, as follows:

Gross exposure reconciliation

₹ in Lakhs

Particulars	Year ended	Year ended
	March 31, 2022	March 31, 2021
	Stage 1	Stage 1
Opening balance of outstanding exposure	5,378.39	691.57
New exposures	6,402.47	5,378.39
Exposures cancelled or disbursed (excluding write-offs)	(5,378.39)	(691.57)
Closing balance of outstanding exposure	6,402.47	5,378.39

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

₹ in Lakhs

Particulars	Year ended	Year ended
	March 31, 2022	March 31, 2021
	General approach	General approach
	Stage 1	Stage 1
ECL allowance - opening balance	217.73	31.77
New exposures	225.29	217.73
Exposures cancelled or disbursed (excluding write-offs)	(217.73)	(31.77)
ECL allowance - closing balance	225.29	217.73

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 23: OTHER NON-FINANCIAL LIABILITIES

Particulars	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Statutory dues payable	6,231.50	2,246.33
Retention money and other sundry liabilities	4.82	31.94
Total	6,236.32	2,278.27

NOTE 24: EQUITY SHARE CAPITAL

Particulars	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Authorised:		
11,85,00,000 (March 31, 2021: 11,85,00,000) equity shares of ₹ 10/- each	11,850.00	11,850.00
40,00,000 (March 31, 2021: 40,00,000) cumulative redeemable preference shares of ₹ 100/- each	4,000.00	4,000.00
Total	15,850.00	15,850.00
Issued share capital		
6,66,28,016 (March 31, 2021 : 6,60,05,022) equity shares of ₹ 10/- each	6,662.80	6,600.50
Subscribed share capital		
6,66,28,016 (March 31, 2021 : 6,60,05,022) equity shares of ₹ 10/- each	6,662.80	6,600.50
Paid up (fully paid up)		
6,66,28,016 (March 31, 2021 : 6,60,05,022) equity shares of ₹ 10/- each	6,662.80	6,600.50
Total Equity	6,662.80	6,600.50
Issued, Subscribed and fully paid up Equity Shares		
6,66,28,016 (March 31, 2021 : 6,60,05,022) equity shares of ₹ 10/- each	6,662.80	6,600.50
Total Equity	6,662.80	6,600.50

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	No. of Shares	₹ in Lakhs
As at March 31, 2020	6,60,02,922	6,600.29
Issued during the year*	2,100	0.21
As at March 31, 2021	6,60,05,022	6,600.50
Issued during the year*	6,22,994	62.30
As at March 31, 2022	6,66,28,016	6,662.80

* Relates to ESOP allotment

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

The Company has issued total 6,84,614 (March 31, 2021: 77,870) equity shares during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP), wherein a part of the consideration was received in form of employee service.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 24: EQUITY SHARE CAPITAL (Contd.)

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Shriram Capital Limited	2,23,71,594	33.58%	2,23,71,594	33.89%
Dynasty Acquisition FPI Limited	1,34,21,889	20.14%	1,34,21,889	20.33%
Piramal Enterprises Limited	65,79,840	9.88%	65,79,840	9.97%

As per the records of the Company, including its register of shareholders / members and other declarations received from shareholders / members regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

e. Shareholding of Promoters *

Shares held by promoters/ promoter groups at the end of the year	As at March 31, 2022			As at March 31, 2021		
	No. of Shares	% of total shares	% change during the year	No. of Shares	% of total shares	% change during the year
Promoter Name						
Shriram Capital Limited	2,23,71,594	33.58%	-0.94%	2,23,71,594	33.89%	0.00%
Shriram Ownership Trust	4,88,383	0.73%	100.00%	-	0.00%	NA
Shriram Value Services Limited	2,01,106	0.30%	100.00%	-	0.00%	NA
Shriram Financial Ventures (Chennai) Private Limited	-	0.00%	-100.00%	4,88,383	0.74%	3599.59%
Total	2,30,61,083			2,28,59,977		

* Promoter here means promoter as defined in the Companies Act, 2013.

f. Dividend Details

The Board of Directors in their meeting held on March 8, 2022 declared second interim equity dividend of 270% (₹ 27/- per equity share of nominal face value of ₹ 10/- each fully paid up) for the financial year 2021-22, amounting to ₹ 1,79,82,48,195/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders. The record date for payment of second interim equity dividend was March 17, 2022. The second interim dividend was paid to eligible shareholders on March 25, 2022. The Board of Directors have not recommended final dividend. As such the interim dividend aggregating to ₹ 37/-per share (i.e. 370 %) shall be the final dividend for the financial year 2021-22.

The Board of Directors in their meeting held on October 27, 2021 declared interim equity dividend of 100% (₹ 10/- per equity share of nominal face value of ₹ 10/- each fully paid up) for the financial year 2021-22, amounting to ₹ 66,15,81,390/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders. The record date for payment of interim equity dividend was November 12, 2021. The interim dividend was paid to eligible shareholders on November 24, 2021.

Pursuant to the final equity dividend for the financial year 2020-21 approved by the shareholders at the 35th Annual General Meeting held on July 29, 2021, the Company paid the final equity dividend of 130% (₹ 13/- per equity share of nominal face value of ₹ 10/- each fully paid up) aggregating to ₹ 85,80,65,286/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders. The record date for payment of final equity dividend was July 22, 2021 and the payment was made on August 21, 2021. With this the total dividend for the financial year 2020-21 is ₹ 33 /- per share (i.e. 330 %).

The Board of Directors in their meeting held on March 26, 2021 declared second interim equity dividend of 100% (₹ 10/- per equity share of nominal face value of ₹ 10/- each fully paid up) for the financial year 2020-21, amounting to ₹ 66,00,50,220/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders. The record date for payment of second interim dividend was April 07, 2021 and the payment was done on April 19, 2021.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 24: EQUITY SHARE CAPITAL (Contd.)

The Board of Directors in their meeting held on November 2, 2020 declared first interim equity dividend of 100% (₹ 10/- per equity share of nominal face value of ₹ 10/- each fully paid up) for the financial year 2020-21, amounting to ₹ 66,00,43,220/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders. The record date for payment of second interim dividend was November 12, 2020 and the payment was done on November 27, 2020.

Refer note 43 - Capital for the Company's objectives, policies and processes for managing capital

NOTE 25: OTHER EQUITY

Particulars	₹ in Lakhs Amount
Share application money pending allotment	
As at March 31, 2020	-
As at March 31, 2021	-
As at March 31, 2022	-
Capital Reserve	
As at March 31, 2020	7,871.88
As at March 31, 2021	7,871.88
As at March 31, 2022	7,871.88
Securities Premium Account	
As at March 31, 2020	1,75,518.91
Add: Premium on shares issued under Employee Stock Option Plan	5.28
As at March 31, 2021	1,75,524.19
Add: Premium on shares issued under Employee Stock Option Plan	5,180.44
As at March 31, 2022	1,80,704.63
Share Option Outstanding	
As at March 31, 2020	29.35
Add: Expenses on Employee Stock Option Plan (Refer Note No. 37)	1,847.93
Less: Adjustment on exercise of Employee Stock Option Plan	(4.76)
As at March 31, 2021	1,872.52
Add: Expenses on Employee Stock Option Plan (Refer Note No. 37)	9,867.63
Less: Adjustment on exercise of Employee Stock Option Plan	(3,373.76)
As at March 31, 2022	8,366.39
Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	
As at March 31, 2020	1,28,431.30
Add: Amount transferred from retained earnings	20,490.00
As at March 31, 2021	1,48,921.30
Add: Amount transferred from retained earnings	21,760.00
As at March 31, 2022	1,70,681.30
Capital Redemption Reserve	
As at March 31, 2020	2,328.98
As at March 31, 2021	2,328.98
As at March 31, 2022	2,328.98

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 25: OTHER EQUITY (Contd.)

Particulars	₹ in Lakhs Amount
General Reserve	
As at March 31, 2020	1,01,124.46
Add: Amount transferred from retained earnings	10,250.00
As at March 31, 2021	1,11,374.46
Add: Amount transferred from retained earnings	10,880.00
As at March 31, 2022	1,22,254.46
Retained Earnings	
As at March 31, 2020	3,00,512.26
Add: Profit for the year	1,01,094.42
Add / (less): Appropriations and other adjustments	
Interim equity dividend FY 2020-21	(13,200.93)
Transfer to statutory reserve	(20,490.00)
Transfer to general reserve	(10,250.00)
As at March 31, 2021	357,665.75
Add: Profit for the year	108,619.50
Add / (less): Appropriations and other adjustments	
Final equity dividend FY 2020-21	(8,580.65)
Interim equity dividend FY 2021-22	(24,598.30)
Transfer to statutory reserve	(21,760.00)
Transfer to general reserve	(10,880.00)
As at March 31, 2022	400,466.30
Other Comprehensive Income	
As at March 31, 2020	(1,621.86)
Remeasurement gain / (loss) on defined benefit plan	1,178.74
Gain / (loss) on fair valuation of quoted investments in equity shares	768.97
Income tax provision / (reversal) on above	(632.84)
As at March 31, 2021	(306.99)
Remeasurement gain / (loss) on defined benefit plan	(157.43)
Gain / (loss) on fair valuation of quoted investments in equity shares	(2,171.10)
Income tax provision / (reversal) on above	546.42
As at March 31, 2022	(2,089.10)
Money received against share warrants	
As at March 31, 2020	-
As at March 31, 2021	-
As at March 31, 2022	-
Total other equity	
As at March 31, 2020	714,195.28
As at March 31, 2021	805,252.09
As at March 31, 2022	890,584.84

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 25: OTHER EQUITY (Contd.)

Proposed Dividend on equity shares

Particulars	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
The Board proposed dividend on equity shares		
Proposed dividend on equity shares for the year ended on March 31, 2022: Nil (March 31, 2021: ₹ 13.00) per share	-	8,580.65
Total	-	8,580.65

Nature and purpose of reserves

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

Securities Premium Account: The amount received in excess of face value of the equity shares is recognised in Securities Premium Account. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium account. This amount can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Share Option Outstanding: The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 37 for further details of these plans.

Statutory Reserve: Every year the Company transfers a of sum of not less than twenty per cent of net profit of that year as disclosed in the statement of profit and loss to its Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934. The conditions and restrictions for distribution attached to statutory reserves as specified in Section 45-IC(1) in The Reserve Bank of India Act, 1934:

- (1) Every non-banking financial company (NBFC) shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.
- (2) No appropriation of any sum from the reserve fund shall be made by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty-one days from the date of such withdrawal. Provided that the RBI may, in any particular case and for sufficient cause being shown, extend the period of twenty-one days by such further period as it thinks fit or condone any delay in making such report.
- (3) Notwithstanding anything contained in sub-section (1) the Central Government may, on the recommendation of the RBI and having regard to the adequacy of the paid-up capital and reserves of a NBFC in relation to its deposit liabilities, declare by order in writing that the provisions of sub-section (1) shall not be applicable to the NBFC for such period as may be specified in the order. Provided that no such order shall be made unless the amount in the reserve fund under sub-section (1) together with the amount in the share premium account is not less than the paid-up capital of the NBFC.

Capital Redemption Reserve: The Company has recognised Capital Redemption Reserve on redemption of Non-Convertible Redeemable Preference Shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the Non-Convertible Redeemable Preference Shares redeemed. The Company may issue fully paid up bonus shares to its members out of the capital redemption reserve account.

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

Retained earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve, general reserve and dividend distributed to shareholders.

Other Comprehensive Income: Other comprehensive income consists of remeasurement of net defined benefit liability/ asset, FVTOCI financial liabilities and financial assets

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 26: INTEREST INCOME

Particulars	₹ in Lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
On financial assets measured at amortised cost		
Interest on Loans	5,99,044.94	5,42,044.23
Interest income from investments	3,985.46	2,799.65
Interest on deposits with Banks		
- Margin money deposit	3,224.81	4,163.87
- Other deposits	14,763.11	8,144.84
Interest on Others	404.58	3.27
Total	6,21,422.90	5,57,155.86

NOTE 27: FEES AND COMMISSION INCOME

Particulars	₹ in Lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Income from commission services	3,410.48	3,066.09
Income from collection services	5,879.01	236.97
Income from other services	3,416.93	1,301.56
Unwinding of financial guarantee obligation	-	117.13
Total	12,706.42	4,721.75

Revenue from contracts with customers

Set out below is the revenue from contracts with customers and reconciliation to profit and loss account

Particulars	₹ in Lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Type of Services or Service		
Fee and commission income	12,706.42	4,604.62
Total revenue from contract with customers	12,706.42	4,604.62
Geographical markets		
India	12,706.42	4,604.62
Outside India	-	-
Total revenue from contract with customers	12,706.42	4,604.62
Timing of revenue recognition		
Services transferred at a point in time	9,384.16	3,414.15
Services transferred over time	3,322.26	1,190.47
Total revenue from contracts with customers	12,706.42	4,604.62

Contract Balance

Particulars	₹ in Lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Trade Receivables	463.61	239.62
Less: Impairment loss allowances	(24.52)	(9.63)
Net Trade Receivables	439.09	229.99
Contract Assets	-	-
Total	439.09	229.99

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

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 28: NET GAIN / (LOSS) ON FAIR VALUE CHANGES

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net gain/ (loss) on financial instruments at fair value through profit or loss		
- Investments	59.50	131.95
- Derivatives	-	-
Total Net gain/(loss) on fair value changes	59.50	131.95
Fair Value changes		
- Realised	-	-
- Unrealised	59.50	131.95
Total Net gain/(loss) on fair value changes	59.50	131.95

NOTE 29: FINANCE COST

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
On financial liabilities measured at amortised cost		
Interest expense on:-		
Fixed Deposits	54,438.57	42,630.98
Subordinated liabilities	-	612.93
Borrowings (other than debt securities)		
-Loans from Banks	75,728.56	73,250.09
-Loans from Financial Institution/ NBFC	23,047.79	10,854.27
-Loans from Banks- Securitisation	2,770.96	4,295.51
-Loans from Financial Institution/ NBFC- Securitisation	26,555.27	27,114.83
-Loans from Banks - Demand Loan against Fixed Deposits	129.40	-
-Working Capital Demand Loans	16,819.31	15,947.32
-Cash Credit	647.70	1,922.69
-Commercial Paper	-	35.67
Debt securities	51,087.59	34,839.48
Interest on Tax Liability	185.36	89.02
Interest on Defined Benefit Plans	-	77.52
Finance Cost on Lease liability	1,842.01	1,718.12
Total	2,53,252.52	2,13,388.43

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 30: IMPAIRMENT ON FINANCIAL INSTRUMENTS

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
On financial instruments measured at amortised cost		
Loans and advances to customers (Refer Note No. 68.8)	3,468.52	107.68
Others		
- Undrawn Commitments	7.56	185.96
- Trade receivables	14.89	6.27
- Assignment Receivables	21.08	(20.65)
- Investment Through PTC	0.08	6.47
Total	3,512.13	285.73

The table below shows the ECL charges on financial instruments for the year recorded in the statement of profit and loss based on evaluation stage:

YEAR ENDED MARCH 31, 2022

₹ in Lakhs

Particulars	General Approach				Simplified Approach	Total
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	POCI		
Loans and advances to customers	(559.85)	963.76	3,064.61	-	-	3,468.52
Others						
- Undrawn Commitments	7.56	-	-	-	-	7.56
- Trade receivables	-	-	-	-	14.89	14.89
- Assignment Receivables	-	-	-	-	21.08	21.08
- Investment Through PTC	-	-	-	-	0.08	0.08
Total impairment loss	(552.29)	963.76	3,064.61	-	36.05	3,512.13

Year ended March 31, 2021

₹ in Lakhs

Particulars	General Approach				Simplified Approach	Total
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	POCI		
Loans and advances to customers	4,441.80	5,470.44	(9,804.56)	-	-	107.68
Others						
- Undrawn Commitments	185.96	-	-	-	-	185.96
- Trade receivables	-	-	-	-	6.27	6.27
- Assignment Receivables	-	-	-	-	(20.65)	(20.65)
- Investment Through PTC	-	-	-	-	6.47	6.47
Total impairment loss	4,627.76	5,470.44	(9,804.56)	-	(7.91)	285.73

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 31: EMPLOYEE BENEFIT EXPENSES

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, other allowances and bonus	79,638.33	67,880.14
Contribution to provident and other funds	5,639.10	4,830.88
Staff welfare expenses	1,523.78	1,101.34
Gratuity expenses (Refer Note No. 38)	567.80	705.78
Share based payments to employees	9,867.63	1,847.93
Total	97,236.64	76,366.07

NOTE 32: DEPRECIATION, AMORTISATION AND IMPAIRMENT

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation of tangible assets	2,224.04	2,551.12
Amortisation of intangible assets	148.71	138.15
Amortisation on right of use assets (Refer Note No. 15)	5,462.74	5,294.87
Total	7,835.49	7,984.14

NOTE 33: OTHER EXPENSES

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Power and fuel	891.48	814.49
Repairs and maintenance		
- Buildings	1,245.00	1,108.89
- Office equipments	56.19	38.84
Office expenses	1,412.37	1,501.86
Rates and taxes	1,970.31	1,460.84
Printing and stationery	2,295.31	1,692.62
Travelling and conveyance	3,156.36	1,834.56
Advertisement	1,291.31	292.09
Business promotion	5,231.21	4,640.93
Directors' sitting fees	69.22	41.97
Insurance	488.16	436.69
Communication expenses	3,067.28	2,345.57
Bank charges	1,586.62	1,586.11
Legal and professional fees	1,906.93	1,159.24
Loss on sale of property, plant and equipment (net)	-	12.12
CSR expenses (Refer Note No. 88)	3,167.57	2,195.23
Miscellaneous expenses	1,813.15	1,045.02
Auditor fees*		
(a) Audit fees	46.95	39.57
(b) Tax audit fees	6.65	6.59
(c) Certification fees	1.65	9.86
(d) Out of pocket	6.59	0.58
Total	29,710.31	22,263.67

* Includes fees paid to previous Statutory auditors for financial year 2021-22

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 34: INCOME TAX

34.1 The components of income tax expense are:

Particulars	₹ in Lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Current tax	38,975.40	46,219.68
Tax adjustment for earlier years	334.21	-
Deferred tax relating to origination and reversal of temporary differences	(1,804.74)	(8,375.35)
Total tax charge	37,504.87	37,844.33

34.2 Reconciliation of the total tax charge:

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

Particulars	₹ in Lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Accounting profit before tax	1,46,124.37	1,38,938.75
At India's statutory income tax rate of 25.168% (March 31, 2021: 25.168%)	36,776.58	34,968.09
Total Tax	36,776.58	34,968.09
Corporate social responsibility & Donation expenditure not allowable for tax purpose	798.60	552.50
Deduction under chapter VIA of the Income Tax Act, 1961 (80JJAA)	(383.21)	(198.92)
Tax impact of bonus payable to employees allowable on payment basis	-	1,035.21
Others	312.90	1,487.45
Income tax expense reported in the statement of profit or loss	37,504.87	37,844.33
Effective income tax rate %	25.67%	27.24%

34.3 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 Assets	Deferred Tax Liabilities	Statement of profit & loss	OCI
	As at March 31, 2022	As at March 31, 2022	Year ended March 31, 2022	Year ended March 31, 2022
Property, plant and equipment and intangible assets	1,817.47	-	3.32	-
Net Right to use asset and future rent liability	419.54	-	(132.92)	-
Expenses allowable for tax purpose when paid	2,712.20	-	(1,639.68)	-
EIR impact on debt instrument measured at amortised cost	133.34	6.80	(107.55)	-
Impact of fair valuation on investments measured at fair value through profit and loss account	594.56	73.88	14.98	(546.42)
Impact of amortisation of processing fees on loans and advances	79.29	-	213.53	-
Provision for impairment of financial assets at amortised cost	9,224.16	-	(246.67)	-
Other temporary differences	564.96	298.40	90.25	-
Total	15,545.52	379.08	(1,804.74)	(546.42)

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 34: INCOME TAX (Contd.)

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

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Statement of profit & loss	OCI
	As at March 31, 2021	As at March 31, 2021	Year ended March 31, 2021	Year ended March 31, 2021
Property, plant and equipment and intangible assets	1,820.79	-	(98.22)	-
Net Right to use asset and future rent liability	286.62	-	(163.29)	-
Expenses allowable for tax purpose when paid	1,072.52	-	961.59	439.31
EIR impact on debt instrument measured at amortised cost	44.41	25.43	(113.69)	-
Impact of fair valuation on investments measured at fair value through profit and loss account	48.14	58.90	33.21	193.53
Impact of amortisation of processing fees on loans and advances	292.82	-	144.28	-
Provision for impairment of financial assets at amortised cost	9,090.12	-	(9,090.12)	-
Other temporary differences	244.19	-	(49.11)	-
Total	12,899.61	84.33	(8,375.35)	632.84

34.4 Amount recognised in respect of current tax/ deferred tax directly in equity:

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

34.5 Tax losses and Tax credits

Particulars	As at March 31, 2022	As at March 31, 2021
Unused capital gains tax losses for which no deferred tax asset has been recognised	-	-
Unused tax credits-MAT credit entitlement	-	-

34.6 Current Tax Assets (Net)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance income tax (net of provision for tax) [provision for income tax March 31, 2022: ₹ 4,05,135.65 Lakhs March 31, 2021: ₹ 3,65,826.04 Lakhs]	2,665.62	4,502.79
Total	2,665.62	4,502.79

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 35: EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of Company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares and issue of Employee stock options.

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net profit after tax as per statement of profit and loss (₹ in Lakhs) (A)	1,08,619.50	1,01,094.42
Weighted average number of equity shares for calculating basic earnings per share (₹ in Lakhs) (B)	661.68	660.04
Effect of dilution:		
Stock options granted under ESOP (Nos. in Lakhs)	4.00	1.54
Weighted average number of equity shares for calculating diluted earnings per share (₹ in Lakhs) (C)	665.68	661.58
Earnings per equity share (face value ₹ 10/- per equity share)		
Basic earnings per share (₹) (A/B)	164.16	153.16
Diluted earnings per share (₹) (A/C)	163.17	152.81

NOTE 36: INVESTMENT IN SUBSIDIARY

Name of the subsidiary	Country of Incorporation	Principal place of business	Principal activities	For the year ending	No. of Equity Shares Held (FV of ₹ 10 /- each)	% of equity interest
Shriram Housing Finance Limited	India	Mumbai	Housing Finance	March 31, 2022	27,65,51,112	85.02%
				March 31, 2021	16,54,40,000	77.25%

The Company has recognised its investment in subsidiary at cost.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 37: EMPLOYEE STOCK OPTION PLAN

37.1 Employee Stock Option Plan (2006)

The Company provides share-based payment schemes to its Employees. There are two ongoing Employee stock option schemes:-

SCUF EMPLOYEE STOCK OPTION SCHEME 2006

37.1.1. This employee equity-settled compensation scheme known as **Shriram City Union Finance Limited Employees Stock Option Scheme 2006** ("SCUF ESOP Scheme 2006" or the "Scheme"). The scheme is approved and authorised by the shareholders of the Company at the Extra Ordinary General Meeting held on October 30, 2006.

Under the said scheme the Board of Directors has granted following number of options to eligible employees of the Company.

Particulars	Grant Date	No of Options Granted
Series I	October 19, 2007	13,55,000

The option shall vest in the hands of the Option holder after a minimum period of 12 months from the date of grant of option or such longer period as may be determined by the Committee subject to the condition that the Option grantee continues to be an employee of the Company and the performance or other conditions as may be determined by the Committee. The maximum period of vesting shall be 10 years from the date of grant.

The options vested shall be exercised within period of ten years from the vesting date. When exercisable, each option is convertible into one equity share. Any option granted shall be exercisable according to the terms and conditions as determined by the Scheme.

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	Weighted Average exercise price per share per option ₹	Number of Options	Weighted Average exercise price per share per option ₹	Number of Options
Outstanding at the beginning of the period	35	10,860	35	12,960
Granted during the period	-	-	-	-
Exercised during the period	-	-	35	2,100
Forfeited during the period	-	-	-	-
Expired during the period	-	-	-	-
Outstanding at the end of the period	35	10,860	35	10,860
Weighted average share price (₹)*	1,846.02	-	953.84	-
Weighted average remaining contractual life of options outstanding at the end of the year	-	4.74	-	0.55

* based on market price on National Stock Exchange Limited where maximum volume of the shares of the Company were traded during the year

37.1.2. Fair value of the options granted:

The Company has recorded employee stock-based compensation expense relating to the options granted to the employees on the basis of fair value of options.

The fair value of the options granted is mentioned below as per vesting period. The fair value of the options is determined using Black-Scholes model which takes into account the exercise price, the term of the option (time to maturity), the share price as at the grant date and expected price volatility (standard deviation) of the underlying share, the expected dividend yield and risk-free interest rate for the term of the option.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 37: EMPLOYEE STOCK OPTION PLAN (Contd.)

Fair value and assumptions for the equity-settled grants under the Scheme is as under;

Particulars	Series I			
	October 19, 2007	October 19, 2007	October 19, 2007	October 19, 2007
Grant Date	October 19, 2007	October 19, 2007	October 19, 2007	October 19, 2007
Vesting Date	10% of grant on October 19, 2008	20% of grant on October 19, 2009	30% of grant on October 19, 2010	40% of grant on October 19, 2011
Exercise Price (in ₹)	35	35	35	35
Fair value of option	227.42	227.42	227.42	227.42
Input Variables:				
Standard deviation (Volatility)	55.36%	55.36%	55.36%	55.36%
Risk-free rate	7.70%	7.67%	7.66%	7.67%
Time to maturity (in years)	1.5	2.5	3.5	4.5
Expected Dividend per annum (₹)	3	3	3	3
Dividend yield	0.84%	0.84%	0.84%	0.84%

37.2 Employee Stock Option Plan (2013)

37.2.1 This employee equity-settled compensation scheme known as **Shriram City Union Finance Limited Employees Stock Option Scheme 2013** ("SCUF ESOP Scheme 2013" or the "Scheme"). The scheme is approved and authorised by the shareholders of the Company at the Extraordinary General Meeting held on May 31, 2013.

Under the said scheme the Nomination and Remuneration Committee of the Board of Directors has granted following number of options on various dates to eligible employees of the Company.

Particulars	Grant Date	No. of Options
Grant I	August 11, 2020	3,00,221
Grant II	November 2, 2020	3,00,030
Grant III	January 29, 2021	3,15,396
Grant IV	July 29, 2021	3,02,601
Grant V	October 27, 2021	3,03,270
Grant VI	January 28, 2022	3,01,582

The options shall vest in the hands of the Option holder after a minimum period of 12 months from the date of grant of option or such longer period as may be determined by the Committee subject to the condition that the Option grantee continues to be an employee of the Company and the performance or other conditions as may be determined by the Committee. The maximum period of vesting shall be 5 years from the date of grant.

The options vested shall be exercised within period of ten years from the vesting date. When exercisable, each option is convertible into one equity share. Any option granted shall be exercisable according to the terms and conditions as determined by the Scheme.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 37: EMPLOYEE STOCK OPTION PLAN (Contd.)

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	Weighted Average exercise price per share per option ₹	Number of Options	Weighted Average exercise price per share per option ₹	Number of Options
Outstanding at the beginning of the period	300	9,10,453	-	-
Granted during the period	300	9,07,453	300	9,15,647
Exercised during the period	300	6,22,994	-	-
Forfeited during the period	300	6,093	300	5,194
Expired during the period	-	-	-	-
Outstanding at the end of the period	300	11,88,819	300	9,10,453
Weighted average share price (in ₹)*	1,846.02	-	Not Applicable	Not Applicable
Weighted average remaining contractual life of options outstanding at the end of the year	-	10.09	-	10.60

* based on market price on National Stock Exchange Limited where maximum volume of the shares of the Company were traded during the year.

37.2.2 Fair value of the options granted:

The Company has recorded employee stock-based compensation expense relating to the options granted to the employees on the basis of fair value of options.

The fair value of the options granted is mentioned below as per vesting period. The fair value of the options is determined using Black-Scholes model which takes into account the exercise price, the term of the option (time to maturity), the share price as at the grant date and expected price volatility (standard deviation) of the underlying share, the expected dividend yield and risk-free interest rate for the term of the option.

Fair value and assumptions for the equity-settled grants under the Scheme is as under;

Particulars	Grant I	Grant II	Grant III	Grant IV	Grant V	Grant VI
Grant Date	11-Aug-20	2-Nov-20	29-Jan-21	29-Jul-21	27-Oct-21	28-Jan-22
Vesting Date	11-Aug-21	2-Nov-21	29-Jan-22	29-Jul-22	27-Oct-22	28-Jan-23
Exercise Price (in ₹)	300	300	300	300	300	300
Fair value of option (in ₹)	399.20	560.18	756.39	1,539.79	1,985.23	1,517.66
Input Variables:						
Share price as on grant date (in ₹)	661.80	822.75	1,018.70	1,814.10	2,257.45	1,787.90
Standard deviation (Volatility)	38.28%	44.52%	47.21%	27.52%	49.85%	53.76%
Risk-free rate	5.85%	5.88%	6.20%	4.48%	4.82%	5.03%
Time to maturity (in years)	2	2	2	2	2	2
Expected Dividend per annum (in ₹)	20	25	30	-	-	-
Dividend yield	3%	3%	3%	-	-	-

Since the SCUF ESOP scheme 2013 is already recorded by applying fair value method, the disclosure required under para 48 of guidance note on "Accounting for Employees Share Based Payments" issued by ICAI for reconciling the impact on net profit and earnings per share is not required.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 37: EMPLOYEE STOCK OPTION PLAN (Contd.)

37.2.3 Rationale for the variables used :

The variables used for calculating the fair values and their rationale are as follows:

a. Stock Price

The latest available closing market price on the National Stock Exchange (NSE) date on which options are granted has been considered for the purpose of valuation.

Under the ESOP Plan of the Company, one option entitles an employee to one equity share of the Company.

b. Volatility

Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes option pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time.

The period to be considered for volatility must be adequate to represent a consistent trend in the price movements. Accordingly, the annualised volatility has been computed based on the share price data of past one year, from the date of the valuation.

The fair value is very sensitive to this variable. Higher the volatility, higher is the fair value. The rationale being, the more volatile a stock is, the more is its potential to go up (or come down), and the more is the probability to gain from the movement in the price. Accordingly, an option to buy a highly volatile stock is more valuable than the one to buy a less volatile stock, since the probability of gaining is lesser in the latter case.

c. Risk free interest rate

The risk-free interest rate being considered for the calculation is the interest rate applicable on Government securities - having 10 year maturity period.

d. Exercise price

We have considered the exercise price of the options granted to employees based on the Scheme approved by the Board of Directors.

e. Time to maturity / expected life of options

Time to maturity / expected life of options is the period from the grant date to the date on which option is expected to be exercised. The minimum life of stock option is the minimum period before which the options cannot be exercised and maximum life is the period after which the options cannot be exercised.

Considering the deep discount on the market price i.e. 55% to 70%, it is expected that the options will be exercised in 1 year from the vesting date. As such the average expected life of options is considered at 2 years.

37.2.4 Effect of the employee share-based payment plans on the profit and loss account and on its financial position

The Company has recorded employee stock-based compensation cost of ₹ 9,867.63 Lakhs in the Statement of profit and loss for the year ended March 31, 2022 (March 31, 2021: ₹ 1,847.93 Lakhs).

The share option outstanding in the Balance Sheet as at March 31, 2022 is ₹ 8,366.39 Lakhs (March 31, 2021: ₹ 1,872.52 Lakhs)

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 38: RETIREMENT BENEFIT PLAN

a. Defined contribution plan

A defined contribution plan is a pension plan under which the Company pays fixed contributions; there is no legal or constructive obligation to pay further contributions. The assets of the plan are held separately from those of the Company in a fund under the control of trustees.

The Company makes Provident fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 4,447.69 Lakhs (March 31, 2021: ₹ 3,745.45 Lakhs) for Provident fund contributions and ₹ 1,074.50 Lakhs (March 31, 2021: ₹ 1,011.95 Lakhs) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

b. Defined benefit plan

Gratuity

The Company has a defined benefit gratuity plan (funded). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and last drawn salary. The fund is managed by third party fund managers.

Each year, the Board of Trustees reviews the level of funding in the gratuity plan. Such a review includes the asset-liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks. The Board of Trustees decides contribution to be made by the Company based on the results of this annual review. The Board of Trustees aim to keep annual contributions of the Company relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

The following tables summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

Amount recognised in the statement of profit and loss in respect of the defined benefit plan are as follows:

Particulars	₹ in Lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Amounts recognised in statement of profit and loss in respect of defined benefit plans are as follows :		
Current service cost	565.39	705.78
Interest expense	370.58	397.87
Interest Income	(471.80)	(320.35)
Past Service Cost	-	-
Components of defined benefit costs recognised in statement of profit and loss (A)	464.17	783.30
Remeasurement of gains/(losses) in other comprehensive income:		
Return on plan assets (excluding amounts included in net interest expense)	(23.30)	(63.24)
Actuarial changes arising from changes in demographic assumptions	(25.26)	19.71
Actuarial changes arising from changes in financial assumptions	(230.61)	(873.77)
Experience adjustments	436.60	(261.45)
Components of defined benefit costs recognised in other comprehensive income (B)	157.43	(1,178.75)
Total (A+B)	621.60	(395.45)

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 38: RETIREMENT BENEFIT PLAN (Contd.)

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

Particulars	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Change in the obligation during the year ended		
Present value of defined obligation at the beginning of the year	5,402.03	5,816.83
Expenses recognised in statement of profit and loss :		
Current service cost	565.39	705.78
Interest expense/(income)	370.58	397.87
Recognised in other comprehensive income remeasurement gains/(losses)	180.73	(1,115.50)
Past service cost	-	-
Liability transferred in/acquisitions	(5.03)	(13.48)
Benefits paid from the fund	(430.62)	(389.47)
Present value of defined obligation at the end of the year	6,083.08	5,402.03

Change in the Fair value of plan assets :

Particulars	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Fair value of plan assets at the beginning of the year	6,877.58	4,683.46
Interest income	471.80	320.35
Contributions by the employer	-	2,200.00
Benefits paid from the fund	(430.62)	(389.47)
Return on plan assets excluding interest income	23.30	63.24
Fair value of plan assets at the end of the year	6,942.06	6,877.58

Calculation of benefit liability/(asset) :

Particulars	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Defined benefit obligation	6,083.08	5,402.03
Fair value of plan assets	6,942.06	6,877.58
Benefit liability	(858.98)	(1,475.55)

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

Particulars	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Expected return on plan assets	7.23%	6.86%
Rate of discounting	7.23%	6.86%
Expected rate of salary increase	5.00%	5.00%
Rate of employee turnover	For service 4 years and below 19.00% p.a. For service 5 years and above 3.20% p.a	For service 4 years and below 27.00% p.a. For service 5 years and above 4.00% p.a
Mortality rate during employment	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2006-08) Ult
Mortality rate after employment	N.A	N.A

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 38: RETIREMENT BENEFIT PLAN (Contd.)

Investments quoted in active markets:

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Investment Funds	6,942.06	6,877.58
Total	6,942.06	6,877.58

₹ in Lakhs

Assumptions	Sensitivity level	Impact on defined benefit obligation March 31, 2022	Impact on defined benefit obligation March 31, 2021
Discount rate	1% increase	(555.64)	(486.79)
	1% decrease	658.93	576.72
Future salary increases	1% increase	659.01	576.14
	1% decrease	(564.34)	(494.25)
Attrition rate	1% increase	127.08	87.75
	1% decrease	(146.37)	(101.62)

₹ in Lakhs

Expected payment for future years	As at March 31, 2022	As at March 31, 2021
Within the next 12 months (next annual reporting period)	633.92	534.59
Between 2 and 5 years	1,513.58	1,429.33
Between 5 and 10 years	1,880.30	1,724.74
Beyond 10 years	11,318.42	9,052.02
Total expected payments	15,346.22	12,740.68

Due to excess portion in funding, no further funding is required in the next financial year.

The weighted average duration of the defined benefit obligation as at March 31, 2022 is 12 years (March 31, 2021: 11 years).

Asset liability matching strategies

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 38: RETIREMENT BENEFIT PLAN (Contd.)

Compensated Absences

The principal assumptions used in determining obligations for the Company are shown below:

Particulars	As at March 31, 2022	As at March 31, 2021
Rate of discounting	7.23%	6.86%
Expected rate of salary increase	5.00%	5.00%
Rate of employee turnover		
Service 4 years and below	19.00%	27.00%
Service 5 years and above	3.20%	4.00%
Mortality	Indian Assured Lives mortality (2012-14)	Indian Assured Lives mortality (2006-08)

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Expenses recognised in statement of profit and loss	280.47	88.34

The Company has not funded its compensated absences liability and the same continues to remain as unfunded as at March 31, 2022.

The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.

Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 39: MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

₹ in Lakhs

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	5,21,731.36	-	5,21,731.36	3,81,528.17	-	3,81,528.17
Bank Balance other than above	1,25,117.17	14,430.28	1,39,547.45	1,22,953.17	16,954.95	1,39,908.12
Receivables						
- Trade Receivables	439.09	-	439.09	229.99	-	229.99
- Other Receivables	-	-	-	-	-	-
Loans	17,74,874.57	13,27,510.31	31,02,384.88	15,34,058.56	12,07,953.08	27,42,011.64
Investments	33,948.01	1,49,680.23	1,83,628.24	66,946.31	34,785.93	1,01,732.24
Other financial assets	1,171.12	3,628.56	4,799.68	874.43	3,379.00	4,253.43
Non-financial Assets						
Current tax assets (net)	-	2,665.62	2,665.62	-	4,502.79	4,502.79
Deferred tax assets (net)	-	15,166.44	15,166.44	-	12,815.28	12,815.28
Property, plant and equipment	-	6,414.65	6,414.65	-	6,437.72	6,437.72
Intangible assets	-	189.16	189.16	-	204.44	204.44
Right-of-use assets	-	16,260.25	16,260.25	-	15,618.41	15,618.41
Other non-financial assets	2,471.08	11,066.53	13,537.61	1,603.29	10,157.99	11,761.28
Total assets	24,59,752.40	15,47,012.03	40,06,764.43	21,08,193.92	13,12,809.59	34,21,003.51
LIABILITIES						
Financial Liabilities						
Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	6.39	-	6.39	18.90	-	18.90
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	4,049.95	-	4,049.95	6,729.05	-	6,729.05
Debt Securities	3,41,281.91	3,10,232.19	6,51,514.10	1,79,481.81	2,46,881.19	4,26,363.00
Borrowings (other than debt security)	9,28,719.79	8,00,109.03	17,28,828.82	9,73,788.98	6,03,490.16	15,77,279.14
Deposits	2,12,669.67	4,70,168.97	6,82,838.64	1,62,962.13	3,89,926.65	5,52,888.78
Other financial liabilities	15,455.47	17,927.21	33,382.68	24,205.29	16,757.24	40,962.53
Non-financial Liabilities						
Provisions	2,659.89	-	2,659.89	2,631.25	-	2,631.25
Other non-financial liabilities	6,236.32	-	6,236.32	2,278.27	-	2,278.27
Total Liabilities	15,11,079.39	15,98,437.40	31,09,516.79	13,52,095.68	12,57,055.24	26,09,150.92
Net	9,48,673.01	(51,425.37)	8,97,247.64	7,56,098.24	55,754.35	8,11,852.59

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 40: CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in liabilities arising from financing activities during 2021-22

₹ in Lakhs

Particulars	As at March 31, 2021	Cash Flows	Exchange difference	Others *	As at March 31, 2022
At Amortised Cost					
Debt Securities					
- NCD Public Issue	86,924.21	(48,392.67)	-	370.87	38,902.41
- NCD Institutional	3,39,438.79	2,76,801.97	-	(3,629.07)	6,12,611.69
Subordinated Liabilities					
- Sub Debt Retail	-	-	-	-	-
Borrowings other than debt securities					
- Term Loan from Banks	7,62,526.16	1,20,757.38	-	(1,164.35)	8,82,119.19
- Term Loan from Institution	2,63,930.95	78,371.27	-	(180.45)	3,42,121.77
- Term Loan from Bank- Securitisation	38,605.98	(19,898.40)	-	153.37	18,860.95
- Term Loan from financial Institution/ NBFC- Securitisation	2,99,853.14	(1,10,566.05)	-	1,865.59	1,91,152.68
- Demand Loan against Fixed Deposits	-	36,000.00	-	-	36,000.00
- Cash Credit from Banks	35,847.57	(12,855.10)	-	-	22,992.47
- Working Capital Demand Loans	1,76,515.34	59,066.42	-	-	2,35,581.76
Deposits					
- Public Deposits	5,52,881.69	1,30,392.75	-	(824.42)	6,82,450.02
- Recurring deposits	7.09	381.53	-	-	388.62
Total	25,56,530.92	5,10,059.10	-	(3,408.46)	30,63,181.56

* Represents adjustments on account of processing fees and other transaction cost.

Changes in liabilities arising from financing activities during 2020-21

₹ in Lakhs

Particulars	As at March 31, 2020	Cash Flows	Exchange difference	Others *	As at March 31, 2021
At Amortised Cost					
Debt Securities					
- NCD Public Issue	84,955.43	918.31	-	1,050.47	86,924.21
- NCD Institutional	3,61,872.22	(18,596.05)	-	(3,837.38)	3,39,438.79
Subordinated Liabilities					
- Sub Debt Retail	23,923.91	(23,961.29)	-	37.38	-
Borrowings other than debt securities					
- Term Loan from Banks	7,89,133.69	(23,096.74)	-	(3,510.79)	7,62,526.16
- Term Loan from Institution	64,040.47	2,00,077.41	-	(186.93)	2,63,930.95
- Term Loan from Bank- Securitisation	58,553.69	(20,225.24)	-	277.53	38,605.98
- Term Loan from financial Institution/ NBFC- Securitisation	3,19,206.50	(19,250.56)	-	(102.80)	2,99,853.14
- Cash Credit from Banks	48,037.90	(12,190.33)	-	-	35,847.57
- Working Capital Demand Loans	1,54,488.98	22,026.36	-	-	1,76,515.34
- Commercial paper	11,164.33	(11,200.00)	-	35.67	-
Deposits					
- Public Deposits	4,01,206.80	1,52,815.49	-	(1,140.60)	5,52,881.69
- Recurring deposits	-	7.09	-	-	7.09
Total	23,16,583.92	2,47,324.45	-	(7,377.45)	25,56,530.92

* Represents adjustments on account of processing fees and other transaction cost.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 41: CONTINGENT LIABILITIES AND COMMITMENTS

(A) Contingent Liabilities

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
a. In respect of Income tax demands where the Company has filed appeal before various authorities	116.45	116.45
b. VAT demand where the Company has filed appeal before various Appellate	259.95	259.95
c. Service tax demand	8,019.29	8,019.29
Total	8,395.69	8,395.69

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

(B) Commitments not provided for

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
a. Estimated amount of contracts remaining to be executed on capital account, net of advances	559.36	302.41
b. Commitments related to loans sanctioned but undrawn	6,402.47	5,378.39

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 42: RELATED PARTY DISCLOSURE

Relationship	Name of the party
(i) Enterprises having significant influence over the Company	: Shriram Capital Limited (SCL)
	Shriram Ownership Trust (SOT)
	Dynasty Acquisition FPI Limited (DAFL)
(ii) Subsidiary	: Shriram Housing Finance Limited (SHFL)
(iii) Associates *	: Insight Commodities and Futures Private Limited (ICFPL)
	Shriram Asset Management Company Limited (SAMCL)
	Shriram Credit Company Limited (SCCL)
	Shriram Financial Products Solutions (Chennai) Private Limited (SFPSPL)
	Shriram Financial Ventures (Chennai) Private Limited (SFVPL)
	Shriram Fortune Solutions Limited (SFSL)
	Shriram General Insurance Company Limited (SGICL)
	Shriram Insight Share Brokers Limited (SISBL)
	Shriram Life Insurance Company Limited (SLICL)
	Shriram Overseas Investments Private Limited (SOIPL)
	Shriram Wealth Advisors Limited (SWAL)
	Shriram Value Services Limited (SVSL)
	Bharath Investments Pte. Limited, Singapore (BIPL)
	SGI Philippines General Insurance Co. Inc. (SGIPGICI)
	Novac Technology Solutions Private Limited (NTSPL)
	Novac Digital Services Private Limited (formerly Techfactory Services Private Limited) (NDSPL)
	Shriram LI Holdings Private Limited (formerly Snottor Technology Services Private Limited) (SLHPL)
	SEA Funds Management India Private Limited(SFMIPL)
	Way2wealth Insurance Brokers Private Limited(WIBPL)
	Way2wealth Securities Private Limited(WSPPL)
	Way2wealth Brokers Private Limited(WBPL)
	Way2wealth Commodities Private Limited(WCPL)
	Shriram GI Holdings Private Limited(formerly Oner Infotech Services Private Limited)(SGHPL)
Shriram Investment Holdings Limited(SIHL)	
(iv) Key Management Personnel	: Sri Y.S. Chakravarti, Managing Director
	Sri Debendranath Sarangi, Chairperson
	Sri R Duruvasan, Director
	Sri Diwakar Bhagwati Gandhi, Director
	Smt Maya S Sinha, Director
	Sri Shashank Singh, Director
	Sri Venkataraman Murali, Director
	Sri Ignatius Michael Viljoen, Director
	Sri Umesh G Revankar, Director (w.e.f. December 14, 2021)
	Sri Pranab Prakash Pattanayak, Director (Resigned w.e.f. January 05, 2022)
	Late Sri C R Muralidharan, Director (Ceased w.e.f. October 08, 2020)
Sri R Chandrasekar, Chief Financial Officer	
Sri C R Dash, Company Secretary	

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 42: RELATED PARTY DISCLOSURE (Contd.)

Relationship	Name of the party
(v) Relatives of Key Management Personnel	: Relatives of Sri Y.S. Chakravarti, Managing Director & CEO
	Late Sri Satyanarayana Y (Father)
	Smt Rajamannar (Mother)
	Smt Sujata Yalamati (Spouse)
	Sri Sree Bhargav (Son)
	Ms. Nayana Sri (Daughter)
	Smt Aruna S (Sister)
	Smt Rama Devi D (Sister)
	Sri S R Krishna (Sister's husband)
	Sri Venkateswara Rao D (Sister's husband)
	Sri M S R Choowdary (Brother of spouse)

* The Company neither holds any shares in the above entities nor these entities hold any shares in the Company except Shriram Value Services Limited (SVSL) - Shriram Financial Ventures (Chennai) Private Limited (SFVPL). However these entities are "subsidiaries/ associates" of Shriram Capital Limited and hence these entities are treated as "associates" as per paragraph 9(b) (ii) of IND- AS 24 and transactions made with these entities are disclosed.

There are no transactions with relatives of Key Management Personnel for the year ended March 31, 2022.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 42: RELATED PARTY DISCLOSURE (Contd.)

RELATED PARTY TRANSACTIONS DURING THE YEAR

Particulars	Enterprises having significant influence over the Company		Subsidiary Company		Associates		Key Management Personnel		Total	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Payments / Expenses										
Royalty to SVSL	-	-	-	-	7,076.06	6,254.89	-	-	7,076.06	6,254.89
Commission & Other expenses- SFPSP	-	-	-	-	3,302.40	3,037.05	-	-	3,302.40	3,037.05
Commission & Other expenses- SFSL	-	-	-	-	3,582.38	3,610.18	-	-	3,582.38	3,610.18
Commission & Other expenses- SISBL	-	-	-	-	72.24	135.59	-	-	72.24	135.59
Commission & Other expenses- SWAL	-	-	-	-	13.45	3.59	-	-	13.45	3.59
Commission & Other expenses- WSPL	-	-	-	-	2.14	-	-	-	2.14	-
Interest Expenses- SFPSP	-	-	-	-	46.31	95.24	-	-	46.31	95.24
Interest Expenses- SLICL	-	-	-	-	604.92	603.84	-	-	604.92	603.84
Interest Expenses - SAMCL	-	-	-	-	88.30	63.01	-	-	88.30	63.01
Interest Expenses - SFSL	-	-	-	-	12.57	-	-	-	12.57	-
Interest Expenses- SGICL	-	-	-	-	168.66	-	-	-	168.66	-
Insurance - SGICL	-	-	-	-	486.61	435.22	-	-	486.61	435.22
Insurance - SLICL	-	-	-	-	690.77	486.39	-	-	690.77	486.39
Professional Charges to NTSPL	-	-	-	-	5,800.46	5,461.61	-	-	5,800.46	5,461.61
Reimbursement of Rent and other expenses- SCL	-	0.13	-	-	-	-	-	-	-	0.13
Fees to SCL	2,031.07	1,934.36	-	-	-	-	-	-	2,031.07	1,934.36
Rent and other expenses to SHFL	-	-	10.99	86.38	-	-	-	-	10.99	86.38
Payment for Assignment to SHFL	-	-	4,195.44	2,550.74	-	-	-	-	4,195.44	2,550.74
Investments in shares of SHFL	-	-	50,000.00	-	-	-	-	-	50,000.00	-
Payments to Key Managerial Personnel (MD, CFO & CS)										
Short-term employee benefits	-	-	-	-	-	-	192.70	168.50	192.70	168.50
Post-employment pension (defined contribution)	-	-	-	-	-	-	31.78	24.81	31.78	24.81
Other long term employee benefits	-	-	-	-	-	-	17.31	6.91	17.31	6.91
Directors Sitting Fees	-	-	-	-	-	-	69.22	41.97	69.22	41.97
Equity dividend to SCL	11,185.80	4,474.32	-	-	-	-	-	-	11,185.80	4,474.32

₹ in Lakhs

NOTE 42: RELATED PARTY DISCLOSURE (Contd.)

₹ in Lakhs

Particulars	Enterprises having significant influence over the Company		Subsidiary Company		Associates		Key Management Personnel		Total	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Equity dividend to DAFL	6,710.94	2,684.38	-	-	-	-	-	-	6,710.94	2,684.38
Equity dividend to SFVPL	-	-	-	-	112.33	97.68	-	-	112.33	97.68
Equity dividend to KMP	-	-	-	-	-	-	5.06	1.63	5.06	1.63
Equity dividend to SOT	131.86	-	-	-	-	-	-	-	131.86	-
Receipts / Income										
Commission - SGICL	-	-	-	-	525.93	596.18	-	-	525.93	596.18
Commission - SLICL	-	-	-	-	701.43	1,570.40	-	-	701.43	1,570.40
Rent Income - SFSL	-	-	-	-	16.85	14.61	-	-	16.85	14.61
Rent Income - SISBL	-	-	-	-	1.09	2.63	-	-	1.09	2.63
Rent Income - SHFL	-	-	43.32	40.36	-	-	-	-	43.32	40.36
Collection Fees Income - SHFL	-	-	3.24	1.02	-	-	-	-	3.24	1.02
Receipt for Assignment from SHFL	-	-	4,570.02	-	-	-	-	-	4,570.02	-
Interest income from Financial Guaranteee - SHFL	-	-	-	117.13	-	-	-	-	-	117.13
Electricity, Telephone and other charges										
Received										
Expenses reimbursement -SFSL	-	-	-	-	7.26	8.06	-	-	7.26	8.06
Expenses reimbursement -SISBL	-	-	-	-	1.20	1.89	-	-	1.20	1.89
Expenses reimbursement -SLICL	-	-	-	-	-	1.22	-	-	-	1.22
Expenses reimbursement -SHFL	-	-	11.16	11.32	-	-	-	-	11.16	11.32
Balance outstanding as at										
Share Capital held by SCL	2,237.16	2,237.16	-	-	-	-	-	-	2,237.16	2,237.16
Share Capital held by DAFL	1,342.19	1,342.19	-	-	-	-	-	-	1,342.19	1,342.19
Share Capital held by SFVPL	-	-	-	-	-	48.84	-	-	-	48.84
Share Capital held by KMP	-	-	-	-	-	-	1.18	0.82	1.18	0.82
Share Capital held by SVSL	-	-	-	-	20.11	-	-	-	20.11	-
Share Capital held by SOT	48.84	-	-	-	-	-	-	-	48.84	-
Interim Dividend Payable to SCL	-	2,237.16	-	-	-	-	-	-	-	2,237.16
Interim Dividend Payable to DAFL	-	1,342.19	-	-	-	-	-	-	-	1,342.19
Interim Dividend Payable to SFVPL	-	-	-	-	-	48.84	-	-	-	48.84
Interim Dividend Payable to KMP	-	-	-	-	-	-	-	0.82	-	0.82

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 42: RELATED PARTY DISCLOSURE (Contd.)

Particulars	₹ in Lakhs											
	Enterprises having significant influence over the Company		Subsidiary Company		Associates		Key Management Personnel		Total			
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021		
Investment in Shares (including deemed investment) of SHFL	-	-	66,727.91	16,727.91	-	-	-	-	66,727.91	16,727.91		
Expenses Payable to SHFL	-	-	51.46	46.69	-	-	-	-	51.46	46.69		
Receivable from SHFL	-	-	23.29	21.20	-	-	-	-	23.29	21.20		
Royalty Payable to SVSL	-	-	-	-	1,732.25	1,641.31	-	-	1,732.25	1,641.31		
Expenses Payable to SFPSP	-	-	-	-	212.65	269.39	-	-	212.65	269.39		
Expenses Payable to SFSL	-	-	-	-	288.29	306.60	-	-	288.29	306.60		
Expenses Payable to SISBL	-	-	-	-	2.75	8.13	-	-	2.75	8.13		
Expenses Payable to SVSL	-	-	-	-	21.83	21.83	-	-	21.83	21.83		
Expenses Payable to NTSPL	-	-	-	-	225.02	191.28	-	-	225.02	191.28		
Expenses Payable to SLICL	-	-	-	-	4.36	4.36	-	-	4.36	4.36		
Expenses Payable to SWAL	-	-	-	-	0.52	1.59	-	-	0.52	1.59		
Expenses Payable to WSPL	-	-	-	-	0.03	-	-	-	0.03	-		
Deposits held by SAMCL	-	-	-	-	1,049.08	1,052.63	-	-	1,049.08	1,052.63		
Deposits held by SFSL	-	-	-	-	211.19	-	-	-	211.19	-		
NCDs held by SFPSP	-	-	-	-	-	1,044.40	-	-	-	1,044.40		
NCDs held by SLICL	-	-	-	-	6,630.03	6,537.11	-	-	6,630.03	6,537.11		
NCDs held by SGICL	-	-	-	-	17,599.41	-	-	-	17,599.41	-		
Receivable from SFSL	-	-	-	-	-	0.16	-	-	-	0.16		
Receivable from SGICL	-	-	-	-	85.66	33.26	-	-	85.66	33.26		
Receivable from SLICL	-	-	-	-	255.61	102.25	-	-	255.61	102.25		
Receivable from NTSPL	-	-	-	-	0.40	0.40	-	-	0.40	0.40		
Receivable from SFPSP	-	-	-	-	32.26	31.78	-	-	32.26	31.78		
Receivable from SVSL	-	-	-	-	23.91	23.91	-	-	23.91	23.91		

Income are presented excluding GST.

Expenses are presented including GST charged off.

The Company has not granted loans or advances to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that is repayable on demand or without specifying any terms or period of repayment for the financial years ended March 31, 2022 and March 31, 2021.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 43: CAPITAL

The Company maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company.

As an NBFC, the RBI requires the Company to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. The capital management process of the Company ensures to maintain a healthy CRAR at all the times.

CAPITAL MANAGEMENT

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

The Company has complied with the notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 "Implementation of Indian Accounting Standards".

	₹ in Lakhs	
Regulatory capital	As at March 31, 2022	As at March 31, 2021
Tier 1 Capital	8,27,252.84	7,30,641.50
Tier 2 Capital	-	-
Total capital funds	8,27,252.84	7,30,641.50
Total Risk weighted assets	30,88,503.60	25,51,149.04
Tier 1 capital ratio	26.78%	28.64%
Other Tier 2 capital ratio	0.00%	0.00%
Total capital ratio	26.78%	28.64%

The Company is meeting the capital adequacy requirements of Reserve Bank of India (RBI).

NOTE 44: FAIR VALUE MEASUREMENT

44.1 Valuation Principle

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained in Note 5.1.(xiii)

44.2 Fair Value Hierarchy of assets and liabilities

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 44: FAIR VALUE MEASUREMENT (Contd.)

AS AT MARCH 31, 2022

₹ in Lakhs

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
<i>Financial assets held for trading</i>				
Mutual funds	-	493.53	-	493.53
Equity instruments	7,515.00	-	-	7,515.00
Total financial assets held for trading	7,515.00	493.53	-	8,008.53
Total assets measured at fair value on a recurring basis	7,515.00	493.53	-	8,008.53

As at March 31, 2021

₹ in Lakhs

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
<i>Financial assets held for trading</i>				
Mutual funds	-	434.03	-	434.03
Equity instruments	9,686.10	-	-	9,686.10
Total financial assets held for trading	9,686.10	434.03	-	10,120.13
Total assets measured at fair value on a recurring basis	9,686.10	434.03	-	10,120.13

44.3 Valuation techniques

Equity Instruments

Quoted equity instruments on recognised stock exchanges are valued at Level 1 hierarchy being the unadjusted quoted price as at the reporting date.

Unquoted equity instruments are valued at Level 3 hierarchy being unobservable inputs that are significant to the measurement as a whole. Accordingly, the valuation technique involves the net worth of the investee company.

Mutual Funds

Units held in funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are generally Level 2.

Derivative Financial Instruments

Foreign exchange contracts include foreign exchange forward and swap contracts, interest rate swaps and over-the-counter foreign exchange options. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points and option valuation models. With the exception of contracts where a directly observable rate is available which are disclosed as Level 1, the Company classifies foreign exchange contracts as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole).

44.4 Transfer between fair value hierarchy levels

During the year there were no transfers between level 1 and level 2. Similarly, there were no transfers from or transfer to level 3.

44.5 Movements in Level 3 financial instruments measured at fair value

There are no level 3 financial instruments measured at fair value for the year ended March 31, 2022 and March 31, 2021

44.6 Impact on fair value of level 3 financial instruments measured at fair value of changes to key assumptions

There are no level 3 financial instruments measured at fair value for the year ended March 31, 2022 and March 31, 2021

44.7 Sensitivity of fair value measurements to changes in unobservable market data

There are no level 3 financial instruments measured at fair value for the year ended March 31, 2022 and March 31, 2021

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 44: FAIR VALUE MEASUREMENT (Contd.)

44.8 Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

₹ in Lakhs

As at March 31, 2022	Carrying Amount	Fair Value			Total
		Level-1	Level-2	Level-3	
Financial assets:					
Cash and cash equivalents	5,21,731.36	5,21,731.36	-	-	5,21,731.36
Bank balance other than cash and cash equivalents	1,39,547.45	1,39,547.45	-	-	1,39,547.45
Trade Receivables	439.09	-	-	439.09	439.09
Loans	31,02,384.88	-	-	30,34,407.68	30,34,407.68
Investments	1,75,619.71	1,09,016.89	97,702.58	117.18	2,06,836.65
Other financial assets	4,799.68	-	-	4,799.68	4,799.68
Total financial assets	39,44,522.17	7,70,295.70	97,702.58	30,39,763.63	39,07,761.91
Financial liabilities:					
Other Payables	4,056.34	-	-	4,056.34	4,056.34
Debt securities	6,51,514.10	-	7,07,398.31	-	7,07,398.31
Borrowings (other than debt securities)	17,28,828.82	-	17,48,740.49	-	17,48,740.49
Deposits	6,82,838.64	-	-	7,27,403.49	7,27,403.49
Other financial liabilities	33,382.68	-	-	33,382.68	33,382.68
Total financial liabilities	31,00,620.58	-	24,56,138.80	7,64,842.51	32,20,981.31
Off-balance sheet items					
Other commitments	6,402.47	-	-	6,402.47	6,402.47
Total off-balance sheet items	6,402.47	-	-	6,402.47	6,402.47

₹ in Lakhs

As at March 31, 2021	Carrying Amount	Fair Value			Total
		Level-1	Level-2	Level-3	
Financial assets:					
Cash and cash equivalents	3,81,528.17	3,81,528.17	-	-	3,81,528.17
Bank balance other than cash and cash equivalents	1,39,908.12	1,39,908.12	-	-	1,39,908.12
Trade Receivables	229.99	-	-	229.99	229.99
Loans	27,42,011.64	-	-	27,34,662.77	27,34,662.77
Investments	91,612.11	75,386.89	43,687.54	154.53	1,19,228.96
Other financial assets	4,253.43	-	-	4,253.43	4,253.43
Total financial assets	33,59,543.46	5,96,823.18	43,687.54	27,39,300.72	33,79,811.44
Financial liabilities:					
Other Payables	6,747.95	-	-	6,747.95	6,747.95
Debt securities	4,26,363.00	-	4,50,674.44	-	4,50,674.44
Borrowings (other than debt securities)	15,77,279.14	-	16,11,444.38	-	16,11,444.38
Deposits	5,52,888.78	-	-	5,61,390.07	5,61,390.07
Other financial liabilities	40,962.53	-	-	40,962.53	40,962.53
Total financial liabilities	26,04,241.40	-	20,62,118.82	6,09,100.55	26,71,219.37
Off-balance sheet items					
Other commitments	5,378.39	-	-	5,378.39	5,378.39
Total off-balance sheet items	5,378.39	-	-	5,378.39	5,378.39

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 44: FAIR VALUE MEASUREMENT (Contd.)

Note:

The management assessed that cash and cash equivalents, trade receivables, trade payables, other current assets, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

44.9 Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: Cash and cash equivalents, Trade receivables, other receivables, balances other than cash and cash equivalents and trade payables without a specific maturity.

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models based on contractual cash flows using actual or estimated yields.

Pass through certificates

These instruments include asset backed securities. The market for these securities is not active. Therefore, the Company uses a variety of valuation techniques to measure their fair values. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers such as loan-to-value ratios, emergence period estimation, indebtedness and rental income levels. Securities with no significant unobservable valuation inputs are classified as Level 2, while instruments with no comparable instruments or valuation inputs are classified as Level 3.

Financial assets at amortised cost

The fair values of financial assets held-to-maturity investments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

Issued debt

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Company's own credit risk. The Company estimates and builds its own credit spread from market-observable data such as secondary prices for its traded debt and the credit spread on credit default swaps and traded debt of itself.

Borrowings

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Company's own credit risk. The Company estimates and builds its own credit spread from market-observable data.

Deposits

The fair value of public deposits and deposit from corporates is estimated by discounting the future cash flows considering the interest rate applicable on the reporting date for deposits of similar tenure and scheme (cumulative/non-cumulative). Inter-corporate deposits are estimated at their carrying amounts due to the short-term maturities of these deposits.

Off-balance sheet positions

Estimated fair values of off-balance sheet positions are based on the carrying amounts due to the short-term maturities of these positions.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 45: RISK MANAGEMENT

Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

45.1 Introduction and Risk Profile

45.1.1 Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Board has constituted the Audit & Risk management committee which is responsible for monitoring the overall risk process within the Company.

The Audit & Risk management committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Audit & Risk management committee is responsible for managing risk decisions and monitoring risk levels.

The Chief Risk officer is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The Risk Owners within each department will report to the Risk Committee.

The Risk Owners are responsible for monitoring compliance with risk principles, policies and limits across the Company. Each department has its Risk owner who is responsible for the control of risks, including monitoring the actual risk of exposures against authorised limits and the assessment of risks.

The Company's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

The Company's policy is that risk management processes throughout the Company are audited annually by the Internal Audit function, which examines both the adequacy of the procedures and the Company's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to Audit & Risk management committee.

45.1.2 Risk mitigation and risk culture

As part of its overall risk management, the Company can use derivatives and other instruments to manage exposures resulting from changes in interest rates and foreign currencies associated with foreign currency transactions.

45.1.3 Risk measurement and reporting systems

The Company's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment, as necessary.

The Company's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Information compiled from all the departments is examined and processed in order to analyse, control and identify risks on a timely basis. This information is presented and explained to the Audit & Risk management committee and the head of each department. The Audit & Risk management committee receives a comprehensive risk report once a quarter which is designed to provide all the necessary information to assess and conclude on the risks of the Company.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to that they decide to take on. The Company's continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Company's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 45: RISK MANAGEMENT (Contd.)

45.1.4 Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on spreading its lending portfolio across all the states with a cap on maximum limit of exposure for a state and also for an individual / Group.

45.2 Credit Risk

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

Credit risk is monitored by the credit department of the Company. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit manager, as well as the business with tools like credit risk systems, policies, models and reporting.

The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties.

The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

The Company's internal credit rating grades on days past due (dpd) basis:

Internal rating grade	Internal rating description
Performing	
High grade	0 dpd
Standard grade	1 to 30 dpd
Sub-standard grade	31 to 60 dpd
Past due but not impaired	61 to 90 dpd
Non-performing	90+ dpd

45.2.1 Derivative financial instruments

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet.

With gross-settled derivatives, the Company is also exposed to a settlement risk, being the risk that the Company honours its obligation, but the counterparty fails to deliver the counter value.

45.2.2 Impairment assessment

The references below show where the Company's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the Summary of significant accounting policies.

The Company's definition and assessment of default (Note 45.2.2.1).

- How the Company defines, calculates and monitors the probability of default, exposure at default and loss given default (Notes 45.2.2.2 to 45.2.2.4).
- When the Company considers there has been a significant increase in credit risk of an exposure (Note 45.2.2.5).
- The Company's policy of segmenting financial assets where ECL is assessed on a collective basis (Note 45.2.2.5)
- The details of the ECL calculations for stage 1, stage 2 and stage 3 assets (Note 5.1.xi).

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 45: RISK MANAGEMENT (Contd.)

45.2.2.1 Definition of default

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikelihood to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

- The borrower requesting emergency funding from the Company.
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral.
- A covenant breach not waived by the Company.
- The debtor (or any legal entity within the debtor's Company) filing for bankruptcy application/protection.
- All the facilities of a borrower are treated as Stage 3 when one of his facility becomes 90 days past due i.e. credit impaired.

45.2.2.2 PD estimation process

It is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Company. While arriving at the PD, the Company also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. Company calculates the 12 month PD by taking into account the past historical trends of the portfolio and its credit performance. In case of assets where there is a significant increase in credit risk, lifetime PD has been applied which is computed based on survival analysis. For credit impaired assets, a PD of 100% has been applied.

45.2.2.3 Exposure at Default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 months ECL.

For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

In case of undrawn loan commitments, a credit conversion factor of 100% is applied for expected drawdown.

45.2.2.4 Loss Given Default (LGD)

LGD is an estimate of the loss arising in case where a default occurs. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any security.

45.2.2.5 Significant increase in credit risk (SICR)

The Company continuously monitors all assets subject to ECLs in order to determine whether an instrument or a portfolio of instruments is subject to 12 month ECL or lifetime ECL. The Company assesses whether there has been an event which could cause a significantly increase in the credit risk of the underlying asset or the customers ability to pay and accordingly change the 12 month ECL to a lifetime ECL.

In certain cases, the Company may also consider that events explained in Note 45.2.2.1 are a significant increase in credit risk as opposed to a default. Regardless of the above, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

When estimating ECLs on a collective basis for a Company of similar assets (as set out in Note 45.2.2.6), the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 45: RISK MANAGEMENT (Contd.)

45.2.2.6 Forward looking information

The Company has incorporated forward looking information and macro-economic factors while calculating PD and LGD rate. Refer note no 68.8 for impact of COVID-19 on estimate of PD, LGD and SICR.

45.2.2.7 Grouping financial assets measured on a collective basis

As explained in Note No 5.1.xi dependent on the factors below, the Company calculates ECLs only on a collective basis

The Company segments the exposure into smaller homogeneous portfolios, based on a combination of internal and external characteristics of the loans as described below.

1. Gold Loans
2. Auto Loans
3. MSME Loans
4. Two wheelers Loans
5. Personal Loans
6. Pre-Owned Two wheelers
7. Loan against property

45.2.3 Analysis of risk concentration

The maximum credit exposure to any individual client or counterparty as of March 31, 2022 was ₹ 1,547.21 Lakhs (March 31, 2021 ₹ 3,172.52 Lakhs)

Credit risk exposure analysis

₹ in Lakhs

Particulars	As at March 31, 2022				
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	POCI	Total
Normal	27,15,113.85	3,86,377.62	2,07,716.47	-	33,09,207.94
Repossessed	-	-	1,152.73	-	1,152.73
Total	27,15,113.85	3,86,377.62	2,08,869.20	-	33,10,360.67

₹ in Lakhs

Particulars	As at March 31, 2021				
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	POCI	Total
Normal	25,25,387.95	2,33,532.22	1,86,673.00	-	29,45,593.17
Repossessed	-	-	925.74	-	925.74
Total	25,25,387.95	2,33,532.22	1,87,598.74	-	29,46,518.91

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 45: RISK MANAGEMENT (Contd.)

45.3 Liquidity risk and funding management

In assessing the Company's liquidity position, consideration shall be given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds. The Company maintains a portfolio of marketable assets that are assumed to be easily liquidated and undrawn cash credit limits which can be used in the event of an unforeseen interruption in cash flow. The Company also enters into securitisation deals (direct assignment as well as pass through certificates) of their loan portfolio, the funding from which can be accessed to meet liquidity needs. In accordance with the Company's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company. Net liquid assets consist of cash, short-term bank deposits and investments in mutual fund available for immediate sale, less issued securities and borrowings due to mature within the next month. Borrowings from banks and financial institutions, issue of debentures and bonds and acceptance of public deposits are considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings. Asset Liability Management Committee(ALCO) reviews or monitors Asset Liability Management (ALM) mismatch. ALCO conducts periodic reviews relating to the liquidity position and stress test assuming various what if scenarios.

The Board of Directors also approves constitution of Asset Liability Committee (ALCO), Asset Liability Management Committee(ALCO) reviews or monitors Asset Liability Management (ALM) mismatch. ALCO conducts periodic reviews relating to the liquidity position and stress test assuming various what if scenarios. The ALCO is responsible for ensuring adherence to the limits set by the Board as well as for deciding the business strategy of the Company in line with the Company's budget and decided risk management objectives. The ALCO is a decision-making unit responsible for balance sheet planning from risk-return perspective including strategic management of interest rate and liquidity risks. The ALCO also evaluates the Borrowing Plan of subsequent quarters on the basis of previous borrowings of the Company. The ALCO will be responsible for ensuring the adherence to the target set by the Board of Directors. The meetings of ALCO are held at quarterly intervals. The ALM Support Groups consisting of operating staff are responsible for analysing, monitoring and reporting the risk profiles to the ALCO. ALCO support group meets every fortnight. The minutes of ALCO meetings are placed before the Audit & Risk Management Committee and the Board of Directors in its next meeting for its ratification.

45.3.1. Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities. All derivatives used for hedging and natural hedges are shown by maturity, based on their contractual undiscounted payment obligations. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Company expects that many customers will not request repayment on the earliest date as it could be required to pay and the table does not reflect the expected cash flows indicated by its deposit retention history.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 45: RISK MANAGEMENT (Contd.)

MATURITY PATTERN OF ASSETS AND LIABILITIES AS ON MARCH 31, 2022:

₹ in Lakhs

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents and Other Bank Balances	5,51,297.85	17,442.74	81,699.57	5,326.40	11,496.79	-	6,67,263.35
Trade Receivables	439.09	-	-	-	-	-	439.09
Loans	7,47,048.04	5,70,204.63	9,74,544.39	12,49,437.44	3,73,605.79	1,90,453.38	41,05,293.67
Financial investments at amortised cost	2,274.67	319.08	35,093.74	80,425.59	12.26	109.20	1,18,234.54
Financial investments at FVTPL	493.53	-	-	-	-	-	493.53
Financial investments at FVTOCI	-	-	-	-	-	7,515.00	7,515.00
Financial investments at Cost	37.37	29.05	38.30	23.08	-	66,727.91	66,855.71
Other Financial Assets	300.60	510.02	403.67	1,696.61	1,871.23	682.53	5,464.66
Total undiscounted financial assets	13,01,891.15	5,88,505.52	10,91,779.67	13,36,909.12	3,86,986.07	2,65,488.02	49,71,559.55
Financial liabilities							
Other Payables	4,056.34	-	-	-	-	-	4,056.34
Deposits	48,133.02	62,871.72	1,10,603.99	3,84,837.61	1,88,934.50	-	7,95,380.84
Debt securities	53,087.87	47,802.33	2,01,190.06	3,14,175.70	24,027.48	1,83,214.35	8,23,497.79
Borrowings (other than debt securities)	2,97,809.18	2,91,343.64	4,43,650.05	7,23,570.67	1,75,545.27	-	19,31,918.81
Other Financial Liabilities	11,305.64	-	4,149.83	-	-	17,927.21	33,382.68
Total undiscounted financial liabilities	4,14,392.05	4,02,017.69	7,59,593.93	14,22,583.98	3,88,507.25	2,01,141.56	35,88,236.46
Net undiscounted financial assets / (liabilities)	8,87,499.10	1,86,487.83	3,32,185.74	(85,674.86)	(1,521.18)	64,346.46	13,83,323.09

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 45: RISK MANAGEMENT (Contd.)

Maturity pattern of assets and liabilities as on March 31, 2021:

₹ in Lakhs

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents and Other Bank Balances	4,05,001.51	43,018.16	59,383.92	8,437.88	-	11,496.79	5,27,338.26
Trade Receivables	229.99	-	-	-	-	-	229.99
Loans	5,76,885.05	5,16,803.01	9,06,981.76	11,51,823.98	2,94,938.49	2,07,401.26	36,54,833.55
Financial investments at amortised cost	298.62	81.18	68,379.79	9,537.99	12.26	115.33	78,425.17
Financial investments at FVTPL	434.03	-	-	-	-	-	434.03
Financial investments at FVTOCI	-	-	-	-	-	9,686.10	9,686.10
Financial investments at Cost	45.07	40.46	56.53	25.96	-	16,727.91	16,895.93
Other Financial Assets	340.71	199.71	366.81	1,595.63	1,933.32	486.29	4,922.47
Total undiscounted financial assets	9,83,234.98	5,60,142.52	10,35,168.81	11,71,421.44	2,96,884.07	2,45,913.68	42,92,765.50
Financial liabilities							
Other Payables	6,747.95	-	-	-	-	-	6,747.95
Deposits	31,881.41	42,230.72	96,637.94	3,30,862.56	1,51,442.33	-	6,53,054.96
Debt securities	48,467.18	7,489.20	84,368.20	3,09,489.80	30,158.64	23,709.02	5,03,682.04
Borrowings (other than debt securities)	4,09,739.67	3,02,999.91	3,52,090.07	5,62,057.46	1,16,405.59	1,709.23	17,45,001.93
Other Financial Liabilities	19,959.70	-	4,245.59	-	-	16,757.24	40,962.53
Total undiscounted financial liabilities	5,16,795.91	3,52,719.83	5,37,341.80	12,02,409.82	2,98,006.56	42,175.49	29,49,449.41
Net undiscounted financial assets / (liabilities)	4,66,439.07	2,07,422.69	4,97,827.01	(30,988.38)	(1,122.49)	2,03,738.19	13,43,316.09

The table below shows the contractual expiry by maturity of the Company's contingent liabilities and commitments: Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 45: RISK MANAGEMENT (Contd.)

₹ in Lakhs

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
AS AT MARCH 31, 2022							
In respect of Income tax demands where the Company has filed appeal before various authorities	-	-	-	-	-	116.45	116.45
VAT demand where the Company has filed appeal before various Appellate	-	-	-	-	-	259.95	259.95
Service tax demand	-	-	-	-	-	8,019.29	8,019.29
Estimated amount of contracts remaining to be executed on capital account, net of advances	559.36	-	-	-	-	-	559.36
Commitments related to loans sanctioned but undrawn	6,402.47	-	-	-	-	-	6,402.47
Total commitments	6,961.83	-	-	-	-	8,395.69	15,357.52

₹ in Lakhs

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
As at March 31, 2021							
In respect of Income tax demands where the Company has filed appeal before various authorities	-	-	-	-	-	116.45	116.45
VAT demand where the Company has filed appeal before various Appellate	-	-	-	-	-	259.95	259.95
Service tax demand	-	-	-	-	-	8,019.29	8,019.29
Estimated amount of contracts remaining to be executed on capital account, net of advances	302.41	-	-	-	-	-	302.41
Commitments related to loans sanctioned but undrawn	5,378.39	-	-	-	-	-	5,378.39
Total commitments	5,680.80	-	-	-	-	8,395.69	14,076.49

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 45: RISK MANAGEMENT (Contd.)

45.4 Market Risk

Market risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non-trading portfolios and manages each of those portfolios separately.

Interest rate risk

The Company's exposure to changes in interest rates relates to the Company's outstanding floating rate liabilities. Outstanding liability which are on fixed rate basis are not subject to interest rate risk. Only borrowings that are linked to rate benchmarks such as Bank MCLR and Mumbai Inter-Bank Offer Rate (MIBOR) are subject to interest rate risk. The sensitivity of the Company's floating rate borrowings to change in interest rate (assuming all other variables constant) is given below:

AS AT MARCH 31, 2022

₹ in Lakhs

Particulars	Carrying amount	Favourable change 1% decrease	Unfavourable change 1% increase
Term Loans - Bank	8,82,119.19	1,16,583.46	(92,209.33)
Term Loans - Financial Institution	72,124.68	9,619.51	(7,592.38)
Total floating rate borrowings	9,54,243.87	1,26,202.97	(99,801.71)

As at March 31, 2021

₹ in Lakhs

Particulars	Carrying amount	Favourable change 1% decrease	Unfavourable change 1% increase
Term Loans - Bank	7,62,526.16	96,649.79	(77,037.37)
Term Loans - Financial Institution	2,63,930.95	38,545.38	(29,625.24)
Total floating rate borrowings	10,26,457.11	1,35,195.17	(1,06,662.61)

Fair value sensitivity analysis for fixed rate instruments

The Company's fixed rate instruments are carried at amortised cost and are not measured for interest rate risk, as neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 46 : DISCLOSURE UNDER THE MSME ACT 2006, (AS PER THE INTIMATION RECEIVED FROM THE VENDOR)

Based on the intimation received by the Company, some of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:

Particulars	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
The principal amount remaining unpaid to supplier as at the end of the year	6.39	18.90
The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

NOTE 47: SEGMENT REPORTING

The Company is primarily engaged in the business of financing and there are no separate reportable segments identified as per the Ind AS 108 - Segment Reporting.

NOTE 48: EXPENDITURE IN FOREIGN CURRENCY : Nil (March 31, 2021: ₹ 623.25 Lakhs).

NOTE 49: The Company had no discontinuing operations during the year ended March 31, 2022 and March 31, 2021.

NOTE 50: EVENTS AFTER REPORTING DATE

There have been no events after the reporting date, which warrants adjustments to be made in the financial statement prepared for the year ended March 31, 2022.

NOTE 51: FLOATING CHARGE ON INVESTMENT IN GOVERNMENT SECURITIES

In accordance with the Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 dated August 25, 2016, the Company has created a floating charge on the statutory liquid assets comprising of investment in government securities, treasury bills & deposit (face value) to the extent of ₹ 73,190.25 Lakhs, ₹ 31,226.36 Lakhs and ₹ 14,000.00 Lakhs respectively (March 31, 2021: ₹ 8,200 Lakhs, ₹ 65,695.83 Lakhs and ₹ 21,000.00 Lakhs respectively) in favour of trustees representing the public deposit holders of the Company.

NOTE 52: DISCLOSURE ON LOAN AGAINST GOLD AS ON MARCH 31, 2022 VIDE RBI NOTIFICATION DNBS.CC.PD. NO.265/03.10.01/2011-12 DATED MARCH 21, 2012

Particulars	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Total Asset under Management	33,10,360.67	29,46,518.91
Total Loan against Gold	4,07,794.20	3,78,882.88
Percentage of Gold Loan on Total Assets (On Book)	12.32%	12.86%

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 53: TRANSFER OF FINANCIAL ASSETS

53.1 Transferred financial assets that are not derecognised in their entirety

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

Particulars	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Securitisation		
Carrying amount of transferred assets measured at amortised cost (Held as collateral)	2,17,363.26	3,44,849.01
Carrying amount of associated liabilities (Borrowings (other than debt securities) - measured at amortised cost)	2,10,013.63	3,38,459.12
Fair value of assets	2,23,304.71	3,58,964.40
Fair value of associated liabilities	2,26,362.80	3,72,624.36
Net position at FV	(3,058.09)	(13,659.96)

53.2 Transferred financial assets that are derecognised in their entirety

The Company has assigned loans (earlier measured at amortised cost) by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 90% of the assets transferred to the buyer, the assets have been de-recognised from the Company's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets

Particulars	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Carrying amount of transferred assets measured at amortised cost	8,215.46	10,419.30
Carrying amount of exposures retained by the Company at amortised cost	876.20	1,009.52

53.3 Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 54: LIQUIDITY COVERAGE RATIO DISCLOSURE

Disclosure as per the circular no RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019 issued by Reserve Bank of India on "Liquidity Coverage ratio (LCR)

S. No	Particulars	Period ended March 31, 2022		Period ended December 31, 2021		Period ended September 30, 2021		Period ended June 30, 2021		Period ended March 31, 2021	
		Unweighted Value (average)*	Total weighted Value (average)#	Unweighted Value (average)*	Total weighted Value (average)#	Unweighted Value (average)*	Total weighted Value (average)#	Unweighted Value (average)*	Total weighted Value (average)#	Unweighted Value (average)*	Total weighted Value (average)#
HIGH QUALITY LIQUID ASSETS											
1	Total High Quality Liquid Assets (HQLA)	1,96,351.59	1,70,826.02	1,43,509.35	1,26,095.88	1,76,587.60	1,61,525.57	1,49,832.58	1,34,917.43	1,35,869.00	1,21,593.13
CASH OUTFLOWS											
2	Deposits (for deposit taking companies)	16,027.17	18,431.25	15,108.73	17,375.04	13,832.46	15,907.33	11,556.51	13,289.99	10,803.11	12,423.58
3	Unsecured wholesale funding	-	-	-	-	-	-	-	-	-	-
4	Secured wholesale funding	1,21,669.47	1,39,919.89	75,317.93	86,615.62	94,395.87	1,08,555.25	1,11,262.00	1,27,951.30	1,11,367.46	1,28,072.58
5	Additional requirements, of which	-	-	-	-	-	-	-	-	-	-
	(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-	-	-
	(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-	-	-
	(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	23,519.53	27,047.46	25,057.22	28,815.80	23,137.40	26,608.01	21,750.72	25,013.33	26,221.41	30,154.62
7	Other contingent funding obligations	6,808.46	7,829.73	6,653.96	7,652.05	6,288.23	7,231.46	4,409.44	5,070.86	3,664.00	4,213.60
8	TOTAL CASH OUTFLOWS	1,68,024.63	1,93,228.32	1,22,137.84	1,40,458.52	1,37,653.96	1,58,302.05	1,48,978.67	1,71,325.47	1,52,055.98	1,74,864.38
CASH INFLOWS											
9	Secured lending	-	-	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	2,57,675.56	1,93,256.67	2,54,619.14	1,90,964.36	2,06,058.04	1,54,543.53	1,89,461.50	1,42,096.13	1,86,668.34	1,40,001.26
11	Other cash inflows	4,45,459.48	3,34,094.61	4,46,913.22	3,35,184.92	2,83,841.88	2,12,881.41	2,27,898.77	1,70,924.08	2,24,337.72	1,68,253.29
12	TOTAL CASH INFLOWS	7,03,135.04	5,27,351.28	7,01,532.36	5,26,149.27	4,89,899.92	3,67,424.94	4,17,360.27	3,13,020.20	4,11,006.06	3,08,254.55
	Total Adjusted value		1,70,826.02		1,26,095.88		1,61,525.57		1,34,917.43		1,21,593.13
13	TOTAL HQLA										
14	TOTAL NET CASH OUTFLOWS		48,307.08		35,114.63		39,575.51		42,831.37		43,716.09
15	LIQUIDITY COVERAGE RATIO (%)		353.63%		359.10%		408.15%		315.00%		278.14%

* Unweighted values calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

Weighted values calculated after the application of respective haircuts (for HQLA) and stress factors on inflows and outflows.

Classification of inflows and outflows for determining the run off factors is based on the same estimates and assumptions as used by the Company for compiling the return submitted to the RBI, which has been relied upon by the auditors.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 54: LIQUIDITY COVERAGE RATIO DISCLOSURE (Contd.)

Qualitative disclosure around Liquidity Coverage Ratio (LCR)

The Reserve Bank of India has prescribed Guidelines on Maintenance of Liquidity Coverage Ratio (LCR). All non-deposit taking NBFCs with asset size of ₹10,000 crores and above, and all deposit taking NBFCs irrespective of their asset size, is required to maintain a liquidity buffer in terms of LCR which will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for 30 days. The stock of HQLA to be maintained by the NBFCs shall be minimum of 100% of total net cash outflows over the next 30 calendar days.

The LCR requirement was applicable from December 1, 2020 with the minimum HQLAs to be held being 50% of the LCR, progressively reaching a level upto 60%, 70%, 85% and 100% by December 1, 2021, December 1, 2022, December 1, 2023, December 1, 2024 respectively.

Liquidity Coverage Ratio (LCR) ratio comprises of high quality liquid assets (HQLAs) as numerator and net cash outflows in 30 days as denominator.

The average LCR for the quarter ended March 31, 2021 is computed as simple averages of monthly observations over the previous quarter (i.e. average of three months i.e. January 2021, February 2021 and March 2021 for the quarter ended March 31, 2021).

The average LCR for the quarter ended June 30, 2021 onwards is computed as simple averages of daily observations over the previous quarter (i.e. daily average of the quarter ended June 30, 2021, September 30, 2021, December 31, 2021 and March 31, 2022).

HQLA primarily includes cash on hand, bank balances in current account, Treasury Bills and Government securities (such unencumbered approved securities held as per the provisions of section 45 IB of RBI Act, is reckoned as HQLA only to the extent of 80% of the required holding).

The Company has maintained LCR well above the regulatory threshold.

NOTE 55: DISCLOSURE RELATING TO SECURITISATION (NON STC)

Disclosure as per RBI Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 dated September 24, 2021

55.1 The information on securitisation of the Company as an originator in respect of securitisation transaction done during the year is given below

Particulars	₹ in Lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Total number of transactions under par structure	9	9
Total book value of assets	2,20,835.52	2,11,842.97
Sale consideration received	2,20,835.52	2,11,842.97

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

55.2 Disclosures to be made in Notes to Accounts by originators

		₹ in Lakhs	
S. No.	Particulars	As at March 31, 2022	As at March 31, 2021
1	No of SPEs holding assets for securitisation transactions originated by the originator	20	23
2	Total amount of securitised assets as per books of the SPEs	2,17,363.26	3,44,849.01
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet	81,976.50	97,715.10
	a) Off-balance sheet exposures		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	First loss	81,852.90	97,554.28
	Others	123.60	160.82
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
5	Sale consideration received for the securitised assets and gain/ loss on sale on account of securitisation		
	(a) Sale consideration	2,20,835.52	2,11,842.97
	(b) Gain / Loss on securitisation	-	-
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
7	Performance of facility provided -Credit enhancement		
	a) Amount paid	70,115.57	97,554.28
	b) Repayment received	85,816.95	70,520.71
	c) Outstanding amount	81,852.90	97,554.28
8	Average default rate of portfolios observed in the past.		
	a) Trade Finance	1.12%	0.18%
	b) Personal Loans	1.28%	-
	c) Vehicle Loans	1.49%	0.88%
9	Amount and number of additional / top up loan given on same underlying asset.	-	-
10	Investor complaints (a) Directly / Indirectly received and; (b) Complaints outstanding	-	-

There are no transactions in nature of STC for the year ended March 31, 2022 and March 31, 2021.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 56: DISCLOSURE RELATING ASSIGNMENT

56.1. (i) The information on Direct Assignment of the Company as an originator in respect of outstanding amount of assets assigned under par structure is given below

		₹ in Lakhs	
S. No.	Particulars	As at March 31, 2022	As at March 31, 2021
1	No of transactions Assigned by the Company	2	5
2	Total amount of Outstanding	8,215.46	10,419.30
3	Total amount of exposures retained by the Company to comply with MRR as on the date of Balance Sheet	876.20	1,009.52
	a) Off-balance sheet exposures		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	First loss	-	-
	Others	876.20	1,009.52
4	Amount of exposures to Assigned transaction other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
5	Sale consideration received for the securitised assets and gain/ loss on sale on account of securitisation		
	(a) Sale consideration	4,570.02	-
	(b) Gain / Loss on securitisation	210.38	-
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
7	Performance of facility provided -Credit enhancement		
	a) Amount paid	-	-
	b) Repayment received	-	-
	c) Outstanding amount	-	-
8	Average default rate of portfolios observed in the past.		
	a) Trade Finance	0.12%	0.03%
	b) Personal Loans	-	-
	c) Vehicle Loans	-	0.40%
9	Amount and number of additional / top up loan given on same underlying asset.	-	-
10	Investor complaints (a) Directly / Indirectly received and; (b) Complaints outstanding	-	-

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 56: DISCLOSURE RELATING ASSIGNMENT (Contd.)

- (ii) There are no transactions in nature of Direct Assignment wherein the Company as an originator had assets assigned under premium structure as on March 31, 2022 and March 31, 2021.

56.2 The Company has not sold any financial assets to Securitisation/Reconstruction Company for asset reconstruction for the year ended March 31, 2022 and March 31, 2021.

56.3 The Company has not purchased/sold non-performing assets for the year ended March 31, 2022 and March 31, 2021

56.4 Disclosures pursuant to RBI notification- RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021

- (i) Details of transferred through assignment in respect of loans not in default during the year ended March 31, 2022.

Count of loan accounts assigned	176
Amount of loan account assigned (₹ in Lakhs)	4,570.02
Retention of beneficial economic interest (MRR)	10%
Weighted average maturity (Residual Maturity)	74 Months
Weighted average holding period	31 Months
Coverage of tangible security coverage	100%
Rating - wise distribution of rated loans	Unrated

- (ii) Details of acquired through assignment in respect of loans not in default during the year ended March 31, 2022

Count of loan accounts assigned	593
Amount of loan account assigned (₹ in Lakhs)	2,898.18
Retention of beneficial economic interest (MRR)	10%
Weighted average maturity (Residual Maturity)	74 Months
Weighted average holding period	16 Months
Coverage of tangible security coverage	100%
Rating - wise distribution of rated loans	Unrated

NOTE 57: INVESTMENTS

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
(1) Value of investments		
(i) Gross value of investments		
(a) In India	1,76,119.79	92,052.61
(b) Outside India,	7,515.00	9,686.10
(ii) Provisions for depreciation		
(a) In India	6.55	6.47
(b) Outside India,	-	-
(iii) Net value of investments		
(a) In India	1,76,113.24	92,046.14
(b) Outside India,	7,515.00	9,686.10
(2) Movement of provisions held towards depreciation on investments		
(i) Opening balance	6.47	-
(ii) Add : Provisions made during the year	5.33	6.47
(iii) Less : Write-off/write-back of excess provisions during the year	(5.25)	-
(iv) Closing balance	6.55	6.47

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 58: DERIVATIVES

58.1 Forward rate agreement/Interest rate swap: NIL

58.2 Exchange Traded interest rate (IR) derivatives : NIL

NOTE 59: RATING ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS

Rating Agency	Rating Instrument	As at March 31, 2022	As at March 31, 2021
India Ratings	Long-Term (NCDs)	IND AA/ Positive	IND AA/ Stable
	Long-Term (NCDs-MLD)	IND PP-MLD AAemr/ Positive	IND PP-MLD AAemr/ Stable
	Bank Loan Ratings	IND AA/ Positive	IND AA/ Stable
	Fixed deposit	NA	IND tAA/ Stable
CARE	Long-Term (NCDs)	CARE AA	CARE AA+ /Stable
	Short-Term (CP)	CARE A1+	CARE A1+
	Fixed deposit	CARE AA	CARE AA /Stable
ICRA	Long-Term (NCDs)	ICRA AA	ICRA AA / Stable
	Long-Term (NCDs-MLD)	ICRA PP-MLD AA	ICRA PP-MLD AA/Stable
	Short-Term (CP)	ICRA A1+	ICRA A1+
	Fixed deposit	MAA+ /Stable	MAA+ / Stable
CRISIL	Long-Term (NCDs)	CRISIL AA	CRISIL AA / Stable
	Short-Term (CP)	CRISIL A1+	CRISIL A1+

NOTE 60: DISCLOSURE OF RESTRUCTURED ACCOUNTS

The Company has only implemented one-time restructuring as prescribed in the notification no. RBI/2020-21/16 DOR.No.BP. BC/3/21.04.048/2020-21 dated August 6, 2020 and RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021 Resolution Framework for COVID-19-related Stress.

NOTE 61: EXPOSURE TO REAL ESTATE SECTOR

₹ in Lakhs

S. No.	Particulars	As at March 31, 2022	As at March 31, 2021
i)	Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	-
ii)	Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multi- purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	12,720.86	25,392.74
iii)	Investments in Mortgage Backed Securities(MBS) and other securitised exposures -		
	Residential	-	-
	Commercial Real Estate	-	-
	Total Exposure to Real Estate Sector	12,720.86	25,392.74

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 62: EXPOSURE TO CAPITAL MARKET

		₹ in Lakhs	
S. No.	Particulars	As at March 31, 2022	As at March 31, 2021
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	74,736.44	27,002.57
(ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/ convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares/bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows/issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total exposure to capital market		74,736.44	27,002.57

NOTE 63: DETAILS OF FINANCING OF PARENT COMPANY PRODUCTS

The Company does not have any Parent Company, hence not applicable.

NOTE 64: DETAILS OF SINGLE BORROWER LIMIT (SGL) / GROUP BORROWER LIMIT (GBL) EXCEEDED BY THE NBFC

The Company has not exceeded the prudential exposure limits for Single Borrower Limit (SGL) / Group Borrower Limit (GBL) during the year ended March 31, 2022 and March 31, 2021.

NOTE 65: UNSECURED ADVANCES

The Company has not granted unsecured advances against collateral of intangible securities such as charge over the rights, licenses or authority.

NOTE 66: PROVISIONS AND CONTINGENCIES

		₹ in Lakhs	
Break up of 'Provisions and contingencies' shown under the head expenditure in Profit and Loss account	Year ended March 31, 2022	Year ended March 31, 2021	
Provisions for depreciation on investments	0.08	6.47	
Provision towards NPA #	3,064.61	(9,804.56)	
Provision made towards income tax ##	37,504.87	37,844.33	
Provision for Standard Assets ###	403.91	9,912.24	
Provision towards impairment of financial instruments other than provision for stage 3 assets	43.53	171.58	

Expected Credit Loss Provision for stage 3 assets.

Provision made towards income tax comprises of current tax, deferred tax and tax adjustment for earlier years.

Provision for standard assets is included in provision towards impairment of financial instruments other than provision for stage 3 assets.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 67: DRAW DOWN FROM RESERVES

The draw down from reserves was Nil during the year ended March 31, 2022 and March 31, 2021.

NOTE 68: CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAS

68.1 Concentration of deposits (for deposit taking NBFCs)

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Total deposits of twenty largest depositors	15,759.51	13,448.28
Percentage of deposits of twenty largest depositors to total deposits of the NBFC	2.31%	2.43%

68.2 Concentration of advances

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Total advances to twenty largest borrowers	17,357.94	22,622.75
Percentage of advances to twenty largest borrowers to total advances of the NBFC	0.52%	0.77%

68.3 Concentration of exposures

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Total exposure to twenty largest borrowers/customers	17,357.94	22,622.75
Percentage of exposures to twenty largest borrowers/customers to total exposure of the NBFC on borrowers/customers	0.52%	0.77%

68.4 Concentration of NPAs

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Total Exposure to top four NPA accounts	4,176.21	4,016.98

NPA accounts refer to stage 3 assets.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 68: CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAs (Contd.)

68.5 Sector-wise NPAs[#]

S. No	Particulars	As at	As at
		March 31, 2022	March 31, 2021
		Percentage of NPAs to Total Advances in that sector	Percentage of NPAs to Total Advances in that sector
1	Agriculture & allied activities	-	-
2	MSME / Corporate borrowers	7.03%	7.26%
3	Services	-	-
4	Loan Against Property	0.47%	-
5	Unsecured personal loans	9.25%	10.86%
6	Auto loans		
	i) Auto Loans	9.87%	8.56%
	ii) Two wheeler	6.04%	5.80%
	iii) Pre Owned Two Wheeler	6.28%	2.21%
7	Other personal loans		
	i) Consumer Durable		
	ii) Pledged Jewel	1.99%	2.86%
8	Others	0.70%	1.04%

[#] NPA accounts refer to stage 3 assets.

68.6 Movement of NPAs[#]

S. No	Particulars	₹ in Lakhs	
		As at March 31, 2022	As at March 31, 2021
(i)	Net NPAs to Net Advances (%)	3.30%	3.08%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	1,87,598.74	2,26,293.73
	(b) Additions during the year	1,80,611.56	1,00,911.35
	(c) Reductions during the year	(1,59,341.10)	(1,39,606.34)
	(d) Closing balance	2,08,869.20	1,87,598.74
(iii)	Movement of Net NPAs		
	(a) Opening balance	87,728.16	1,16,618.59
	(b) Additions during the year	91,930.47	25,800.76
	(c) Reductions during the year	(73,724.62)	(54,691.19)
	(d) Closing balance	1,05,934.01	87,728.16
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	99,870.58	1,09,675.14
	(b) Provisions made during the year	88,681.09	75,110.59
	(c) Write-off / write-back of excess provisions	(85,616.48)	(84,915.15)
	(d) Closing balance	1,02,935.19	99,870.58

[#] NPA accounts refer to stage 3 assets.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

68.7: Asset classification as per RBI Norms

Disclosure pursuant to Reserve Bank of India notification DOR (NBFC).CC.PD.No.109 /22.10.106/2019-20 dated March 13, 2020 pertaining to Asset classification as per RBI Norms:

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	For the year ended March 31, 2022				For the year ended March 31, 2021					
		Gross carrying amount as per Ind AS	Loss allowances (Provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms	Gross carrying amount as per Ind AS	Loss allowances (Provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing assets											
Standard	Stage 1	27,15,113.85	87,562.50	26,27,551.35	12,885.17	74,677.33	25,25,387.95	88,122.34	24,37,265.61	10,848.94	77,273.40
	Stage 2	3,86,377.62	17,478.10	3,68,899.52	1,785.21	15,692.89	2,33,532.22	16,514.34	2,17,017.88	948.48	15,565.86
Subtotal		31,01,491.47	1,05,040.60	29,96,450.87	14,670.38	90,370.22	27,58,920.17	1,04,636.68	26,54,283.49	11,797.42	92,839.26
Non-Performing Assets (NPA)											
Substandard	Stage 3	1,56,403.75	77,910.40	78,493.35	82,298.50	(4,388.10)	1,09,226.62	56,409.77	52,816.85	51,293.35	5,116.42
Doubtful - up to 1 year	Stage 3	34,577.89	17,051.63	17,526.26	22,689.32	(5,637.69)	63,300.22	35,339.22	27,961.00	40,663.75	(5,324.53)
1 to 3 years	Stage 3	17,887.56	7,973.16	9,914.40	14,078.15	(6,104.99)	15,071.90	8,121.60	6,950.30	11,738.50	(3,616.90)
More than 3 years	Stage 3	-	-	-	-	-	-	-	-	-	-
Subtotal for doubtful		52,465.45	25,024.79	27,440.66	36,767.47	(11,742.68)	78,372.12	43,460.82	34,911.30	52,402.25	(8,941.43)
Loss	Stage 3	-	-	-	-	-	-	-	-	-	-
Subtotal for NPA		2,08,869.20	1,02,935.19	1,05,934.01	1,19,065.97	(16,130.78)	1,87,598.74	99,870.59	87,728.15	1,03,695.60	(3,825.01)
Total	Stage 1	27,15,113.85	87,562.50	26,27,551.35	12,885.17	74,677.33	25,25,387.95	88,122.34	24,37,265.61	10,848.94	77,273.40
	Stage 2	3,86,377.62	17,478.10	3,68,899.52	1,785.21	15,692.89	2,33,532.22	16,514.34	2,17,017.88	948.48	15,565.86
	Stage 3	2,08,869.20	1,02,935.19	1,05,934.01	1,19,065.97	(16,130.78)	1,87,598.74	99,870.59	87,728.15	1,03,695.60	(3,825.01)
		33,10,360.67	2,07,975.79	31,02,384.88	1,33,736.35	74,239.44	29,46,518.91	2,04,507.27	27,42,011.64	1,15,493.02	89,014.25

₹ in Lakhs

In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on Implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard asset provisioning), as at March 31, 2022 and accordingly, no amount is required to be transferred to impairment reserve.

68.8: As at March 31, 2022, additional ECL provision on loan assets as management overlay on account of COVID-19 stood at ₹ 42,553.44 Lakhs (March 31, 2021: ₹ 70,876.72 Lakhs). The additional ECL provision on account of COVID-19 is based on the Company's historical experience, collection efficiencies till date, internal assessment on the impacted segments and other emerging forward looking factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic. The Company's management is continuously monitoring the situation and the economic factors affecting the operations of the Company.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 69: OVERSEAS ASSETS (FOR THOSE WITH JOINT VENTURES AND SUBSIDIARIES ABROAD)

The Company does not have any joint venture or subsidiary abroad, hence not applicable.

NOTE 70: OFF-BALANCE SHEET SPVS SPONSORED (WHICH ARE REQUIRED TO BE CONSOLIDATED AS PER ACCOUNTING NORMS)

The Company has not sponsored any off-balance sheet SPV which are required to be consolidated as per accounting norms.

NOTE 71: CUSTOMER COMPLAINTS

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) Number of complaints pending at the beginning of the year	2	25
(b) Number of complaints received during the year	5,638	2,900
(c) Number of complaints redressed during the year	5,637	2,923
(d) Number of complaints pending at the end of the year	3	2

NOTE 72: AUCTION DETAILS

The Company Auctioned 3,757 loan accounts (March 31, 2021: 167 accounts) during the financial year and the outstanding dues on these loan accounts were ₹ 1,735.25 Lakhs (March 31, 2021: ₹ 36.25 Lakhs) till the respective dates of auction. The Company realised ₹ 1,686.21 Lakhs (March 31, 2021 : ₹ 37.44 Lakhs) on auctioning of gold jewellery taken as security on these loans. The Company confirms that none of its sister concerns participated in the above auctions.

NOTE 73: DISCLOSURE OF PENALTIES IMPOSED BY RBI AND OTHER REGULATORS

No penalties have been levied by any regulator on the Company for the year ended March 31, 2022.

Details of penalties levied for the year ended March 31, 2021 are as follows:

₹ in Lakhs								
S. No	Authority	Details of non-compliance made by the Company for which penalty has been levied	Penalty levied	Penalty paid	Penalty provided	Penalty Waived/Reduced/Stay Received	Date of payment	Status as on March 31, 2021
1	Reserve Bank of India	Non-Compliance with directions issued by RBI on verification of the ownership of gold jewellery	5.00	5.00	Nil	Nil	October 12, 2020	Paid
2	Financial Intelligence Unit - India	Failure of the Company to file CTR, to evolve an internal mechanism for detecting the transactions, to put in place of an effective mechanism to detect and report suspicious transactions, to undertake risk categorisation of the customers and to conduct periodical review of risk categorisation, to identify and verify the Beneficial Owner	4.50	4.50	Nil	Nil	January 1, 2021	Paid

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 74: The Company invoked resolution plans to relieve COVID-19 pandemic related stress to eligible borrowers. The resolution plans are based on the parameters laid down in the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI on August 6, 2020 and May 5, 2021. The staging of accounts and provisioning for the eligible accounts where the resolution plans are invoked and implemented is in accordance with the Board Approved Policy in this regard.

74.1 Disclosures pursuant to RBI Notification - RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 and RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021: Resolution of Covid-19 related stress of individuals and Small Businesses.

₹ in Lakhs

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of March 31, 2021 (A)	Of (A), aggregate debt that slipped into NPA during the year	Of (A) amount written off during the year	Of (A) amount paid by the borrowers during the year	Addition on account of implementation of resolution during the year end of March 31, 2022	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position as at the end of March 31, 2022
Personal Loans	-	-	-	2.29	26.58	24.29
Corporate persons*	13,091.72	5,110.87	54.47	1,931.37	13,468.97	19,463.98
Of which, MSMEs	13,091.72	5,110.87	54.47	1,931.37	13,468.97	19,463.98
Others	2,143.03	1,013.39	4.31	99.83	2,130.43	3,155.93
Total	15,234.75	6,124.26	58.78	2,033.49	15,625.98	22,644.20

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

74.2 Disclosure as per format prescribed under notification no. RBI/2020-21/17 DOR.No.BP.BC/4/21 04.048/2020-21 (for restructuring of accounts of Micro, Small and Medium Enterprises (MSME) sector - Restructuring of Advances having exposure less than or equal to ₹ 25 crores) for the year ended March 31, 2022

₹ in Lakhs

No. of accounts restructured *	Amount
548	14,925.43

* relates to accounts restructured under COVID 1.0 framework

NOTE 75: Hon'ble Supreme Court, in a public interest litigation (Gajendra Sharma vs. Union of India & Anr). vide an interim order dated September 3, 2020, has directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. However, such accounts had been classified as stage 3 and provision had been made accordingly. The interim order stood vacated on March 23, 2021 vide the judgement of the Hon'ble Supreme Court in the matter of Small Scale Industrial manufacturers Association v/s UOI & Ors. and other connected matters. In accordance with the instructions in paragraph 5 of the RBI circular no. RBI/2021-22/17 DOR. STR. REC. 4/ 21.04.048/ 2021-22, dated April 07, 2021 issued in this connection, the Company was already classifying the NPA accounts as Stage 3 and provision was made accordingly, without considering the above mentioned asset classification benefit for accounting purpose, there is no change in asset classification on account of the interim order dated March 23, 2021.

NOTE 76: The Company had credited an ex-gratia amount of ₹ 10,423.34 Lakhs for the payment of difference between the compound interest and simple interest to the accounts of borrowers in specified loan accounts between March 1, 2020 and August 31, 2020 as per the eligibility criteria and other features as mentioned in the notification dated October 23, 2020 issued by Government of India, Ministry of Finance, Department of Financial Services. The Company had filed a claim with the State Bank of India for reimbursement of the said ex-gratia amount as specified in the notification and same was received on March 31, 2021.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 77: In accordance with the RBI circular dated April 07, 2021 and the Indian Banks' Association ('IBA') advisory letter dated April 19, 2021 consequent to the judgement dated March 23, 2021 of Hon'ble Supreme Court, the Company has put in place a policy approved by the Board of Directors to refund/ adjust the 'interest on interest' charged to borrowers (other than specified borrowers as referred to in Note 12 above) during the moratorium period .i.e. March 1, 2020 to August 31, 2020. The Company has estimated the said amount and made a provision in the financial statements for the year ended March 31, 2021.

NOTE 78: DISCLOSURES PERTAINING TO FUND RAISING BY ISSUANCE OF DEBT SECURITIES BY LARGE CORPORATE

The Company, as per the SEBI circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018, and the definitions therein, is a Large Corporate and hence is required to disclose the following information about its borrowings.

(i) Initial Disclosure as per Annexure - A

S. No.	Particulars	As at March 31, 2022
1	Name of the Company	Shriram City Union Finance Limited
2	CIN	L65191TN1986PLC012840
3	Outstanding borrowing the of Company as on March 31, 2022 # (₹ in Lakhs)	24,77,701.04
4	Highest Credit Rating During the previous FY along with name of the Credit Rating Agency	
	Deposits :	ICRA MAA+ / Stable CARE AA
	Non-Convertible Debentures :	ICRA AA CARE AA IND AA/Positive CRISIL AA
	Short Term Debt / Commercial Paper :	ICRA A1+ CARE A1+ CRISIL A1+
	Long Term Market Linked Debentures :	IND PP-MLD AAemr/ Positive ICRA PP-MLD AA
	Bank Loan facilities :	IND AA/ Positive
5	Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	National Stock Exchange of India Limited

(ii) Annual disclosure as per Annexure - B2 for the year ended March 31, 2022

S. No.	Particulars	Details
1	2 - year block period	₹ in Lakhs March 31, 2022 and March 31, 2023
2	Incremental borrowing done in current financial year (a) #	13,79,282.62
3	Mandatory borrowing to be done through debt securities in current financial year (b) = (25% of a)	3,44,820.65
4	Actual borrowing done through debt securities in current financial year (c)	3,51,900.00
5	Shortfall in the borrowing through debt securities, if any, for previous financial year carried forward to current financial year (d)	-
6	Quantum of (d), which has been met from (c) (e)	Not Applicable
7	Shortfall, if any, in the mandatory borrowing through debt securities for current financial year (f) = (b)-[(c)-(e)]	Nil

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 78: DISCLOSURES PERTAINING TO FUND RAISING BY ISSUANCE OF DEBT SECURITIES BY LARGE CORPORATE (Contd.)

(iii) Details of penalty to be paid, if any, in respect to previous block (all figures in ₹ Lakhs)

S. No.	Particulars	Details
1	2-year Block period	March 31, 2022 and March 31, 2023
2	Amount of fine to be paid for the block, if applicable Fine = 0.2% of (f)	Nil

Figures pertain to long term borrowing basis original maturity of more than one year (excludes funds raised by way of Direct Assignment, Securitisation & Sale of receivables in form of Direct Assignment under Partial Credit Guarantee Scheme)

NOTE 79: The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Company towards Provident Fund and Gratuity. The effective date from which changes are applicable is yet to be notified and the rules thereunder are yet to be announced. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.

NOTE 80: COMPLIANCE WITH APPROVED SCHEME(S) OF ARRANGEMENTS

The Board of Directors of the Company in its meeting held on December 13, 2021 has approved a Composite Scheme of Arrangement and Amalgamation ("Scheme"), inter alia, involving amalgamation of Shriram Capital Limited (after de-merger of a few undertakings from the said Shriram Capital Limited) and the Company with Shriram Transport Finance Company Limited under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The said Scheme is effective upon approval of shareholders, creditors, Hon'ble National Company Law Tribunal, Reserve Bank of India and other regulatory and statutory approvals as applicable with an appointed date of April 1, 2022. The Company has already initiated process for the approval of the Scheme by various statutory authorities. The Company has received Observation letters dated March 15, 2022 and March 16, 2022 from BSE Limited (designated Stock Exchange) and National Stock Exchange of India Limited respectively. The financial statements are for the year ended March 31, 2022, which is prior to the appointed date i.e. April 1, 2022 and as such the approval/implementation of Scheme has no implications on these financial statements.

NOTE 81: CHANGE IN THE PROCESS OF NPA CLASSIFICATION

Pursuant to the RBI circular dated November 12, 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications", the Company has aligned its definition of default from "Days Past Due Approach as on reporting date" to "Days Past Due Approach as on Day end" with effect from November 12, 2021. Had the Company followed the earlier method, the profit before tax for the period ended March 31, 2022 would have been higher by ₹5,992.26 Lakhs.

NOTE 82: TITLE DEEDS OF IMMOVABLE PROPERTIES NOT HELD IN NAME OF THE COMPANY

The Company does not possess any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company during the financial year ended March 31, 2022 and March 31, 2021.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 83: ANALYTICAL RATIOS

₹ in Lakhs

Particulars	As at March 31, 2022			As at March 31, 2021	% Variance	Reasons for variance (if above 25%)
	Numerator	Denominator	Ratio	Ratio		
Capital to risk-weighted assets ratio (CRAR)	8,27,252.84	30,88,503.60	26.78%	28.64%	-6.48%	NA
Tier I CRAR	8,27,252.84	30,88,503.60	26.78%	28.64%	-6.48%	NA
Tier II CRAR	-	30,88,503.60	0.00%	0.00%	0.00%	NA
Liquidity Coverage Ratio	1,70,826.02	48,307.08	353.63%	278.14%	27.14%	The reason for variance above 25% is the change in methodology for calculation of LCR. LCR was calculated on the basis of monthly observation upto quarter ended March 31, 2021. However from quarter ended June 30, 2021 it is calculated on the basis of daily observation.

NOTE 84: DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

The Company has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2022 and March 31, 2021.

NOTE 85: DETAILS OF BENAMI PROPERTY HELD

No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2022 and March 31, 2021.

NOTE 86: WILFUL DEFAULTER

The Company is not declared as a wilful defaulter by any bank or financial institution or other lender in the financial years ended March 31, 2022 and March 31, 2021.

NOTE 87: RELATIONSHIP WITH STRUCK OFF COMPANIES

The Company has not undertaken any transactions with any Company whose name is struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 in the financial years ended March 31, 2022 and March 31, 2021.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 88: DETAILS OF CSR EXPENSES

₹ in Lakhs

Particulars	Year ended March 31, 2022 *	Year ended March 31, 2021 **
Gross amount required to be spent by the Company during the year	2,833.92	2,617.31
Amount spent during the year		
- On purposes other than construction/acquisition of any asset		
Paid in cash	3,167.57	2,195.23
Yet to be paid in cash	-	-
Total	3,167.57	2,195.23

* There is no shortfall in the CSR amount required to be spent by the Company as per section 135(5) of the Act for the financial years ended March 31, 2022.

** There was a shortfall of ₹ 333.00 Lakhs in the CSR amount required to be spent by the Company as per section 135(5) of the Act for the financial years ended March 31, 2021. The shortfall was due to COVID 19 related lockdown / restrictions impact on the ongoing projects / CSR tie-ups. The said amount was transferred to Unspent CSR account as per section 135(6) on April 29, 2021. During the year ended March 31, 2022, ₹ 332.00 Lakhs have been utilised for CSR activities from this Unspent CSR bank account.

CSR activities include Education, Preservation of Art, Culture and Heritage, Preventive Healthcare, Scholarship Scheme, Training and Skill Development, Road Safety Awareness Program, Contribution towards Primary, Secondary and Higher Education and other activities which are specified under Schedule VII of Companies Act, 2013.

The Company has neither made any CSR Contributions towards its related parties nor recorded any provision for CSR expenditure during the financial years ended March 31, 2022 and March 31, 2021.

NOTE 89: REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES (ROC)

All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2022 and March 31, 2021. No charges or satisfactions are yet to be registered with ROC beyond the statutory period.

NOTE 90: COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2022 and March 31, 2021.

NOTE 91: UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM

The Company, as part of its normal business, grants loans and advances, makes investment, provides guarantees to and accept deposits and borrowings from its customers, other entities and persons. These transactions are part of Company's normal non-banking finance business, which is conducted ensuring adherence to all regulatory requirements.

Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has also not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTE 92: UNDISCLOSED INCOME

There are no transactions in nature of undisclosed income.

NOTE 93: DETAILS OF STRESSED LOANS TRANSFERRED / ACQUIRED DURING THE YEAR

The Company has neither acquired nor transferred any stressed loans during the year ended March 31, 2022.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 94: LIQUIDITY RISK

Public Disclosure on Liquidity Risk for the period ended March 31, 2022 pursuant to RBI circular dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

Particulars	Number of Significant Counterparties	Amount (₹ in Lakhs)*	% of Total deposits	% of Total liabilities
As at March 31, 2022	16	16,46,766.07	241.16%	52.96%
As at March 31, 2021	18	16,46,173.87	297.74%	63.09%

*Includes securitisation liabilities exposure

(ii) Top 20 large deposits (amount in ₹ in Lakhs and % of total deposits)

Particulars	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Total amount of top 20 large deposits	15,759.51	13,448.28
Percentage of amount of top 20 large deposits to total deposits	2.31%	2.43%

(iii) Top 10 borrowings (amount in ₹ in Lakhs and % of total borrowings)

Particulars	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Total amount of top 10 borrowings *	13,59,586.79	12,36,599.84
Percentage of amount of top 10 borrowings to total borrowings	44.38%	48.37%

*Includes securitisation liabilities exposure

(iv) Funding Concentration based on significant instrument / product

S. No.	Name of the instrument/product	As at March 31, 2022		As at March 31, 2021	
		Amount (₹ in Lakhs)	% of Total liabilities	Amount (₹ in Lakhs)	% of Total liabilities
1	Public issue of Redeemable non-convertible debentures	38,902.41	1.25%	86,924.21	3.33%
2	Privately placed Redeemable non-convertible debentures	6,12,611.69	19.70%	3,39,438.79	13.01%
3	Term Loan from banks	8,82,119.19	28.37%	7,62,526.16	29.23%
4	Term Loan from financial institution/ NBFC	3,42,121.77	11.00%	2,63,930.95	10.12%
5	Loans repayable on demand from banks (Cash credit from banks & Working Capital Loan)	2,94,574.23	9.47%	2,12,362.91	8.14%
6	Other loans - Securitisation liabilities	2,10,013.63	6.75%	3,38,459.12	12.97%
7	Public deposits	6,82,838.64	21.96%	5,52,888.78	21.19%

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

(v) Stock Ratios:

S. No.	Particulars	As at March 31, 2022			As at March 31, 2021		
		as a % of Total public funds	as a % of Total liabilities	as a % of Total assets	as a % of Total public funds	as a % of Total liabilities	as a % of Total assets
1	Commercial papers	-	-	-	-	-	-
2	Non-convertible debentures (original maturity of less than one year)	-	-	-	-	-	-
3	Other short-term liabilities*	9.71%	9.56%	7.42%	10.46%	10.24%	7.81%

*includes cash credit, working capital demand loans and other short term loans with original maturity of less than one year

(vi) Institutional set-up for liquidity risk management

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Board has constituted the Audit & Risk management committee (ARMC) which is responsible for monitoring the overall risk process within the Company.

The (ARMC) is responsible for managing risk decisions and monitoring risk levels. The meetings of ARMC are held at quarterly interval.

The Risk owners are responsible for monitoring compliance with risk principles, policies and limits across the Company. Each department has its Risk owner who is responsible for the control of risks, including monitoring the actual risk of exposures against authorised limits and the assessment of risks.

The Company's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

The Board of Directors also approves constitution of Asset Liability Committee (ALCO), reviews or monitors Asset Liability Management (ALM) mismatch. ALCO conducts periodic reviews relating to the liquidity position and stress test assuming various what if scenarios. The ALCO is responsible for ensuring adherence to the limits/ targets set by the Board as well as for deciding the business strategy of the Company in line with the Company's budget and decided risk management objectives. The ALCO does balance sheet planning from risk-return perspective including strategic management of interest rate and liquidity risks. The ALCO also evaluates the Borrowing Plan of subsequent quarters on the basis of previous borrowings of the Company. The meetings of ALCO are held at quarterly intervals. The ALM Support Groups consisting of operating staff are responsible for analysing, monitoring and reporting the risk profiles to the ALCO. ALCO support group meets every fortnight.

In assessing the Company's liquidity position, consideration is given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds. The Company maintains a portfolio of marketable assets that are assumed to be easily liquidated and undrawn cash credit limits which can be used in the event of an unforeseen interruption in cash flow. The Company also enters into securitisation deals (direct assignment as well as pass through certificates) of its loan portfolio, the funding from which can be accessed to meet liquidity needs. In accordance with the Company's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company. Net liquid assets consist of cash, short-term bank deposits and investments in mutual fund available for immediate sale, less issued securities and borrowings due to mature within the next month. Borrowings from banks and financial institutions, issue of debentures and bonds and acceptance of public deposits are considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings.

The minutes of ALCO meetings are placed before the ARMC and the Board of Directors in its next meeting for its ratification.

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

*Notes:

- 1) Significant counterparty is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.
- 2) Significant instrument/product is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities, as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.
- 3) Total Liabilities has been computed as sum of all liabilities (Total of Balance Sheet less Total Equity).
- 4) Public funds includes funds raised either directly or indirectly through public deposits, inter-corporate deposits, bank finance and all funds received from outside sources such as funds raised by issue of Commercial Papers, debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue, as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016.

NOTE 95: DISCLOSURE OF FRAUDS VIDE DNBS. PD. CC NO. 256/03.10.042/2011-12 DATED MARCH 2, 2012

Instances of fraud for the year ended March 31, 2022:

Particulars	₹ in Lakhs							
	Less than ₹ 1 Lakh		₹ 1 Lakh to ₹ 25 Lakhs		Greater than ₹ 25 Lakhs		Total	
	Number	Value	Number	Value	Number	Value	Number	Value
A) Person involved								
Staff	-	-	-	-	-	-	-	-
Staff & Customer	-	-	-	-	-	-	-	-
Customer	1	0.70	-	-	-	-	1	0.70
Customer & Outsider	-	-	-	-	-	-	-	-
Staff, Customer & Outsider	-	-	-	-	-	-	-	-
Total	1	0.70	-	-	-	-	1	0.70
B) Type of Fraud								
Misappropriation and Criminal breach of trust	-	-	-	-	-	-	-	-
Fraudulent encashment/ manipulation of books of accounts	-	-	-	-	-	-	-	-
Unauthorised credit facility extended	-	-	-	-	-	-	-	-
Cheating and Forgery	1	0.70	-	-	-	-	1	0.70
Total	1	0.70	-	-	-	-	1	0.70

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 95: DISCLOSURE OF FRAUDS VIDE DNBS. PD. CC NO. 256/03.10.042/2011-12 DATED MARCH 2, 2012 (Contd.)

Instances of fraud for the year ended March 31, 2021:

₹ in Lakhs

Particulars	Less than ₹ 1 Lakh		₹ 1 Lakh to ₹ 25 Lakhs		Greater than ₹ 25 Lakhs		Total	
	Number	Value	Number	Value	Number	Value	Number	Value
A) Person involved								
Staff	-	-	-	-	-	-	-	-
Staff & Customer	-	-	2	5.00	-	-	2	5.00
Customer	-	-	-	-	-	-	-	-
Customer & Outsider	-	-	-	-	-	-	-	-
Staff, Customer & Outsider	-	-	-	-	-	-	-	-
Total	-	-	2	5.00	-	-	2	5.00
B) Type of Fraud								
Misappropriation and Criminal breach of trust	-	-	-	-	-	-	-	-
Fraudulent encashment/ manipulation of books of accounts	-	-	-	-	-	-	-	-
Unauthorised credit facility extended	-	-	-	-	-	-	-	-
Cheating and Forgery	-	-	2	5.00	-	-	2	5.00
Total	-	-	2	5.00	-	-	2	5.00

"- "represents Nil

NOTE 96: ASSET LIABILITY MANAGEMENT MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES

As at March 31, 2022

₹ in Lakhs

Particulars	0 to 7 days	8 to 14 days	15 to 30/31 Days	Over 1 month upto 2 Months	Over 2 months upto 3 Months	Over 3 months & upto 6 Months	Over 6 Months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	2,495.92	2,982.13	9,675.57	14,217.52	18,143.29	60,939.01	1,04,216.23	3,29,061.66	1,41,107.31	-	6,82,838.64
Advances*	1,49,026.17	53,196.12	54,059.52	1,57,633.78	1,67,766.81	4,32,450.10	7,60,742.07	9,79,004.77	2,29,925.73	1,18,579.81	31,02,384.88
Investments	-	282.41	506.20	847.29	517.83	118.76	31,675.52	75,336.86	-	74,343.37	1,83,628.24
Borrowings	38,713.25	11,840.99	50,775.80	46,693.47	78,160.28	2,54,891.85	7,88,926.06	8,18,622.11	1,62,429.62	1,29,289.49	23,80,342.92
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE 96: ASSET LIABILITY MANAGEMENT MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES (Contd.)

As at March 31, 2021

Particulars	₹ in Lakhs										
	0 to 7 days	8 to 14 days	15 to 30/31 Days	Over 1 month upto 2 Months	Over 2 months upto 3 Months	Over 3 months & upto 6 Months	Over 6 Months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	1,239.96	1,587.71	6,626.81	9,697.77	12,304.94	40,859.07	90,645.87	2,80,783.32	1,09,143.33	-	5,52,888.78
Advances*	1,09,021.60	42,901.32	32,350.33	1,23,632.26	1,31,852.26	3,89,113.52	7,05,187.27	9,06,436.94	1,78,936.13	1,22,580.01	27,42,011.64
Investments	-	280.77	448.69	13.47	15.30	45.29	66,142.79	8,271.40	-	26,514.53	1,01,732.24
Borrowings	-	43,013.28	98,430.49	99,920.54	1,10,533.71	2,20,065.31	5,81,307.46	7,10,464.18	1,22,414.22	17,492.95	20,03,642.14
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

* net of Impairment loss allowance.

NOTE 97: PREVIOUS YEAR COMPARATIVES

Previous year's figures have been regrouped / reclassified wherever necessary, to conform to current year's classification.

As per our report of even date

For M/s R Subramanian & Company LLP
Chartered Accountants
Firm Registration No.004137S/ S200041

For M/s Abarna & Ananthan
Chartered Accountants
Firm Registration No.000003S

For and on behalf of the Board of Directors of Shriram City Union Finance Limited

K Jayasankar

Partner
Membership No.014156

Place: Chennai
Date : April 29, 2022

Lalitha Rameswaran

Partner
Membership No.207867

Yalamati Srinivasa Chakravarti

Managing Director and CEO
DIN: 00052308

C R Dash
Company Secretary

Venkataraman Murali

Director
DIN: 00730218

R Chandrasekar
Chief Financial Officer

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

₹ in Lakhs

(5) Break-up of investments :	Amount outstanding
Long term investments :	
1. Quoted :	
(i) Shares : (a) Equity	7,515.00
(b) Preference	-
(ii) Debentures and bonds	-
(iii) Units of mutual funds	-
(iv) Government securities	77,134.27
(v) Others (Please specify)	-
2. Unquoted :	
(i) Shares: (a) Equity	66,727.91
(b) Preference	-
(ii) Debentures and bonds	-
(iii) Units of mutual funds	-
(iv) Government securities	-
(v) Others -Venture capital fund	-
Investment in PTC	-
Certificate of deposits	-
Pass through certificates (unquoted)	117.18
Investment in subordinated debts	-

₹ in Lakhs

(6) Borrower group-wise classification of assets, financed as in (3) and (4) above : Please see note 2 below		
Category	Amount (Net of provisions)	
	Secured	Unsecured
1. Related Parties **		
(a) Subsidiary	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related parties	25,43,603.15	5,58,781.73

Notes forming part of the Standalone financial statements for the year ended March 31, 2022 (Contd.)

₹ in Lakhs

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): Please see note 3 below		
Category	Market Value / Break up or fair value or NAV*	Book Value (Net of Provisions)
1. Related Parties *		
(a) Subsidiary	97,702.58	66,727.91
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related parties	1,17,142.60	1,16,900.33
Total	2,14,845.18	1,83,628.24

* As per Indian Accounting Standard issued by MCA (Please see note 3)

₹ in Lakhs

(8) Other information		Amount
Particulars		
(i) Gross non-performing assets **		
(a) Related parties		-
(b) Other than related parties		2,08,869.20
(ii) Net non-performing assets **		
(a) Related parties		-
(b) Other than related parties		1,05,934.01
(iii) Assets acquired in satisfaction of debt		-

** NPA accounts refer to stage 3 assets.

Notes :

- As defined in point xxvii of paragraph 3 of Chapter II of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
- Provisioning norms shall be applicable as prescribed in Indian Accounting Standards by MCA..
- All Indian Accounting Standards issued by MCA are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt.

Form AOC-1

(Pursuant to first proviso to sub- section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries

PART A: SUBSIDIARIES

₹ in Lakhs

S No.	Particulars	Shriram Housing Finance Limited
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA
3	Share Capital	32,527.11
4	Reserves	83,232.20
5	Total assets	5,16,834.36
6	Total liabilities	4,01,075.05
7	Investments (included in total assets)	14,043.17
8	Turnover	54,827.22
9	Profit before taxation	10,914.42
10	Provision for taxation	2,880.29
11	Profit after taxation	8,034.13
12	Dividend	-
13	% of shareholding	85.02%

Independent Auditor's Report

THE MEMBERS OF SHRIRAM CITY UNION FINANCE LIMITED

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

1. We have audited the accompanying consolidated financial statements of Shriram City Union Finance Limited (hereinafter referred to as the "Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended and notes to the financial statement, including summary of the significant accounting policies and other explanatory information hereinafter referred to as "the consolidated financial statements".
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed u/s 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 consolidated state of affairs of the Group as at March 31, 2022, its consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

3. We conducted our audit of the consolidated financial statements 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

EMPHASIS OF MATTER

4. Attention is drawn to Note No 68.3 to the Financial statements which describe the fact that the additional ECL provision on account of COVID-19 is made based on the Group's historical experience, collection efficiencies till date, internal assessment on the impacted segments and other emerging forward-looking factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic. The Group's management is continuously monitoring the situation and the economic factors affecting the operations of the Group. Further, the extent to which the COVID-19 pandemic will impact the Group's Financial Performance is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of the above matters.

KEY AUDIT MATTERS

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the year under report. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the Key Audit Matters to be communicated in our report.

Independent Auditor's Report (Contd.)

Sr. No.	Key Audit Matter	Auditor's Response
i	<p>Impairment and Write-offs</p> <p>The Recognition and Measurement of Impairment and Write-off of Loans and Advances involves estimates, management judgements and appropriate processing of information from the IT systems because of which the same has been identified as a key audit matter.</p>	<p>Our key audit procedures included:</p> <ul style="list-style-type: none"> ● We test checked the computation of the Probable default (PD) which denotes the statistical pattern of occurrence of defaults in individual accounts over a period of past five years. ● We also test checked the computation of the ratio of Loss Given Default (LGD) which denotes the non-recoveries (after considering the collections) till the date of Balance Sheet. ● We reviewed the changes made by the management in estimating the PD and the LGD on the background of COVID 19 outbreak and additional ECL provisions made on the basis of above revisions. ● We examined the computation of Impairment Losses by application of PD and LGD and ensured that the entire pool of Loans and advances has been considered for the same. ● We reviewed the Internal financial controls over data extraction and data validation from the ERP system for computation of PD and LGD with the participation of our internal IT expert. ● We performed analytical procedures for ascertaining of reasonableness of Impairment provisions. ● We carried out a combination of procedures involving enquiry and observation, re-performance on a test basis and inspection of evidence in respect of computation of provisions including considering the situations where additional impairment was required for individual accounts and review of procedures and practices, justification notes and approvals in case of Bad Debts written off. ● Our audit procedures did not reveal any significant inconsistencies with respect to provisions for impairment and write-offs.
ii	<p>Assessment of Provisions and Contingent liabilities in respect of certain litigations including Direct and Indirect Taxes, various claims led by other parties not acknowledged as debt (Note No. 43 to the consolidated financial statements):</p> <p>There is high level of judgement required in estimating the level of provisioning. The company's assessment is supported by the facts of matter, their own judgment, past experience, and advice from legal and independent tax consultants wherever considered necessary.</p> <p>Accordingly, unexpected adverse outcomes may significantly impact the Company's reported profit and state of affairs presented in the Balance Sheet.</p>	<p>Our audit approach involved:</p> <p>Obtaining an understanding of internal controls relevant to the audit in order to design our audit procedures that are appropriate in the circumstances;</p> <ol style="list-style-type: none"> a. Understanding the current status of the litigations/ tax assessments; b. Examining recent orders and/or communication received from various tax authorities/ judicial forums and follow up action thereon; c. Evaluating the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal / tax advice

Independent Auditor's Report (Contd.)

Sr. No.	Key Audit Matter	Auditor's Response
	We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgments/ interpretation of law involved	d. Review and analysis of evaluation of the contentions of the Company through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues; and verification of disclosures related to significant litigations and taxation matters.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

7. The Holding Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation and presentation of these consolidated financial statements, that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards specified under section 133 of the Act read with the companies (Indian Accounting Standards) Rules 2015. The respective Board of Directors of the companies

included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding company and the subsidiary and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Holding Company's and the subsidiary'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 Board of Directors either intends to liquidate the Holding company and/or the subsidiary or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of those companies.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

8. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high

Independent Auditor's Report (Contd.)

level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 and its subsidiary companies which are companies incorporated in India, have 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Holding Company and/or the subsidiary to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate,

to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Holding Company and/or the subsidiary to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of the entities within the Group to express an opinion on the consolidated Financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of holding company included in the consolidated financial results of which we are the independent auditors. For the subsidiary included in the consolidated Financial statements, which has been audited by other auditor, such other auditor remains responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated 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.

Independent Auditor's Report (Contd.)

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

OTHER MATTERS

9. (a) We did not audit the financial statements of the subsidiary, Shriram Housing Finance Limited whose financial statements reflect total assets of Rs. 4,49,011 lakhs as at March 31, 2022, Group's share of total revenue of Rs.54,710 lakhs, Group's share of total net profit after tax of Rs.7,856 lakhs, Group's share of total comprehensive income of Rs. 7,870 lakhs for the year ended March 31, 2022 and net cash outflow of Rs. 4,936 lakhs for the year ended on March 31, 2022 as considered in the Consolidated Financial Statements, which have been audited by its independent auditor. These financial statements have been audited by the other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.
- (b) The comparative consolidated financial statements of the company for the year ended March 31, 2021 included in consolidated financial statements, were audited by the then statutory auditors " G.D.Apte & co., Chartered Accountants" for the year ended March 31, 2021 whose report dated April 30, 2021 expressed an unmodified opinion on those financial statements.
- Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

10. As required by section 143(3) of the Act, based on our audit and on the consideration of audit report of the other auditors on separate financial statements of such Subsidiary we report, to the extent applicable, that:
- 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.
 - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.
 - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - In our opinion, the aforesaid consolidated financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022, taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company, none of the directors of the Group companies is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164 (2) of the Act.
 - With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure – 'A' to this report.
 - In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of subsidiary company incorporated in India which were not audited by

Independent Auditor's Report (Contd.)

us, the remuneration paid during the current year by the Holding Company and subsidiary company incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and subsidiary company incorporated in India is not in excess of the limit laid down under 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of audit reports of the other auditors on separate financial statements of such subsidiary, as noted in the 'Other Matters' paragraph:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note No. 43 to the consolidated financial statements.
 - ii. The company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The company does not have including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India during the year ended March 31, 2022.
 - iv (a) The respective Managements of the Holding Company and its subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their 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 Holding

Company or any of such subsidiary 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 identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The respective Managements of the Holding Company and its subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiary from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary 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 the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company and performed by the other auditor in respect of its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause 10(h) (iv) (a) and (b) contain any material misstatement

Independent Auditor's Report (Contd.)

- v. In our opinion and according to the information and explanations given to us:
- (a) The final dividend proposed in the previous year, declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.
 - (b) The interim dividend declared and paid by the Holding Company during the year and until the date of this report is in compliance with Section 123 of the Act.
 - (c) The Board of Directors of the Holding Company have not proposed any final dividend for the year.
 - (d) In respect of subsidiary company as reported by the independent auditors of the subsidiary company no dividend has been declared or paid hence reporting about compliance of section 123 of the Companies act is not applicable to the subsidiary company.
11. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiary included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For R. Subramanian and Company LLP

Chartered Accountants
FRN: 004137S/S200041

CA K. Jayasankar

Partner
M No 014156
UDIN: 22014156AIZOCH3727

Place: Chennai
Date: April 29, 2022

For Abarna & Ananthan

Chartered Accountants
FRN- 000003S

CA (Mrs) Lalitha Rameswaran

Partner
M No 207867
UDIN: 22207867AIZNMQ7211

Annexure "A"

ANNEXURE – 'A' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SHRIRAM CITY UNION FINANCE LIMITED

(Referred to in paragraph 10(f) under 'Report on other legal and regulatory requirements' section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of Shriram City Union Finance Limited (hereinafter referred to as the "Company") and its subsidiary company, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

- The respective Board of Directors of the Holding Company and its subsidiary, which is a company incorporated in India, are 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 (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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

- Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Holding Company and its subsidiary, which are companies incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial

controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

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
 - pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
 - provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally

Annexure "A" to the Independent Auditors' Report (Contd.)

accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

4. 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.

OTHER MATTER

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to the subsidiary, which is company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary company, which are companies incorporated in India, have, 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 at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For R. Subramanian and Company LLP

Chartered Accountants
FRN: 004137S/S200041

CA K. Jayasankar

Partner
M No 014156
UDIN: 22014156AIZOCH3727

Place: Chennai

Date: April 29, 2022

For Abarna & Ananthan

Chartered Accountants
FRN- 000003S

CA (Mrs) Lalitha Rameswaran

Partner
M No 207867
UDIN: 22207867AIZNMQ7211

Consolidated Balance Sheet as at March 31, 2022

₹ in Lakhs

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
I ASSETS			
1 FINANCIAL ASSETS			
Cash and cash equivalents	9	5,26,908.73	3,91,641.65
Bank balance other than above	10	1,57,324.82	1,44,309.16
Receivables			
(i) Trade receivables	11	439.09	229.99
(ii) Other receivables		-	-
Loans	12	35,54,599.63	30,79,779.88
Investments	13	1,30,948.17	92,414.31
Other financial assets	14	19,250.25	16,226.66
Total Financial Assets		43,89,470.69	37,24,601.65
2 NON-FINANCIAL ASSETS			
Current tax assets (net)	38	3,236.34	4,921.74
Deferred tax assets	38	15,166.44	12,815.28
Property, plant and equipment	15	6,954.86	6,841.27
Intangible assets	16	498.93	643.36
Right-of-use assets	17	17,681.96	16,538.88
Other non-financial assets	18	22,767.05	20,270.54
Total Non-Financial Assets		66,305.58	62,031.07
Total Assets		44,55,776.27	37,86,632.72
II LIABILITIES AND EQUITY			
LIABILITIES			
1 FINANCIAL LIABILITIES			
Derivative financial instruments	19	5.49	-
Payables			
(i) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(ii) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises	20	6.39	18.90
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	20	5,303.17	7,856.73
Debt securities	21	7,04,843.71	4,84,252.82
Borrowings (other than debt securities)	22	20,66,368.83	18,37,472.96
Deposits	23	6,82,838.64	5,52,888.78
Other financial liabilities	24	38,557.79	44,376.98
Total Financial Liabilities		34,97,924.02	29,26,867.17
2 NON-FINANCIAL LIABILITIES			
Provisions	25	2,991.67	2,857.04
Deferred tax liabilities	38	3,186.28	2,536.95
Other non-financial liabilities	26	6,518.68	2,544.28
Total Non-Financial Liabilities		12,696.63	7,938.27
Total Liabilities		35,10,620.65	29,34,805.44
3 EQUITY			
Equity share capital	27	6,662.80	6,600.50
Other equity	28	9,21,181.82	8,32,153.68
Equity attributable to equity holders of the parent		9,27,844.62	8,38,754.18
Non-controlling interest		17,311.00	13,073.10
Total Equity		9,45,155.62	8,51,827.28
Total Liabilities and Equity		44,55,776.27	37,86,632.72

See accompanying notes forming part of the Consolidated financial statements.

As per our report of even date

For M/s R Subramanian & Company LLP
Chartered Accountants
Firm Registration No.004137S/ S200041

For M/s Abarna & Ananthan
Chartered Accountants
Firm Registration No.000003S

For and on behalf of the Board of Directors of Shriram City Union Finance Limited

K Jayasankar

Partner
Membership No.014156

Place: Chennai
Date : April 29, 2022

Lalitha Rameswaran

Partner
Membership No.207867

Yalamati Srinivasa Chakravarti

Managing Director and CEO
DIN: 00052308

C R Dash
Company Secretary

Venkataraman Murali

Director
DIN: 00730218

R Chandrasekar
Chief Financial Officer

Consolidated Statement of Profit & Loss for the year ended March 31, 2022

Particulars	Notes	₹ in Lakhs	
		Year ended March 31, 2022	Year ended March 31, 2021
REVENUE FROM OPERATIONS			
(i) Interest income	29	6,68,113.88	5,89,690.43
(ii) Dividend income		185.07	190.28
(iii) Fees and commission income	30	13,264.11	4,954.49
(iv) Net gain on fair value changes	31	874.86	907.24
(v) Net gain on derecognition of financial instruments under amortised cost category		5,256.74	7,422.46
(vi) Bad debts recovery		18,294.93	11,112.38
(vii) Other operating income		1,307.79	820.41
I Total revenue from operations		7,07,297.38	6,15,097.69
II Other income		451.72	1,090.37
III Total income (I+II)		7,07,749.10	6,16,188.06
EXPENSES			
(i) Finance cost	32	2,81,312.56	2,34,105.03
(ii) Fees and commission expenses		12,127.53	11,252.45
(iii) Impairment on financial instruments	33	3,812.76	1,662.95
(iv) Bad debts written off	34	86,009.40	85,396.39
(v) Employee benefit expenses	35	1,05,760.43	83,012.74
(vi) Depreciation, amortisation and impairment	36	8,622.51	8,712.46
(vii) Royalty		7,673.58	6,716.05
(viii) Professional charges		13,609.75	13,750.09
(ix) Other expenses	37	31,960.75	23,778.72
IV Total expenses		5,50,889.27	4,68,386.88
V Profit before exceptional items and tax (III - IV)		1,56,859.83	1,47,801.18
VI Exceptional items		-	-
VII Profit before tax (V + VI)		1,56,859.83	1,47,801.18
VIII Tax expense:			
(1) Current tax	38	41,068.04	47,155.66
(2) Tax adjustment for earlier years	38	477.38	(190.33)
(3) Deferred tax	38	(1,160.26)	(6,935.69)
IX Profit for the year (VII-VIII)		1,16,474.67	1,07,771.54
X Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement gain / (loss) on defined benefit plan		(138.19)	1,181.86
Gain / (loss) on Fair valuation of quoted investments in equity shares		(2,171.10)	768.97
(ii) Income tax provision / (reversal) relating to items that will not be reclassified to profit or loss		(541.58)	633.62
Subtotal (A)		(1,767.71)	1,317.21
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal (B)		-	-
Other comprehensive income (A+B)		(1,767.71)	1,317.21
XI Total Comprehensive Income for the year (IX+ X)		1,14,706.96	1,09,088.75
XII Profit / (Loss) for the year attributable to			
- Owners of the Company		1,15,177.12	1,06,352.34
- Non - Controlling Interests		1,297.55	1,419.20
XIII Other comprehensive income / (Loss) for the year attributable to			
- Owners of the Company		(1,769.66)	1,316.68
- Non - Controlling Interests		1.95	0.53
XIV Total comprehensive income / (Loss) for the year attributable to			
- Owners of the Company		1,13,407.46	1,07,669.02
- Non - Controlling Interests		1,299.50	1,419.73
XV Earning per equity share (face value 10/- per equity share)			
Basic (₹)	39	174.07	161.13
Diluted (₹)	39	173.02	160.76

See accompanying notes forming part of the Consolidated financial statements.

As per our report of even date

For M/s R Subramanian & Company LLP
Chartered Accountants
Firm Registration No.004137S/ S200041

For M/s Abarna & Ananthan
Chartered Accountants
Firm Registration No.000003S

**For and on behalf of the Board of Directors of
Shriram City Union Finance Limited**

K Jayasankar

Partner
Membership No.014156

Place: Chennai
Date : April 29, 2022

Lalitha Rameswaran

Partner
Membership No.207867

**Yalamati Srinivasa
Chakravarti**

Managing Director and CEO
DIN: 00052308

C R Dash
Company Secretary

Venkataraman Murali

Director
DIN: 00730218

R Chandrasekar
Chief Financial Officer

Consolidated Cash flow statement for the year ended March 31, 2022

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,56,859.83	1,47,801.18
Adjustments for :		
Depreciation, amortisation and impairment	8,622.51	8,712.46
(Profit) / loss on sale of property, plant and equipment (net)	6.46	66.15
Bad debts written off	86,009.40	85,396.23
Impairment on financial instruments	3,812.76	1,662.96
Amortisation of premium on Government securities	353.35	71.20
Interest on lease liabilities	1,938.03	1,812.85
Interest income on fair valuation of security deposits	(245.89)	(298.77)
Net (gain) / loss on sale of investments and fair value changes of investment/ derivative	(874.76)	(907.24)
Net (gain) / loss on derecognition of financial instruments under amortised cost category	(5,256.74)	(7,422.46)
Lease concessions received	(117.50)	(510.91)
Share based payments to employees	10,017.57	1,953.07
Dividend Income considered as cash flow from investing activity	(185.07)	(190.28)
Operating profit before working capital changes	2,60,939.95	2,38,146.44
Movements in Working capital:		
(Increase) / decrease in loans and advances	(5,65,870.37)	(3,03,468.07)
(Increase) / decrease in other non financial assets	(1,984.10)	(4,776.75)
(Increase) / decrease in other financial assets	2,008.56	4,106.57
(Increase) / decrease in bank deposits	(7,853.32)	(46,388.49)
(Increase) / decrease in receivables	(223.99)	(146.50)
(Increase) / decrease in investments	(34,359.76)	(27,494.43)
Increase / (decrease) in other financial liabilities	(28.69)	(19,141.14)
Increase / (decrease) in other non financial liabilities	3,974.41	159.49
Increase / (decrease) in other payables	(2,752.90)	703.34
Increase / (decrease) in other provisions	(117.10)	(299.64)
Cash generated from operations	(3,46,267.31)	(1,58,599.18)
Direct taxes paid (net of refunds)	(39,860.03)	(36,540.64)
Net cash from / (used in) operating activities (A)	(3,86,127.34)	(1,95,139.82)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(2,699.61)	(2,033.58)
Sale of Investment in Shares	(3,570.90)	8,656.32
Capital advance for assets	(125.18)	(16.97)
Proceeds from sale of fixed assets	48.76	49.94
Dividend Income	185.07	190.28
Proceeds from sale of Security Receipts	160.51	347.68
Investment in commercial paper	(7,376.24)	-
Net cash from / (used in) investing activities (B)	(13,377.59)	7,193.67

Consolidated Cash flow statement for the year ended March 31, 2022 (Contd.)

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital including securities premium and share application money	1,868.98	0.74
Right issue expenses	(86.20)	-
Increase / (Decrease) of debt securities	2,20,747.21	(1,599.78)
Increase / (Decrease) of borrowings	2,29,380.65	2,42,038.33
Increase / (Decrease) of deposits	1,29,949.86	1,51,681.98
Increase / (Decrease) of subordinated liabilities	-	(23,923.91)
Payment of lease liabilities	(7,309.04)	(6,062.91)
Dividend paid on equity shares	(39,779.45)	(6,600.43)
Net Cash from / (used in) financing activities (C)	5,34,772.01	3,55,534.02
Net increase / (decrease) in cash and cash equivalents (A+B+C)	1,35,267.08	1,67,587.87
Cash and cash equivalents at the beginning of the year	3,91,641.65	2,24,053.78
Cash and cash equivalents at the end of the year	5,26,908.73	3,91,641.65

₹ in Lakhs

Components of cash and cash equivalents	As at March 31, 2022	As at March 31, 2021
Cash on hand	6,886.28	5,433.39
Balances with Banks		
- in current accounts	75,739.15	1,38,156.42
- in deposit accounts having original maturity less than three months	4,44,283.30	2,48,051.84
Total	5,26,908.73	3,91,641.65

Notes:

The above Cash flow statement has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'. See accompanying notes forming part of the Consolidated financial statements.

As per our report of even date

For M/s R Subramanian & Company LLP
Chartered Accountants
Firm Registration No.004137S/ S200041

For M/s Abarna & Ananthan
Chartered Accountants
Firm Registration No.000003S

**For and on behalf of the Board of Directors of
Shriram City Union Finance Limited**

K Jayasankar

Partner
Membership No.014156
Place: Chennai
Date : April 29, 2022

Lalitha Rameswaran

Partner
Membership No.207867

**Yalamati Srinivasa
Chakravarti**

Managing Director and CEO
DIN: 00052308

C R Dash

Company Secretary

Venkataraman Murali

Director
DIN: 00730218

R Chandrasekar

Chief Financial Officer

Consolidated Statement of changes in Equity for the year ended March 31, 2022

A. EQUITY SHARE CAPITAL

(1) CURRENT REPORTING PERIOD

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	₹ in Lakhs	
				Balance at the end of the current reporting period	As at March 31, 2022
6,600.50	-	6,600.50	62.30	6,662.80	6,662.80

(2) PREVIOUS REPORTING PERIOD

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	₹ in Lakhs	
				Balance at the end of the previous reporting period	As at March 31, 2021
6,600.29	-	6,600.29	0.21	6,600.50	6,600.50

B. OTHER EQUITY

(1) CURRENT REPORTING PERIOD

Particulars	Reserves and Surplus										Other Comprehensive Income	Money received against share warrants	Total Other Equity	Non Controlling Interest	Total
	Share application money pending allotment	Capital Reserve	Securities Premium account	Share Options Outstanding	Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	Statutory Reserve pursuant to section 29C of the NHB Act, 1987	Other Reserves			Retained Earnings					
							Statutory Reserve pursuant to section 29C of the RBI Act, 1934	Statutory Reserve pursuant to section 29C of the NHB Act, 1987	Capital Redemption Reserve						
Balance as at March 31, 2021	-	7,871.88	1,84,933.24	2,012.05	1,48,921.30	3,851.29	2,328.98	1,11,374.46	3,71,110.91	(250.43)	-	8,32,153.68	13,073.10	8,45,226.78	
Movement due to subscription in right issue SHFL during the period	-	-	946.59	16.97	-	387.46	-	-	(4,284.77)	5.75	-	(2,928.00)	2,928.00	-	
Profit for the year	-	-	-	-	-	-	-	-	1,15,177.12	-	-	1,15,177.12	1,297.55	1,16,474.67	
Remeasurement gain / (loss) on defined benefit plan	-	-	-	-	-	-	-	-	-	(140.80)	-	(140.80)	2.61	(138.19)	
Share Issue Expenses (SHFL)	-	-	(71.22)	-	-	-	-	-	-	-	-	(71.22)	(14.98)	(86.20)	
Gain / (loss) on fair valuation of quoted investments in equity shares	-	-	-	-	-	-	-	-	-	(2,171.10)	-	(2,171.10)	-	(2,171.10)	

Consolidated Statement of changes in Equity for the year ended March 31, 2022 (Contd.)

B. OTHER EQUITY (Contd.)

₹ in Lakhs

Particulars	Reserves and Surplus						Share Options Outstanding	Securities Premium account	Capital Reserve	Share application money pending allotment	Total Other Equity	Non Controlling Interest	Total
	Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	Statutory Reserve pursuant to section 29C of the NHB Act, 1987	Capital Redemption Reserve	General Reserve	Retained Earnings	Other Comprehensive Income							
Income tax on remeasurement gain / (loss) on defined benefit plan and gain / (loss) on fair valuation of quoted investments in equity shares	-	-	-	-	-	542.24	-	-	-	-	542.24	(0.66)	541.58
Share Premium received during the year on exercise of ESOPs	-	-	-	-	-	-	-	-	5,180.44	-	5,180.44	-	5,180.44
Expenses on employee stock option plan	-	-	-	-	-	-	9,992.17	-	-	-	9,992.17	25.38	10,017.55
Transferred to Retained Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment on exercise of Employee Stock Option Plan	-	-	-	-	-	-	(3,373.76)	-	-	-	(3,373.76)	-	(3,373.76)
Final equity dividend FY 2020-21	-	-	-	-	-	-	-	-	-	-	(8,580.65)	-	(8,580.65)
Interim equity dividend FY 2021-22	-	-	-	-	-	-	-	-	-	-	(24,598.30)	-	(24,598.30)
Transfer to statutory reserve pursuant to section 45-IC of the RBI Act, 1934	-	-	-	-	21,760.00	-	-	-	-	-	(21,760.00)	-	-
Transfer to statutory reserve pursuant to section 29C of the NHB Act, 1987	-	-	-	-	-	-	-	1,372.01	-	-	(1,372.01)	-	-
Transfer to general reserve	-	-	-	-	-	-	-	-	10,880.00	-	(10,880.00)	-	-
Balance as at March 31, 2022	7,871.88	1,90,989.05	8,647.43	1,70,681.30	5,610.76	2,328.98	1,22,254.46	4,14,812.29	(2,014.34)	-	9,21,181.82	17,311.00	9,38,492.82

Consolidated Statement of changes in Equity for the year ended March 31, 2022 (Contd.)

(2) PREVIOUS REPORTING PERIOD

Particulars	Reserves and Surplus										Other Comprehensive income	Money received against share warrants	Total Other Equity	Non Controlling Interest	Total
	Share application money pending allotment	Capital Reserve	Securities Premium Account	Share Options Outstanding	Statutory Reserve			Other Reserves		Retained Earnings					
					pursuant to Section 45-IC of the RBI Act, 1934	pursuant to section 29C of the NHB Act, 1987	Statutory Reserve pursuant to section 29C of the NHB Act, 1987	Capital Redemption Reserve	General Reserve						
Balance as at March 31, 2020	-	7,871.88	1,84,927.96	89.06	1,28,431.30	2,882.57	2,328.98	1,01,124.46	3,09,666.82	(1,567.11)	-	7,35,755.92	11,629.45	7,47,385.37	
Profit for the year	-	-	-	-	-	-	-	-	1,06,352.34	-	-	1,06,352.34	1,419.20	1,07,771.54	
Remeasurement gain / (loss) on defined benefit plan	-	-	-	-	-	-	-	-	-	1,181.15	-	1,181.15	0.71	1,181.86	
Gain / (loss) on fair valuation of quoted investments in equity shares	-	-	-	-	-	-	-	-	-	768.97	-	768.97	-	768.97	
Income tax on remeasurement gain / (loss) on defined benefit plan and gain / (loss) on fair valuation of quoted investments in equity shares	-	-	-	-	-	-	-	-	-	(633.44)	-	(633.44)	(0.18)	(633.62)	
Share premium received during the year on exercise of ESOPs	-	-	5.28	-	-	-	-	-	-	-	-	5.28	-	5.28	
Expenses on employee stock option plan	-	-	-	1,929.15	-	-	-	-	-	-	-	1,929.15	23.92	1,953.07	
Adjustment on exercise of Employee Stock Option Plan	-	-	-	(4.76)	-	-	-	-	-	-	-	(4.76)	-	(4.76)	
Transferred to retained earnings	-	-	-	(1.40)	-	-	-	-	1.40	-	-	(13,200.93)	-	(13,200.93)	
Interim equity dividend FY 2020-21	-	-	-	-	-	-	-	-	(20,490.00)	-	-	(20,490.00)	-	(20,490.00)	
Transfer to statutory reserve pursuant to section 45-IC of the RBI Act, 1934	-	-	-	-	20,490.00	-	-	-	-	-	-	-	-	-	
Transfer to statutory reserve pursuant to section 29C of the NHB Act, 1987	-	-	-	-	-	968.72	-	-	(968.72)	-	-	-	-	-	
Transfer to general reserve	-	-	-	-	-	-	-	10,250.00	(10,250.00)	-	-	-	-	-	
Balance as at March 31, 2021	-	7,871.88	1,84,933.24	2,012.05	1,48,921.30	3,851.29	2,328.98	1,11,374.46	3,71,110.91	(250.43)	-	8,32,153.68	13,073.10	8,45,226.78	

See accompanying notes forming part of the consolidated financial statements.

As per our report of even date

For M/s R Subramanian & Company LLP
Chartered Accountants
Firm Registration No.004137S/ S200041

K. Jayasankar
Partner
Membership No.014156
Place: Chennai
Date : April 29, 2022

For M/s Abarna & Ananthan
Chartered Accountants
Firm Registration No.00000038

Lalitha Rameswaran
Partner
Membership No.207867

For and on behalf of the Board of Directors of Shriram City Union Finance Limited

Yalamati Srinivasa Chakravarti
Managing Director and CEO
DIN: 00052308

C R Dash
Company Secretary

Venkataraman Murali
Director
DIN: 00730218

R Chandrasekar
Chief Financial Officer

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

1. CORPORATE INFORMATION

Shriram City Union Finance Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on BSE Limited and National Stock Exchange of India Limited. The Company is primarily engaged in the business of financing small and medium enterprises, two-wheelers and pledged jewels. It also provides personal loans, auto loans, pre-owned two wheeler loans and loan against property. The Company is a Deposit Accepting Non-Banking Finance Company (NBFC) registered as a Loan Company with the Reserve Bank of India (RBI) and Ministry of Corporate Affairs. The registration details are as follows:

RBI	07-00458
Corporate Identity Number (CIN)	L65191TN1986PLC012840
IRDA	CA0652

Shriram Capital Limited is the promoter of the Company.

The registered office of the Company is at No.123, Angappa Naicken Street, Chennai – 600 001. The principal place of business is at No.144, Santhome High Road, Mylapore, Chennai – 600 004. The financial statements of the Group for the year ended March 31, 2022 were approved for issue in accordance with the resolution of the Board of Directors on April 29, 2022.

2. BASIS OF PREPARATION

The Consolidated Financial Statements relates to M/s. Shriram City Union Finance Limited (the "Company") and its subsidiary (together hereinafter referred to as "the Group"). The Consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, other relevant provisions of the Act and the RBI guidelines/regulations to the extent applicable on an accrual basis including the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and notification for Implementation of Indian Accounting Standards vide circular RBI/2019-20/170 DOR(NBFC). CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 issued by RBI.

The consolidated financial statements have been prepared under the historical cost convention, as

modified by the application of fair value measurements required or allowed by relevant Accounting Standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated except where a newly – issued accounting standards is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The preparation of consolidated financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Group are discussed in Note 8 - Significant accounting judgements, estimates and assumptions.

The consolidated financial statements are presented in Indian Rupees (INR) and all values are rounded off to the nearest Lakhs upto two decimals, except when otherwise indicated.

3. BASIS OF CONSOLIDATION

- (i) The financial statements of the subsidiary used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended March 31, 2022 and are prepared based on the accounting policies consistent with those used by the Company.
- (ii) The consolidated financial statements of the Group have been prepared in accordance with the Ind AS 110- 'Consolidated Financial Statements' as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 ('the Act') and the other relevant provisions of the Act.
- (iii) The Consolidated Financial Statements have been prepared on the following basis:
 - a) The financial statements of the Company and its subsidiary has been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions have been fully eliminated except where losses are realised.
 - b) The difference between the proceeds from disposal of investment in subsidiary and the carrying amount of its assets and liabilities

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

as of the date of disposal is recognised in the Statement of Profit and Loss as profit or loss on disposal of subsidiary.

- c) Non-controlling interest, if any, in the net assets of consolidated subsidiary consists of the amount of equity attributable to the non-controlling shareholders at the dates on which investments are made by the Company in the subsidiary and further movements in their share in the equity, subsequent to the dates of investments as stated above.
- (iv) The subsidiary considered in the Consolidated Financial Statements are as below

Name of the subsidiary	Country of incorporation	Share of ownership interest as at March 31, 2022
Shriram Housing Finance Limited (SHFL)	India	85.02%

4. PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENT

The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss and Consolidated Statement of changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Companies Act, 2013 ("the Act") applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). The Consolidated Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7. Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Group and/or its counterparties

Derivative assets and liabilities with master netting arrangements (e.g. International Swaps and Derivative Association Arrangements) are presented net if all the above criteria are met.

5.1 Statement of compliance

These consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards notified under section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and the other relevant provisions of the Act.

5.2 Recent Accounting Developments

On March 23, 2022, the ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2022. This notification has resulted into amendments in the following existing accounting standards which are applicable to group from April 1, 2022.

Ind AS 101 - First time adoption of Ind AS

Ind AS 103 - Business Combination

Ind AS 109 - Financial Instrument

Ind AS 16 - Property, Plant and Equipment

Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets

Ind AS 41 - Agriculture

Application of above standards are not expected to have any significant impact on the group's financial statement.

6. SIGNIFICANT ACCOUNTING POLICIES

6.1 Financial instruments

(i) Classification of financial instruments

a. Financial Assets

The Group classifies its financial assets into the following measurement categories:

- Financial assets to be measured at amortised cost (amortised cost)
- Financial assets to be measured at fair value through other comprehensive income (FVTOCI)
- Financial assets to be measured at fair value through profit or loss account (FVTPL)

The classification depends on the contractual terms of the financial assets, cash flows and the Group's business model for managing financial assets which are explained below:

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed.
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- The expected frequency, value and timing of sales are also important aspects of the Group's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.
- At initial recognition of a financial asset, the Group determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Group reassesses its business models each reporting period to determine whether the business model/(s) have changed since the preceding period. For the current and prior reporting period the Group has not identified a change in its business model.

The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process the Group assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

b. Financial Liabilities

The Group classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

(ii) Financial assets measured at amortised cost

These financial assets comprise bank balances, trade receivables, loans, investments and other financial assets.

Financial assets are measured at amortised cost where they have:

- a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
- b) are held within a business model whose objective is achieved by holding to collect contractual cash flows.

These Financial assets are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost.

(iii) Financial assets measured at fair value through other comprehensive income

Financial Assets other than equity instruments

These financial assets are measured at fair value through other comprehensive income where they have:

- a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

- b) are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

These financial assets are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in statement of profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the consolidated statement of profit and loss.

Equity instruments

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Group in a business combination to which Ind AS 103 'Business Combination' applies, are measured at fair value through other comprehensive income, where an irrevocable election has been made by management and when such instruments meet the definition of Equity under Ind AS 32 *Financial Instruments: Presentation*. Such classification is determined on an instrument-by-instrument basis.

Amounts presented in other comprehensive income are not subsequently transferred to statement of profit or loss. Dividends on such investments are recognised in statement of profit or loss.

(iv) Items at fair value through profit or loss

Financial assets which are not classified in any of the above categories are measured at FVTPL.

Items at fair value through profit or loss comprise:

- a. Investments (including equity shares) held for trading;
A financial instrument is classified as held for trading if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not in a qualifying hedge relationship.
Trading derivatives and trading securities are classified as held for trading and recognised at fair value.
- b. Items specifically designated as fair value through profit or loss on initial recognition;
Upon initial recognition, financial instruments may be designated as measured at fair value through profit

or loss. A financial asset may only be designated at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistencies (i.e. eliminates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on a different basis. As at the reporting date the Group does not have any financial instruments designated as measured at fair value through profit or loss.

- c. Debt instruments with contractual terms that do not represent solely payments of principal and interest. As at the reporting date the Group does not have any such financial instruments measured at fair value through profit or loss.

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

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces an accounting mismatch or:

- If a host contract contains one or more embedded derivatives; or
- If financial assets and liabilities are both managed and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Group's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income. As at the reporting date, the Group has not designated any financial instruments as measured at fair value through profit or loss.

(v) Derivatives

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').

- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.

The Group enters into derivative transactions with various counterparties to hedge its foreign currency risks and interest rate risks. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Group undertakes derivative transactions for hedging on-balance sheet liabilities. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The notional amount and fair value of such derivatives are disclosed separately. Changes in the fair value of derivatives are included in net gain on fair value changes.

(vi) Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and transaction costs that are an integral part of the Effective Interest Rate (EIR).

(vii) Financial guarantees

Financial guarantees are initially recognised in the financial statements at fair value, being the premium received. Subsequent to initial recognition, the Group's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the consolidated statement of profit and loss.

- The premium is recognised in the consolidated statement of profit and loss on a straight-line basis over the life of the guarantee.

(viii) Reclassification of financial assets and liabilities

The Group does not reclassify its financial assets subsequent to their initial recognition apart from the exceptional circumstances in which Group changes its business model for managing financial assets. Financial liabilities are never reclassified. The Group did not

reclassify any of its financial assets or liabilities until the year ended March 31, 2022.

(xi) Recognition and Derecognition of financial assets and liabilities

Recognition

- a) Loans and Advances are initially recognised when the funds are transferred to the customers' account or delivery of assets by the dealer whichever is earlier.
- b) Investments are initially recognised on the settlement date.
- c) Debt securities, deposits and borrowings are initially recognised when funds reach the Group.
- d) Other Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Derecognition of financial assets other than due to substantial modification

a) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Group has transferred the financial asset if, and only if, either:

- i. The Group has transferred its contractual rights to receive cash flows from the financial asset, or
- ii. It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- i. The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- ii. The Group cannot sell or pledge the original asset other than as security to the eventual recipients
- iii. The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- i. The Group has transferred substantially all the risks and rewards of the asset, or
- ii. The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new

asset obtained less any new liability assumed) is recognised in the consolidated statement of profit and loss.

Accordingly, gain on sale or derecognition of assigned portfolio are recorded upfront in the consolidated statement of profit and loss as per Ind AS 109. Also, the Group recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset. As per the guidelines of RBI, the Group is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ("MRR"). Therefore, it continue to recognise the portion retained by it as MRR.

b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in statement of profit or loss. As at the reporting date the Group does not have any financial liabilities which have been derecognised.

(x) Impairment of financial assets

Overview of the ECL principles

The Group records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

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

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on individual basis, depending on the nature of the underlying portfolio of financial instruments. The Group has grouped its loan portfolio into Gold Loan, Auto Loans, MSME Loans (sanctioned amount less than ₹ 5 crores), MSME Loans (sanctioned amount more than ₹ 5 crores), Two Wheeler Loans, Personal Loans, Pre-owed Two wheeler loan, Loan Against Property and Housing Loans.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Group does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

Based on the above, the Group categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Group classifies all standard advances and advances upto 30 days default under this category. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. 30 Days Past Due is considered as significant increase in credit risk.

Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred

are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event (for eg. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Group may classify the financial asset in Stage 3 accordingly.

As required by RBI Circular reference no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020; where impairment allowance under Ind AS 109 is lower than the provisioning required as per extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) including borrower/beneficiary wise classification, provisioning for standard as well as restructured assets, NPA ageing, etc., the Group shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'.

Pursuant to the RBI circular dated November 12, 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications", the Group has aligned its definition of default from "Days Past Due Approach as on reporting date" to "Days Past Due Approach as on Day end" with effect from November 12, 2021.

Loan commitments

When estimating expected credit loss for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- a) Significant financial difficulty of the borrower or issuer;

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

- b) A breach of contract such as a default or past due event;
- c) The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- e) The disappearance of an active market for a security because of financial difficulties.

Financial guarantee contracts

The Group's liability under financial guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the consolidated statement of profit and loss, and the ECL provision. For this purpose, the Group estimates ECLs by applying a credit conversion factor. The ECLs related to financial guarantee contracts are recognised within Provisions. Currently, the group does not have any financial guarantees.

ECL on Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the consolidated balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to statement of profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets. As at the reporting date the Group does not have any debt instruments measured at fair value through OCI.

The mechanics of ECL

The Group calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain

time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The concept of PD is further explained in Note. 48.2.2.2

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date. The concept of EAD is further explained in Note. 48.2.2.3

Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The concept of LGD is further explained in Note. 48.2.2.4

Forward looking information

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

The above calculated PDs, EAD and LGDs are reviewed annually and changes in the forward looking estimates are analysed.

Collateral Valuation

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as movable and immovable assets, guarantees, etc. Though, the fair value of collateral has not been carried out, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as vehicles, is valued based on data provided by third parties or management judgements.

Collateral repossessed

In its normal course of business whenever default occurs, the Group may take possession of properties or other assets in its retail portfolio and generally disposes such

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

(xi) Write-offs

The Group reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the consolidated statement of profit and loss.

(xii) Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Group measures certain categories of financial instruments (as explained in note 6.1(iii) to 6.1(vi)) at fair value on each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i. In the principal market for the asset or liability, or
- ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

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

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

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

Difference between transaction price and fair value at initial recognition

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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Group recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in the statement of profit or loss when the inputs become observable, or when the instrument is derecognised.

6.2 Revenue from operations

(i) Interest Income

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL.

The EIR in case of a financial asset is computed

- a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.
- b. By considering all the contractual terms of the financial instrument in estimating the cash flows.
- c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest income on credit impaired assets is recognised by applying the effective interest rate to the net amortised cost (net of provision) of the financial asset.

Interest on delayed payments by customers are treated to accrue only on realisation, due to uncertainty of realisation and are accounted accordingly.

(ii) Dividend Income

Dividend income is recognised

- a. When the right to receive the payment is established,
- b. it is probable that the economic benefits associated with the dividend will flow to the entity and
- c. the amount of the dividend can be measured reliably

(iii) Fees & Commission Income

Fees and commissions are recognised when the Group satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as set out below, unless included in the effective interest calculation:

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

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

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

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

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

(iv) Net gain or loss on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss, (refer note. 31) held by the Group on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the consolidated 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.

(v) Recoveries of financial assets written off

The Group recognises income on recoveries of financial assets written off on realisation basis.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

(vi) Net gain or loss on derecognition of financial instruments under amortised cost category

Net gain or loss on derecognition of financial instruments under amortised cost category is recognised upfront in the statement of profit and loss, being the difference between the carrying amount (measured at the date of recognition) and the consideration received (including any new asset obtained less any new liability assumed) .

6.3 Expenses

(i) Finance costs

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the amortised cost of the financial liabilities other than financial liabilities classified as FVTPL.

The EIR in case of a financial liability is computed

- As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.
- By considering all the contractual terms of the financial instrument in estimating the cash flows
- Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in Finance Cost with the corresponding adjustment to the carrying amount of the Liabilities.

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, Rating Fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

(ii) Retirement and other employee benefits

Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee

benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

Post-employment employee benefits

a) Defined contribution schemes

All the employees of the Group are entitled to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Group contribute monthly at a stipulated rate. The Group has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) Defined Benefit schemes

The Group provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

Net interest recognized in the statement of profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

The Group fully contributes all ascertained liabilities to The Trustees – SCUF Employees Group Gratuity Trust and Shriram Housing Finance Company Employees Group Gratuity Fund. Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Companies.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the consolidated balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

Other long-term employee benefits

Group's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Consolidated Statement of Profit and Loss.

The Group presents the Provision for compensated absences under provisions in the Consolidated Balance Sheet.

Employee Stock Options

Eligible employees in terms of the Employees Stock Options Scheme of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments granted (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The cost is recognised, together with a corresponding increase in Share Option Outstanding Reserves in equity, over the period in which the performance and / or service conditions are fulfilled in employee benefits expense / vesting period. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The Statement of Profit and Loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. No expense is recognised for awards that do not ultimately vest.

(iii) Lease

The Group as a lessee

The Group's lease asset classes primarily consist of leases for buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. After the commencement date, the lease liability is adjusted by increasing the carrying amount to reflect interest on the lease liability; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount to reflect any reassessment or lease modifications. The lease liability is also remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The interest on the lease liability is recognised in the statement of Profit & Loss except to the extent that it can be allocated to any Property, Plant & Equipment. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet.

Rent concession consequent to modification of lease terms due to COVID 19 pandemic have been accounted for as other income with a reduction in lease liability in terms of practical expedient under IND AS 116 Leases.

The Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the

lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

(iv) Other income and expenses

All Other income and expense are recognized in the period they occur.

(v) Impairment of non-financial assets

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

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

(vi) Taxes

Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside the statement of profit or loss is recognised outside the statement of profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

Minimum Alternate Tax (MAT)

Minimum alternate tax (MAT) paid is charged to the consolidated statement of profit and loss as current tax. The Group recognizes MAT credit available as a deferred tax asset only to the extent that it is probable that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the consolidated statement of profit and loss and shown as "MAT Credit Entitlement." under Deferred Tax Assets. The Group reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax / value added taxes paid, except:

- i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- ii. When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(vii) Dividends on ordinary shares

The Group recognises a liability to make cash or non-cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the Companies Act, final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when it is approved by the Board of Directors of the Group. A corresponding amount is recognised directly in equity.

6.4 Foreign currency translation

(i) Functional and presentational currency

The consolidated financial statements are presented in Indian Rupees which is also functional currency of the Group and the currency of the primary economic environment in which the Group operates.

(ii) Transactions and balances

Initial recognition

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Conversion

Monetary assets and liabilities denominated in foreign currency, which are outstanding as at the reporting date, are translated at the reporting date at the closing exchange rate and the resultant exchange differences are recognised in the Consolidated Statement of Profit and Loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

6.5 Cash and cash equivalents

Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value, cheques on hand and balances with banks. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

6.6 Property, plant and equipment

Property, plant and equipment (PPE) are measured at historical cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes (other than those subsequently recoverable from the tax authorities) and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation

Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013 except for Leasehold Improvements which are amortised on a straight-line basis over the period of lease or estimated period of useful life of such improvement, subject to a maximum period of 60 months. Leasehold improvements include all expenditure incurred on the leasehold premises that have future economic benefits. Land is not depreciated.

The estimated useful lives are as follows:

Particulars	Useful life as prescribed by Schedule II of the Companies Act, 2013	Useful life estimated by Group
Building	60 years	60 years
Plant and machinery	15 years	15 years
Electrical equipment	10 years	10 years
Generator	10 years	10 years
Furniture and fixture	10 years	10 years
Air conditioner	10 years	10 years
Electronic equipment	10 years	10 years
Office equipment	5 years	5 years
Refrigerator	10 years	10 years
Motor car	8 years	8 years
Vehicles	10 years	10 years
Server and networking	6 years	6 years
Computer	3 years	3 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the consolidated statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

6.7 Intangible assets

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

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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

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

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

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the consolidated Statement of Profit and Loss when the asset is derecognised.

6.8 Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the consolidated statement of profit and loss net of any reimbursement. As at reporting date, the Group does not have any such provisions where the effect of time value of money is material.

6.9 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent liabilities are reviewed at each Balance Sheet date.

6.10 Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are not recognised in the financial statements. Contingent assets are disclosed where an inflow of economic benefits is probable.

Contingent assets are reviewed at each Balance Sheet date.

6.11 Earning Per Share

The Group reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

7. SEGMENT INFORMATION

The accounting policies adopted for Segment reporting are in line with the accounting policies of the Group with the following additional policies:

Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the Segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to Segments on a reasonable basis have been included under "Unallocable". Assets and liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Assets and liabilities, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis have been included under "Unallocable".

8. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period and reported amounts of income and expenses for the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Accounting estimates could change from period to period. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

8.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

8.2 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

8.3 Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the consolidated balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

8.4 Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The impairment loss on loans and advances is disclosed in more detail in Note 6.1(x) Overview of ECL principles.

8.5 Contingent liabilities and provisions other than impairment on loan portfolio

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably

estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

8.6 Effective Interest Rate (EIR) method

The Group's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

8.7 Other estimates

These include contingent liabilities, useful lives of tangible and intangible assets etc.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 9: CASH AND CASH EQUIVALENTS

Particulars	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Cash on hand	6,886.28	5,433.39
Balances with banks (of the nature of cash and cash equivalents)		
- Current Account	75,739.15	1,38,156.42
- Bank deposit with original maturity less than three months	4,44,283.30	2,48,051.84
Total	5,26,908.73	3,91,641.65

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

NOTE 10: BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Unclaimed dividend accounts	88.51	86.42
Bank deposits with original maturity for more than 3 months*	32,388.28	44,135.99
Balance with banks to the extent held as Margin Money or security against the borrowings, guarantees, other commitments.**	84,737.96	1,00,086.75
Fixed deposits against demand loan	40,110.07	-
Total	1,57,324.82	1,44,309.16

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

*Includes deposits March 31, 2022: ₹ 14,310.13 Lakhs (March 31, 2021: ₹ 21,197.76 Lakhs) towards SLR requirement for Public Deposits Outstanding.

** Includes Deposit under lien for Bank Guarantee purpose to the extent of ₹ 25 Lakhs for March 31, 2022 (March 31, 2021: ₹ 25 Lakhs), lien with bank for pending completion of formalities relating to a borrower to the extent of ₹ 110 Lakhs for March 31, 2022 (March 31, 2021: ₹ 110 Lakhs), lien to the extent of ₹ 1,298.50 Lakhs for March 31, 2022 (March 31, 2021: ₹ 1,298.50 Lakhs) marked in favour of IDBI Trusteeship Services Limited in respect to securitisation as cash collateral and also lien to the extent of ₹ 21.14 Lakhs for March 31, 2022 (March 31, 2021: ₹ 70 Lakhs) in favour of ICICI Bank in respect of sourcing and servicing agreement.

NOTE 11: RECEIVABLES

Trade Receivables

Particulars	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Trade receivables considered good-secured	-	-
Trade receivables considered good-unsecured	463.61	239.62
Trade receivables which have significant increase in credit risk	-	-
Trade receivables -credit impaired	-	-
Gross carrying amount	463.61	239.62
Less: Allowances for impairment loss on trade receivables considered good-unsecured	(24.52)	(9.63)
Less: Allowances for impairment loss on credit impaired trade receivables	-	-
Net carrying amount	439.09	229.99

No trade or other receivable are due from directors or other officers of the group either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member.

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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 11: RECEIVABLES (Contd.)

As at March 31, 2022

₹ in Lakhs

Particulars	Unbilled	Not Due for payment	Outstanding from due date of payment					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	-	418.11	45.50	-	-	-	-	463.61
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables–considered good	-	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Gross carrying amount	-	418.11	45.50	-	-	-	-	463.61
ECL - Simplified approach	-	(22.12)	(2.40)	-	-	-	-	(24.52)
Net carrying amount	-	395.99	43.10	-	-	-	-	439.09

As at March 31, 2021

₹ in Lakhs

Particulars	Unbilled	Not Due for payment	Outstanding from due date of payment					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	-	203.02	36.60	-	-	-	-	239.62
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables–considered good	-	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Gross carrying amount	-	203.02	36.60	-	-	-	-	239.62
ECL - Simplified approach	-	(8.16)	(1.47)	-	-	-	-	(9.63)
Net carrying amount	-	194.86	35.13	-	-	-	-	229.99

Reconciliation of impairment allowance on trade receivable

₹ in Lakhs

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as per March 31, 2020	3.36
Add: Addition during the year	6.27
Less: Reduction during the year	-
Impairment allowance as per March 31, 2021	9.63
Add: Addition during the year	14.89
Less: Reduction during the year	-
Impairment allowance as per March 31, 2022	24.52

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 12: LOANS AND ADVANCES

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Loans (at amortised cost)		
(A)		
i) Term loans	37,67,814.20	32,89,128.66
ii) Others	-	-
Total (A) - Gross	37,67,814.20	32,89,128.66
Less: Impairment loss allowance (Refer Note No. 68.3)	2,13,214.57	2,09,348.78
Total (A) - Net	35,54,599.63	30,79,779.88
(B)		
i) Secured by tangible assets	31,47,399.14	29,06,485.48
ii) Secured by deposits	752.37	457.95
iii) Unsecured	6,19,662.69	3,82,185.23
Total (B) - Gross	37,67,814.20	32,89,128.66
Less: Impairment loss allowance (Refer Note No. 68.3)	2,13,214.57	2,09,348.78
Total (B) - Net	35,54,599.63	30,79,779.88
(C)		
Loans outside India	-	-
Loans in India		
i) Public Sector	-	-
ii) Others		
Corporate	1,23,869.91	1,21,452.64
Retail*	36,43,944.29	31,67,676.02
Total (C) - Gross	37,67,814.20	32,89,128.66
Less: Impairment loss allowance (Refer Note No. 68.3)	2,13,214.57	2,09,348.78
Total (C) - Net	35,54,599.63	30,79,779.88

* Includes ₹ 118.55 Lakhs (March 31, 2021: 126.45 Lakhs) loan given to related party.

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

Credit Quality of Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in note 48.2 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in note 48.2

₹ in Lakhs

Particulars	As at March 31, 2022				As at March 31, 2021			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Internal rating grade								
Performing								
High grade	24,46,978.30	-	-	24,46,978.30	20,71,751.88	-	-	20,71,751.88
Standard grade	7,10,772.04	-	-	7,10,772.04	7,78,233.30	-	-	7,78,233.30
Sub-standard grade	-	3,24,357.90	-	3,24,357.90	-	1,16,763.01	-	1,16,763.01
Past due but not impaired	-	68,957.08	-	68,957.08	-	1,28,359.53	-	1,28,359.53
Non- performing	-	-	2,16,748.88	2,16,748.88	-	-	1,94,020.94	1,94,020.94
Total	31,57,750.34	3,93,314.98	2,16,748.88	37,67,814.20	28,49,985.18	2,45,122.54	1,94,020.94	32,89,128.66

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 12: LOANS AND ADVANCES (Contd.)

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

₹ in Lakhs

Particulars	Year ended March 31, 2022				Year ended March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	28,49,985.18	2,45,122.54	1,94,020.94	32,89,128.66	26,55,317.47	1,81,594.06	2,31,177.75	30,68,089.28
New assets originated or purchased	26,84,950.92	1,75,949.29	27,048.04	28,87,948.25	18,65,195.82	57,215.90	12,476.90	19,34,888.62
Assets derecognised or repaid (excluding write-offs)	(20,27,119.46)	(2,26,993.02)	(69,566.48)	(23,23,678.96)	(14,92,252.63)	(86,109.96)	(50,417.84)	(16,28,780.43)
Transfers to Stage 1	63,158.17	(54,218.21)	(8,939.96)	-	78,395.10	(73,386.16)	(5,008.94)	-
Transfers to Stage 2	(3,18,784.99)	3,26,746.10	(7,961.11)	-	(1,85,156.12)	1,91,566.76	(6,410.64)	-
Transfers to Stage 3	(89,115.38)	(68,898.01)	1,58,013.39	-	(65,747.04)	(25,523.58)	91,270.62	-
Changes to contractual cash flows due to modifications not resulting in derecognition	1,837.31	(2,118.12)	280.81	-	(406.77)	239.35	167.42	-
Amounts written off	(7,161.41)	(2,275.59)	(76,146.75)	(85,583.75)	(5,360.65)	(473.83)	(79,234.33)	(85,068.81)
Gross carrying amount closing balance	31,57,750.34	3,93,314.98	2,16,748.88	37,67,814.20	28,49,985.18	2,45,122.54	1,94,020.94	32,89,128.66

Reconciliation of ECL balance is given below:

₹ in Lakhs

Particulars	Year ended March 31, 2022				Year ended March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	90,284.50	16,787.03	1,02,277.25	2,09,348.78	84,906.79	11,347.06	1,11,734.08	2,07,987.93
New assets originated or purchased	62,199.36	8,028.12	11,126.06	81,353.54	42,538.14	2,212.18	2,524.51	47,274.83
Transfers to Stage 1	11,240.19	(5,756.62)	(5,483.57)	-	7,924.32	(5,290.03)	(2,634.29)	-
Transfers to Stage 2	(11,565.36)	16,005.73	(4,440.37)	-	(7,099.66)	10,415.51	(3,315.85)	-
Transfers to Stage 3	(3,428.75)	(4,677.17)	8,105.92	-	(2,890.51)	(2,478.98)	5,369.49	-
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery	(50,826.98)	(10,417.39)	69,340.37	8,096.00	(29,733.93)	1,055.11	67,833.65	39,154.83
Amounts written off	(7,161.41)	(2,275.59)	(76,146.75)	(85,583.75)	(5,360.65)	(473.82)	(79,234.34)	(85,068.81)
ECL allowance - closing balance	90,741.55	17,694.11	1,04,778.91	2,13,214.57	90,284.50	16,787.03	1,02,277.25	2,09,348.78

The contractual amount outstanding on loans that have been written off during the financial year, but were still subject to enforcement activity was ₹ 74,298.87 Lakhs (₹ 77,796.18 Lakhs for March 31, 2021).

The Group, in the normal course collects the dues by cheques / mandates and where there is a default, the Group issues a demand notice and initiates arbitration or in the alternative proceeds under SARFAESI Act, where the immovable property is offered as a collateral security. The Group may initiate civil suit in certain cases for recovery of the amount due. Proceedings under IBC may also initiated for recovery of the amount due under the loan agreement. In case of vehicle loan, the Group where possible takes steps to repossess the vehicle and in case of Jewel loan the Group takes steps to auction the jewels on issue of notice, to realise the dues.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 13: INVESTMENTS

₹ in Lakhs

Particulars	Amortised Cost	At Fair value		Sub-total (At Fair Value)	Others (At Cost)	Total
		Through Other Comprehensive Income	Through profit and loss account			
As at March 31, 2022						
i) Mutual funds	-	-	493.53	493.53	-	493.53
ii) Government securities	77,134.27	-	-	-	-	77,134.27
iii) Equity instruments *	-	7,515.00	-	7,515.00	-	7,515.00
iv) Investments in Pass Through Certificate	123.73	884.42	-	884.42	-	1,008.15
v) Security Receipts	-	-	819.72	819.72	-	819.72
vi) Treasury Bills	36,541.36	-	-	-	-	36,541.36
vii) Commercial Paper	7,444.64	-	-	-	-	7,444.64
viii) Deposits with Financial Institutions	-	-	-	-	-	-
ix) State Development Loan	5.00	-	-	-	-	5.00
Total Gross (A)	1,21,249.00	8,399.42	1,313.25	9,712.67	-	1,30,961.67
(i) Investments outside India	-	7,515.00	-	7,515.00	-	7,515.00
(ii) Investments in India	1,21,249.00	884.42	1,313.25	2,197.67	-	1,23,446.67
Total Gross (B)	1,21,249.00	8,399.42	1,313.25	9,712.67	-	1,30,961.67
Less : Allowance for impairment loss (C)	(12.81)	(0.69)	-	(0.69)	-	(13.50)
Total - Net D = (B) - (C)	1,21,236.19	8,398.73	1,313.25	9,711.98	-	1,30,948.17
As at March 31, 2021						
i) Mutual funds	-	-	434.03	434.03	-	434.03
ii) Government securities	8,638.94	-	-	-	-	8,638.94
iii) Equity instruments *	-	9,686.10	-	9,686.10	-	9,686.10
iv) Investments in Pass Through Certificate	161.00	1,404.28	-	1,404.28	-	1,565.28
v) Security Receipts	-	-	980.24	980.24	-	980.24
vi) Treasury Bills	66,090.73	-	-	-	-	66,090.73
vii) Deposits with Financial Institutions	5,027.50	-	-	-	-	5,027.50
Total Gross (A)	79,918.17	11,090.38	1,414.27	12,504.65	-	92,422.82
(i) Investments outside India	-	9,686.10	-	9,686.10	-	9,686.10
(ii) Investments in India	79,918.17	1,404.28	1,414.27	2,818.55	-	82,736.72
Total Gross (B)	79,918.17	11,090.38	1,414.27	12,504.65	-	92,422.82
Less : Allowance for impairment loss (C)	(7.28)	(1.23)	-	(1.23)	-	(8.51)
Total - Net D = (B) - (C)	79,910.89	11,089.15	1,414.27	12,503.42	-	92,414.31

More information regarding the valuation methodologies can be found in Note 47.9

There are no investments designated at FVTPL.

* The Group received dividends of ₹ 185.07 Lakhs (March 31, 2021: ₹ 190.28 Lakhs) from its investments measured at FVTOCI securities, recorded as dividend income.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 13: INVESTMENTS (Contd.)

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in note 48.2.

₹ in Lakhs

Internal Grade Rating	As at March 31, 2022				As at March 31, 2021			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
Performing								
High grade	1,30,077.25	-	-	1,30,077.25	91,018.54	-	-	91,018.54
Standard grade	884.42	-	-	884.42	1,404.28	-	-	1,404.28
Non-performing								
Individually impaired	-	-	-	-	-	-	-	-
Total	1,30,961.67	-	-	1,30,961.67	92,422.82	-	-	92,422.82

An analysis of changes in gross carrying amount and the corresponding ECLs is as follows:

₹ in Lakhs

Particulars	Year ended March 31, 2022				Year ended March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount – opening balance	92,422.82	-	-	92,422.82	72,319.98	-	-	72,319.98
New assets originated or purchased	6,37,197.56	-	-	6,37,197.56	2,74,207.54	-	-	2,74,207.54
Assets derecognised or matured	(6,00,858.92)	-	-	(6,00,858.92)	(2,58,587.90)	-	-	(2,58,587.90)
Other changes								
Amortization of G-sec Premium	2,068.22	-	-	2,068.22	(71.20)	-	-	(71.20)
Interest on investment at amortised cost	1,431.06	-	-	1,431.06	2,870.77	-	-	2,870.77
Change in fair value								
OCI	(2,171.10)	-	-	(2,171.10)	768.97	-	-	768.97
Profit & Loss	872.03	-	-	872.03	914.66	-	-	914.66
Closing balance	1,30,961.67	-	-	1,30,961.67	92,422.82	-	-	92,422.82

Reconciliation of ECL balance is given below:

₹ in Lakhs

Particulars	Year ended March 31, 2022				Year ended March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	8.51	-	-	8.51	1.81	-	-	1.81
New assets originated or purchased	11.58	-	-	11.58	7.27	-	-	7.27
Changes to models and inputs used for ECL calculations	2.05	-	-	2.05	-	-	-	-
Recoveries	(7.30)	-	-	(7.30)	-	-	-	-
Assets derecognised or matured	(1.34)	-	-	(1.34)	(0.44)	-	-	(0.44)
ECL assumption changes	-	-	-	-	(0.13)	-	-	(0.13)
Closing balance in ECL	13.50	-	-	13.50	8.51	-	-	8.51

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 14: OTHER FINANCIAL ASSETS

₹ in Lakhs

Particulars	As at	
	March 31, 2022	March 31, 2021
Security deposits	2,875.27	2,662.13
Assignment receivable	15,134.73	12,585.01
Less: ECL on Assignment Receivable	(127.93)	(372.49)
Lease Receivable	8.27	11.65
Less : ECL on Lease Receivable	(0.09)	(0.25)
Other receivables	375.75	352.58
Employee benefits recoverable from former employers for transfer of employees	984.25	988.03
Total	19,250.25	16,226.66

Reconciliation of impairment allowance

₹ in Lakhs

Particulars	Amount	
	Assignment Receivable	Net Lease Receivable
Impairment allowance measured as per simplified approach		
Impairment allowance as per March 31, 2020	247.15	0.47
Add: Addition during the year	125.34	-
Less: Reversal during the year	-	(0.22)
Impairment allowance as per March 31, 2021	372.49	0.25
Add: Addition during the year	56.94	-
Less: Reversal during the year	(301.50)	(0.16)
Impairment allowance as per March 31, 2022	127.93	0.09

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 15: PROPERTY, PLANT AND EQUIPMENTS

Particulars	Land-freehold	Building	Office equipments	Electrical installations	Computer equipments	Furniture & fixtures	Vehicles	Leasehold improvements	Total
₹ in Lakhs									
Gross Block at Cost									
As at March 31, 2020	2.59	12.94	3,229.78	3,812.88	7,933.22	2,843.94	70.26	14,023.64	31,929.27
Additions	-	-	69.14	189.49	793.72	117.77	27.52	685.58	1,883.22
Disposals	-	-	5.77	125.06	533.28	40.55	16.57	278.28	999.51
As at March 31, 2021	2.59	12.94	3,293.15	3,877.31	8,193.66	2,921.16	81.21	14,430.94	32,812.98
Additions	-	-	47.08	297.92	894.22	260.94	-	1,054.95	2,555.11
Disposals	-	-	53.64	79.85	514.82	28.17	13.86	335.18	1,025.52
As at March 31, 2022	2.59	12.94	3,286.59	4,095.38	8,573.06	3,153.93	67.35	15,150.71	34,342.57
Accumulated Depreciation and Impairment Losses									
As at March 31, 2020	-	4.02	2,706.93	1,676.16	6,349.89	1,645.70	30.93	11,725.62	24,139.25
Disposals	-	-	5.51	87.59	506.65	24.90	11.80	246.97	883.42
Depreciation charge for the year	-	0.17	145.53	349.42	834.78	202.37	7.77	1,175.84	2,715.88
As at March 31, 2021	-	4.19	2,846.95	1,937.99	6,678.02	1,823.17	26.90	12,654.49	25,971.71
Disposals	-	-	51.17	69.89	489.19	23.13	7.77	330.61	971.76
Depreciation charge for the year	-	0.17	114.64	358.15	698.30	199.29	8.25	1,008.96	2,387.76
As at March 31, 2022	-	4.36	2,910.42	2,226.25	6,887.13	1,999.33	27.38	13,332.84	27,387.71
Net carrying amount as at March 31, 2021	2.59	8.75	446.20	1,939.32	1,515.64	1,097.99	54.31	1,776.45	6,841.27
Net carrying amount as at March 31, 2022	2.59	8.58	376.17	1,869.13	1,685.93	1,154.60	39.97	1,817.87	6,954.86

Carrying value of Property, plant and equipment pledged as collateral for liabilities or commitments as at March 31, 2022 is ₹ 2.59 Lakhs (March 31, 2021: ₹ 2.59 Lakhs). There are no assets acquired on account of business combination nor revalued for the year ended March 31, 2022 and March 31, 2021.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 16: OTHER INTANGIBLE ASSETS

		₹ in Lakhs
Particulars		Computer Software
Gross Block at Cost		
As at March 31, 2020		4,900.48
Additions		150.37
Disposals		-
As at March 31, 2021		5,050.85
Additions		144.51
Disposals		12.31
As at March 31, 2022		5,183.05
Accumulated Amortisation and Impairment Losses		
As at March 31, 2020		4,131.85
Amortisation charge for the year		275.64
Disposals		-
As at March 31, 2021		4,407.49
Amortisation charge for the year		287.47
Disposals		10.84
As at March 31, 2022		4,684.12
Net carrying amount as at March 31, 2021		643.36
Net carrying amount as at March 31, 2022		498.93

Other than internally generated

NOTE 17: RIGHT OF USE ASSETS

		₹ in Lakhs					
Particulars	As at March 31, 2022			As at March 31, 2021			
	Office Premises	Furniture & Fixtures	Total	Office Premises	Furniture & Fixtures	Total	
Gross Carrying Amount	16,407.87	131.01	16,538.88	16,335.23	243.55	16,578.78	
Additions	7,537.99	29.57	7,567.56	6,675.50	-	6,675.50	
Amortisation charge for the year	(5,834.79)	(112.49)	(5,947.28)	(5,608.40)	(112.54)	(5,720.94)	
Deletions	(473.01)	(4.19)	(477.20)	(994.46)	-	(994.46)	
Net Carrying Amount	17,638.06	43.90	17,681.96	16,407.87	131.01	16,538.88	

NOTE 18: OTHER NON-FINANCIAL ASSETS

		₹ in Lakhs	
Particulars	As at March 31, 2022	As at March 31, 2021	
Goods and Service tax credit (input) receivable	10,380.19	9,035.62	
Other Advances	402.39	255.97	
Statutory duties paid under protest	766.66	766.66	
Capital advances	213.24	88.06	
Prepaid expenses	2,072.40	1,532.05	
Repossessed House Property*	8,073.19	7,116.63	
Deposit with gratuity fund in excess of obligation	858.98	1,475.55	
Total	22,767.05	20,270.54	

* reflected at fair value through profit and loss

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 19 - DERIVATIVE FINANCIAL INSTRUMENTS

The Group enters into derivatives for risk management purposes. Derivatives held for risk management purposes includes hedges that either meet the hedge accounting requirements or hedges that are economic hedges, but the Group has elected not to apply hedge accounting requirements.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

₹ in Lakhs

Particulars	As at March 31, 2022		As at March 31, 2021	
	Notional Amounts	Fair Value - Liabilities	Notional Amounts	Fair Value - Liabilities
(i) Currency derivatives:				
- Spots and forwards	5,218.44	5.49	-	-
- Currency futures	-	-	-	-
- Currency swaps	-	-	-	-
Sub total (i)	5,218.44	5.49	-	-
(ii) Interest rate derivatives:				
- Forward rate agreements and interest rate swaps	-	-	-	-
- Futures	-	-	-	-
Sub total (ii)	-	-	-	-
(iii) Credit derivatives:	-	-	-	-
(iv) Equity linked derivatives:	-	-	-	-
(v) Other derivatives:	-	-	-	-
Total derivative financial instruments (i+ii+iii+iv+v)	5,218.44	5.49	-	-

Consequent to the repayment of loan during the year the forward contract is closed.

Hedging activities and derivatives

The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. The Group's risk management strategy and how it is applied to manage risk are explained in Note 48.2.1.

Derivatives designated as hedging instruments

The Group has not designated any derivatives as hedging instruments.

Derivatives not designated as hedging instruments

The Group uses foreign exchange forward contracts to manage its foreign currency risk arising from borrowings in foreign currencies.

Details of the derivative instruments are given below:

₹ in Lakhs

Particulars	As at March 31, 2022		As at March 31, 2021	
	Notional Amounts	Fair Value - Liabilities	Notional Amounts	Fair Value - Liabilities
Interest rate risk:				
-Interest rate swaps	-	-	-	-
-Futures	-	-	-	-
Foreign currency risk:				
-Currency futures	-	-	-	-
-Currency swaps	-	-	-	-
-Forward contracts	5,218.44	5.49	-	-
Total	5,218.44	5.49	-	-

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 20: OTHER PAYABLES

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
(i) total outstanding dues of micro enterprises and small enterprises (Refer Note No. 49)	6.39	18.90
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	5,303.17	7,856.73
Total	5,309.56	7,875.63

As at March 31, 2022

₹ in Lakhs

Particulars	Unbilled	Not Due for payment	Outstanding from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	6.39	-	-	-	6.39
Others	4,301.74	908.33	68.41	-	2.11	22.58	5,303.17
Disputed dues – MSME	-	-	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-	-	-
Total	4,301.74	908.33	74.80	-	2.11	22.58	5,309.56

As at March 31, 2021

₹ in Lakhs

Particulars	Unbilled	Not Due for payment	Outstanding from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	0.28	18.62	-	-	-	18.90
Others	4,620.26	1,846.08	1,363.45	4.09	2.92	19.93	7,856.73
Disputed dues – MSME	-	-	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-	-	-
Total	4,620.26	1,846.36	1,382.07	4.09	2.92	19.93	7,875.63

NOTE 21: DEBT SECURITIES

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Redeemable Non-Convertible Debentures (Secured)		
Public issue*	38,902.41	86,924.21
Privately placed **	6,60,936.15	3,89,851.76
Redeemable Non-Convertible Debentures (Unsecured)		
Privately placed	5,005.15	7,476.85
Total	7,04,843.71	4,84,252.82
Debt securities in India	7,04,843.71	4,84,252.82
Debt securities outside India	-	-
Total	7,04,843.71	4,84,252.82

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

* Includes ₹ 4,163.59 Lakhs (March 31, 2021 ₹ 5,192.17 Lakhs) issued to related parties.

** Includes ₹ 20,065.85 Lakhs (March 31, 2021 ₹ 2,389.34 Lakhs) issued to related parties.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 21 : DEBT SECURITIES (Contd.)

A. Public Issue of Redeemable Non-Convertible Debentures (NCDs) Secured of ₹ 1,000/- each - Quoted Issued in 2019

₹ in Lakhs

Tranche I Series	Rate of Interest	As at March 31, 2022	As at March 31, 2021	Redemption Date
Series I	9.55%	-	42,330.07	30-Apr-21
Series II	9.54%	-	2,955.37	30-Apr-21
Series III	9.65%	7,061.02	6,985.01	30-Apr-22
Series IV	9.26%	4,082.17	4,034.35	30-Apr-22
Series V	9.64%	3,220.49	2,902.22	30-Apr-22
Series VI	9.75%	7,111.79	7,065.31	30-Apr-24
Series VII	9.35%	3,456.31	3,431.69	30-Apr-24
Series VIII	9.75%	2,708.83	2,450.56	30-Apr-24
		27,640.61	72,154.58	

₹ in Lakhs

Tranche II Series	Rate of Interest	As at March 31, 2022	As at March 31, 2021	Redemption Date
Series I	9.55%	-	3,098.30	25-Sep-21
Series II	9.55%	-	617.73	25-Sep-21
Series III	9.70%	1,656.51	1,646.07	25-Sep-22
Series IV	9.30%	1,322.31	1,313.58	25-Sep-22
Series V	9.71%	1,036.45	938.58	25-Sep-22
Series VI	9.85%	5,441.10	5,420.43	25-Sep-24
Series VII	9.45%	1,096.67	1,092.30	25-Sep-24
Series VIII	9.88%	708.76	642.64	25-Sep-24
		11,261.80	14,769.63	
Grand Total - Tranche I and II		38,902.41	86,924.21	

Nature of security

The repayment of secured redeemable non convertible debentures of ₹ 1,000/- each at face value on maturity together with interest thereon are secured by mortgage of immovable property and by way of charge on the Group's specifically identified assets such as book debts / loan receivables in favour of the Trustees appointed.

Secured redeemable non- convertible debentures may be bought back subject to applicable statutory and/ or regulatory requirements, upon the terms and conditions as may be decided by the Group.

B. Redeemable Non-Convertible Debentures - Secured

Privately Placed Redeemable Non-Convertible Debenture - Institutional

Details of Privately Placed Redeemable Non-Convertible Debenture (NCDs) of ₹ 10,00,000/- each - Quoted and for two INEs - INE722A07AG5 and INE722A07AH3, the face value is ₹ 1,00,000/- each

₹ in Lakhs

Rate of Interest	As at March 31, 2022	As at March 31, 2021	Redemption Date
9.50%	-	2,142.46	01-Jul-21
8.97%	-	3,539.24	12-Aug-21
10.25%	-	4,708.77	10-Oct-21
10.25%	-	1,568.27	13-Oct-21
9.35%	-	1,534.72	26-Dec-21
9.70%**	-	54,807.61	05-Mar-22

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 21 : DEBT SECURITIES (Contd.)

Rate of Interest	₹ in Lakhs		Redemption Date
	As at March 31, 2022	As at March 31, 2021	
8.98%	-	15,540.55	09-Mar-22
8.15%	-	9,983.63	21-Mar-22
9.90%	11,189.80	10,290.26	04-Apr-22
8.98%	20,868.80	20,713.25	06-Apr-22
8.15%	10,356.59	10,344.85	22-Apr-22
8.15%	2,569.63	2,529.63	18-May-22
8.92%	22,183.83	20,034.55	18-Aug-22
9.90%	11,972.00	10,992.93	29-Sep-22
8.09%	8,203.85	8,202.91	05-Dec-22
7.70%	35,688.48	-	21-Dec-22
8.60%	16,339.29	14,825.47	27-Jan-23
9.25%	23,648.62	49,812.53	28-Feb-23
8.60%	52,900.01	47,903.37	01-Mar-23
9.25%**	2,460.80	2,479.95	05-Mar-23
8.90%	11,510.17	11,513.58	27-Mar-23
8.40%	21,322.23	19,705.94	30-Mar-23
9.00%	2,703.33	2,699.23	29-Apr-23
9.00%	1,620.87	1,618.41	02-May-23
8.40%	32,037.06	29,091.02	17-May-23
7.50%	44,180.04	-	22-May-23
8.55%	4,272.16	4,264.59	05-Jun-23
7.68%	10,248.58	-	30-Jun-23
8.22%	20,489.35	-	01-Mar-24
8.20%	30,540.84	-	23-May-24
9.25% #	49,775.36	4,970.79	28-May-24
8.25%	5,224.94	-	23-Jul-24
7.95% #	25,591.91	-	12-Aug-24
7.48%	30,618.48	-	21-Sep-24
10.30%	4,165.27	4,153.85	10-Oct-24
7.45%	10,022.91	-	04-Mar-25
9.25%	978.34	975.18	08-Feb-30
9.25%	4,851.84	4,833.76	22-Feb-30
9.60%	1,735.38	1,733.75	11-Dec-30
9.42%	2,123.24	2,121.20	15-Jan-31
9.50%	2,934.67	2,926.36	07-Feb-31
9.50%	7,307.97	7,289.15	21-Feb-31
9.32%	1,076.14	-	03-May-31
9.00%	10,194.95	-	23-Jun-31
8.75%	10,340.55	-	23-Jul-31
8.65%	19,235.88	-	21-Sep-31
9.05%	59,852.59	-	20-Dec-31
9.00%	17,599.41	-	22-Feb-32
Total	6,60,936.15	3,89,851.76	

** Two NCDs having INEs INE722A07AG5 and INE722A07AH3 have face value of ₹ 1,00,000/- each

Out of the above, the following INE722A07AU6 and INE722A07AY8 totalling to ₹ 75,367.27 Lakhs (March 31, 2021: ₹ 4,970.79 Lakhs for INE722A07AU6) are having put option facility, as may be subject to applicable statutory and / or regulatory requirements, upon the terms and conditions as may be decided by the Group.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 21 : DEBT SECURITIES (Contd.)

Nature of security

The redemption of principal amount of secured redeemable non-convertible debentures with all interest thereon are secured by a mortgage on the specified immovable property and by way of charge on the Group's specifically identified assets such as book- debts/ loan receivables in favour of the trustee appointed.

These secured redeemable non-convertible debentures are redeemable at par over a period of 15 months to 120 months from the date of allotment depending on the terms of the agreement.

C. Redeemable Non-Convertible Debentures - Unsecured

Privately Placed Redeemable Non-Convertible Debenture - Institutional

Details of Privately Placed Redeemable Non-Convertible Debenture (NCDs) of ₹ 10,00,000/- each - Quoted

₹ in Lakhs

Rate of Interest	As at March 31, 2022	As at March 31, 2021	Redemption Date
10.60%	-	2,513.00	09-May-21
10.60%	2,513.82	2,488.13	09-May-22
10.60%	2,491.33	2,475.72	09-May-23
Total	5,005.15	7,476.85	

These unsecured redeemable non-convertible debentures are redeemable at par over a period of 24 months to 48 months from the date of allotment depending on the terms of the agreement.

NOTE 22: BORROWINGS (OTHER THAN DEBT SECURITIES)

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Secured		
Term Loan		
from bank in INR	11,37,904.89	9,85,835.07
from financial institution/ NBFC in INR	3,48,573.13	2,78,436.28
from National Housing Bank	55,463.27	8,981.52
from bank in INR-Securitisation	24,638.38	46,018.97
from financial institution/ NBFC in INR- Securitisation	1,91,152.68	2,99,853.14
from bank in INR - Demand Loan against Fixed Deposits	36,000.00	-
Loans repayable on demand		
Cash credit / Overdraft facilities from banks	35,554.05	36,833.51
Working Capital demand loan from banks	2,37,082.43	1,81,514.47
Total	20,66,368.83	18,37,472.96
Borrowings in India	20,66,368.83	18,37,472.96
Borrowings outside India	-	-
Total	20,66,368.83	18,37,472.96

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

The borrowings have not been guaranteed by directors or others. The Group has not defaulted in repayment of principal and interest to its lenders.

The Group has utilised the funds raised from banks and financial institutions for the specific purpose for which they were borrowed. The Group has borrowed funds from banks and financial institutions on the basis of security of current assets. It has filed quarterly returns or statements of current assets with banks and financial institutions and the said returns/statements are in agreement with books of accounts.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 22: BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

Term Loan from Bank in Indian currency-Secured

Terms of Repayment as at March 31, 2022

			₹ in Lakhs
Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 months	3.24% to 10.60%	3 to 60 installments of Monthly, Quarterly, Half-yearly frequency and Bullet Payment	1,85,921.32
12-24 months	3.24% to 9.95%	4 to 60 installments of Monthly, Quarterly and Half-yearly frequency	2,32,576.23
24-36 months	3.24% to 9.40%	8 to 60 installments of Monthly, Quarterly and Half-yearly frequency	3,24,380.10
36-48 months	3.24% to 9.50%	8 to 60 installments of Monthly, Quarterly and Half-yearly frequency	3,35,044.34
48-60 months	3.24% to 8.50%	8 to 60 installments of Monthly, Quarterly and Half-yearly frequency	59,982.90
Total			11,37,904.89

Terms of Repayment as at March 31, 2021

			₹ in Lakhs
Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 months	7.20% to 11.50%	1 to 60 installments of monthly, quarterly, Half-yearly frequency and Bullet Payment	2,58,246.82
12-24 months	7.30% to 10.60%	3 to 60 installments of monthly, quarterly and Half-yearly frequency	2,92,139.80
24-36 months	7.60% to 10.25%	4 to 60 installments of monthly, quarterly and Half-yearly frequency	2,28,268.62
36-48 months	7.60% to 10.25%	8 to 60 installments of monthly, quarterly and Half-yearly frequency	1,84,292.25
48-60 months	7.60% to 10.25%	8 to 60 installments of monthly, quarterly and Half-yearly frequency	22,887.58
Total			9,85,835.07

Nature of Security

Term Loans from banks are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 22: BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

Term Loan from Financial Institutions/ NBFC-Secured

Terms of Repayment as at March 31, 2022

₹ in Lakhs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 months	7.60% to 9.50%	1 to 120 Monthly, Quarterly frequency and Bullet Payment	14,378.39
12-24 months	8.10% to 9.50%	10 to 120 Monthly, Quarterly frequency	4,242.21
24 to 36 months	8.10% to 10.50%	10 to 120 Monthly, Quarterly and Half-yearly frequency	42,650.20
36-48 months	7.20% to 9.75%	20 to 120 Monthly and Quarterly frequency	1,15,673.26
48 to 60 months	8.00% to 9.50%	19 to 120 Monthly and Quarterly frequency	1,69,000.16
Above 60 months	8.10% to 9.50%	27 to 120 Monthly and Quarterly frequency	2,628.91
Total			3,48,573.13

Terms of Repayment as at March 31, 2021

₹ in Lakhs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 months	6.21% to 10.35%	1 to 120 Monthly, Quarterly frequency and Bullet Payment	44,716.99
12-24 months	7.60% to 10.35%	12 to 120 Monthly and Quarterly frequency	13,858.39
24 to 36 months	8.25% to 10.35%	10 to 120 Monthly and Quarterly frequency	5,473.89
36-48 months	10.35% to 10.50%	20 to 120 Monthly and Half-yearly frequency	29,116.66
48 to 60 months	7.20% to 10.35%	20 to 120 Monthly and Quarterly frequency	1,46,182.10
Above 60 months	8.75% to 10.35%	20 to 120 Monthly and Quarterly frequency	39,088.25
Total			2,78,436.28

Nature of security

Term loans from institutions are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Term Loan from National Housing Bank

Terms of Repayment as at March 31, 2022

₹ in Lakhs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 months	2.94% to 7.45%	20 to 39 Quarterly frequency	6,934.20
12-24 months	2.94% to 7.45%	20 to 39 Quarterly frequency	9,245.60
24 to 36 months	2.94% to 7.45%	20 to 39 Quarterly frequency	7,952.12
36-48 months	2.94% to 6.45%	20 to 39 Quarterly frequency	6,505.60
48 to 60 months	2.94% to 6.45%	20 to 39 Quarterly frequency	6,505.60
Above 60 months	2.94% to 6.45%	20 to 39 Quarterly frequency	18,320.15
Total			55,463.27

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 22: BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

Terms of Repayment as at March 31, 2021

			₹ in Lakhs
Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 months	7.10%	20 Quarterly frequency	2,055.00
12-24 months	7.10%	20 Quarterly frequency	2,740.00
24 to 36 months	7.10%	20 Quarterly frequency	2,740.00
36-48 months	7.10%	20 Quarterly frequency	1,446.52
Total			8,981.52

Nature of security

Term loans from institutions are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Term loan from banks - INR - Securitisation

Terms of Repayment as at March 31, 2022

			₹ in Lakhs
Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Total Amount
Upto 12 months	7.94% to 8.80%	202 to 278 installments of monthly frequency	366.64
12-24 months	7.94% to 8.80%	202 to 278 installments of monthly frequency	267.61
24 to 36 months	7.94% to 9.10%	202 to 278 installments of Monthly frequency	19,156.57
36-48 months	7.94% to 8.80%	202 to 278 installments of monthly frequency	323.24
48 to 60 months	7.94% to 8.80%	202 to 278 installments of monthly frequency	353.27
Above 60 months	7.94% to 8.80%	202 to 278 installments of monthly frequency	4,171.05
Total			24,638.38

Terms of Repayment as at March 31, 2021

			₹ in Lakhs
Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Total Amount
Upto 12 months	7.99% to 8.90%	227 to 290 installments of monthly frequency	610.77
12-24 months	7.99% to 8.90%	227 to 290 installments of monthly frequency	260.23
24 to 36 months	7.99% to 8.90%	227 to 290 installments of monthly frequency	289.77
36-48 months	7.99% to 8.90%	227 to 290 installments of monthly frequency	321.97
48 to 60 months	7.99% to 10.00%	1 to 290 installments of monthly frequency	38,963.25
Above 60 months	7.99% to 8.90%	227 to 290 installments of monthly frequency	5,572.98
Total			46,018.97

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 22: BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

Term loan from Financial Institutions/ NBFC - INR -Securitisation

Terms of Repayment as at March 31, 2022

₹ in Lakhs

Tenor (from the date of Balance Sheet date)	Rate of interest	Repayment details	Total Amount
Upto 12 months	7.78% to 8.20%	1 to 23 installments of Monthly frequency	13,044.73
12-24 months	6.69% to 10.25%	1 to 52 installments of Monthly frequency	84,014.24
24-36 months	7.85% to 10.25%	1 to 72 installments of Monthly frequency	37,750.90
36-48 months	9.00% to 10.25%	1 to 72 installments of Monthly frequency	19,398.17
48-60 months	9.11%	1 to 75 installments of Monthly frequency	36,944.64
Total			1,91,152.68

Terms of Repayment as at March 31, 2021

₹ in Lakhs

Tenor (from the date of Balance Sheet date)	Rate of interest	Repayment details	Total Amount
Upto 12 months	10.40%	1 to 23 installments of monthly frequency	445.01
12-24 months	8.20% to 10.55%	1 to 30 installments of monthly frequency	72,922.50
24-36 months	8.20% to 10.25%	1 to 52 installments of monthly frequency	76,426.41
36-48 months	10.25% to 10.30%	1 to 72 installments of monthly frequency	40,005.80
48-60 months	9.00% to 10.25%	1 to 72 installments of monthly frequency	45,937.46
Above 60 months	9.11%	1 to 75 installments of monthly frequency	64,115.96
Total			2,99,853.14

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

Term loan from banks - INR - Demand Loan against fixed deposits

₹ in Lakhs

Tenor (from the date of Balance Sheet date)	Rate of Interest	As at March 31, 2022	As at March 31, 2021
Secured against fixed deposits of ₹ 40,000/-	4.10%	36,000.00	-
Total		36,000.00	-

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 22: BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

Loans repayable on demand-Secured

Cash Credit from Banks

Particulars	Rate of Interest	₹ in Lakhs	
		As at March 31, 2022	As at March 31, 2021
Secured with exclusive charge by way of hypothecation of specific assets under financing.	7.20% to 10.45%	35,554.05	36,833.51
Total		35,554.05	36,833.51

Working capital Demand loan from Banks

Particulars	Rate of Interest	₹ in Lakhs	
		As at March 31, 2022	As at March 31, 2021
Secured with exclusive charge by way of hypothecation of specific assets under financing.	6.71% to 10.15%	2,37,082.43	1,81,514.47
Total		2,37,082.43	1,81,514.47

NOTE 23: DEPOSITS

Particulars	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Unsecured		
Deposits		
i) Public deposits *	6,82,450.02	5,52,881.69
ii) Recurring deposits	388.62	7.09
Total	6,82,838.64	5,52,888.78

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

* includes ₹ 1,260.27 Lakhs (March 31, 2021 ₹ 1,052.63 Lakhs) accepted from related parties.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 23: DEPOSITS (Contd.)

Details of Public Deposits - Unsecured

Terms of Repayment as at March 31, 2022

₹ in Lakhs

Redeemable at par (from the date of Balance Sheet Date)	Rate of interest		Total
	>= 6% < 8%	>= 8% < 10%	
Upto 12 months	87,019.02	1,25,498.09	2,12,517.11
12-24 months	39,264.30	1,20,641.25	1,59,905.55
24-36 months	94,828.10	73,436.12	1,68,264.22
36-48 months	3,136.10	65,482.04	68,618.14
48-60 months	40,776.40	32,368.60	73,145.00
Total	2,65,023.92	4,17,426.10	6,82,450.02

Terms of Repayment as at March 31, 2021

₹ in Lakhs

Redeemable at par (from the date of Balance Sheet Date)	Rate of interest		Total
	>= 6% < 8%	>= 8% < 10%	
Upto 12 months	65,754.95	97,205.09	1,62,960.04
12-24 months	23,585.51	1,22,138.47	1,45,723.98
24-36 months	17,871.37	1,17,186.77	1,35,058.14
36-48 months	775.24	43,779.59	44,554.83
48-60 months	-	64,584.70	64,584.70
Total	1,07,987.07	4,44,894.62	5,52,881.69

Details of Recurring deposits - Unsecured

Terms of Repayment as at March 31, 2022

₹ in Lakhs

Redeemable at par (from the date of Balance Sheet Date)	Rate of interest		Total
	>= 6% < 8%	>= 8% < 10%	
Upto 12 months	152.56	-	152.56
12-24 months	33.38	5.70	39.08
24-36 months	0.01	47.94	47.95
36-48 months	-	40.05	40.05
48-60 months	-	108.98	108.98
Total	185.95	202.67	388.62

Terms of Repayment as at March 31, 2021

₹ in Lakhs

Redeemable at par (from the date of Balance Sheet Date)	Rate of interest		Total
	>= 6% < 8%	>= 8% < 10%	
Upto 12 months	2.10	-	2.10
12-24 months	0.49	-	0.49
24-36 months	-	0.70	0.70
36-48 months	-	0.05	0.05
48-60 months	-	3.75	3.75
Total	2.59	4.50	7.09

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 24: OTHER FINANCIAL LIABILITIES

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Investor education and protection fund shall be credited by the following amounts (as and when due) #		
- Unclaimed dividend	88.51	86.42
- Unclaimed matured deposits and interest thereon	6,616.72	6,156.82
- Unclaimed matured debentures and interest thereon	386.92	573.98
- Unclaimed matured subordinate debts and interest accrued thereon	921.31	2,059.81
Payable on account of assignment	2,837.89	3,283.44
Royalty payable	1,885.82	1,751.03
Creditors for Supplies & Services	466.38	452.99
Employee related payables	5,956.67	5,508.53
Lease Liability	19,397.57	17,763.36
COVID-19 Ex-gratia relief Payable	-	140.10
Dividend payable*	-	6,600.50
Total	38,557.79	44,376.98

There are no amounts due to be transferred to Investor Education and Protection Fund (IEPF)

* Represents second interim dividend declared on March 26, 2021 which is payable to the shareholders whose names appeared on the register of members as at April 7, 2021 being record date. This second interim dividend was paid to shareholders on April 19, 2021.

Lease Liability

As at March 31, 2022

₹ in Lakhs

Class of Underlying Asset	Opening Balance of Lease Liabilities (Balance as on March 31, 2021)	Additions to Lease Liabilities, made during the year	Reduction in Lease Liabilities due to termination of Lease agreement	Finance Cost Accrued during the year	Payment of lease Liabilities during the year	Rent lease concession	Amount of Lease Liabilities as on March 31, 2022
Office Premises	17,597.62	7,307.28	(518.70)	1,928.53	(6,855.13)	(117.50)	19,342.10
Furniture, Fixtures	154.08	29.13	(4.88)	8.58	(139.72)	-	47.19
Total	17,751.70	7,336.41	(523.58)	1,937.11	(6,994.85)	(117.50)	19,389.29

As at March 31, 2021

₹ in Lakhs

Class of Underlying Asset	Opening Balance of Lease Liabilities (Balance as on March 31, 2020)	Additions to Lease Liabilities, made during the year	Reduction in Lease Liabilities due to termination of Lease agreement	Finance Cost Accrued during the year	Payment of lease Liabilities during the year	Rent lease concession	Amount of Lease Liabilities as on March 31, 2021
Office Premises	16,861.79	6,424.95	(1,046.66)	1,791.45	(5,923.00)	(510.91)	17,597.62
Furniture, Fixtures	273.82	-	-	20.17	(139.91)	-	154.08
Total	17,135.61	6,424.95	(1,046.66)	1,811.62	(6,062.91)	(510.91)	17,751.70

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 24: OTHER FINANCIAL LIABILITIES (Contd.)

₹ in Lakhs

Class of Underlying Asset - Car*	As at March 31, 2022	As at March 31, 2021
Opening Balance of Lease Liabilities	11.66	14.73
Finance cost	0.93	1.24
Payment of Lease Liabilities during the year	(4.31)	(4.31)
Closing Balance of Lease Liabilities	8.28	11.66

* The car is sub leased to the employee.

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Amounts recognised in the Statement of Profit and Loss		
Depreciation expense of right-of-use assets	5,947.28	5,720.94
Interest expense on lease liabilities	1,937.11	1,811.62
Expense relating to short-term leases (included in other expenses)	-	-
Expense relating to leases of low-value assets (included in other expenses)	-	-
Variable lease payments (included in other expenses)	-	-
The Group had remeasured lease liability in respect of certain leases during the year and income on such remeasurement of leases as per Ind AS 116 is included in other income	(117.50)	(510.91)
Total amount recognised in profit or loss	7,766.89	7,021.65

The Group does not face a significant liquidity risk with regard to its lease liabilities as the assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The table below provides details regarding the contractual maturities of lease liabilities.

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Not later than one year	4,768.92	4,578.96
Later than one year but not later than five years	10,712.46	9,727.25
Later than 5 years	3,916.19	3,457.15
Total	19,397.57	17,763.36

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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 25: PROVISIONS

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
For Employee benefit		
- Gratuity	60.12	118.38
- Provision for compensated absences	2,434.60	2,413.52
For Others		
- Undrawn loan commitment	496.95	325.14
Total	2,991.67	2,857.04

Loan Commitment

Credit quality of exposure

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in Note 48.2 along policies on whether ECL allowances are calculated on an individual or collective basis.

₹ in Lakhs

Particulars	As at March 31, 2022				As at March 31, 2021			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Internal Rating Grade								
Performing								
High Grade	52,547.66	-	-	52,547.66	23,585.47	-	-	23,585.47
Standard Grade	127.87	-	-	127.87	60.60	-	-	60.60
Sub Standard Grade	-	129.42	-	129.42	-	86.38	-	86.38
Past due but not impaired	-	-	-	-	-	54.15	-	54.15
Total	52,675.53	129.42	-	52,804.95	23,646.07	140.53	-	23,786.60

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to other undrawn loan commitments is, as follows:

Gross exposure reconciliation

₹ in Lakhs

Particulars	Year ended March 31, 2022				Year ended March 31, 2021			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Opening balance of outstanding exposure	23,646.07	140.53	-	23,786.60	19,347.28	62.27	-	19,409.55
New exposures	47,410.94	-	-	47,410.94	20,007.02	-	-	20,007.02
Exposures cancelled or disbursed (excluding write-offs)	(18,275.07)	(117.52)	-	(18,392.59)	(15,589.17)	(40.80)	-	(15,629.97)
Transfer to Stage 1	40.56	(40.56)	-	-	-	-	-	-
Transfer to Stage 2	(146.97)	146.97	-	-	(119.06)	119.06	-	-
Transfer to Stage 3	-	-	-	-	-	-	-	-
Closing balance of outstanding exposure	52,675.53	129.42	-	52,804.95	23,646.07	140.53	-	23,786.60

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 25: PROVISIONS (Contd.)

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

₹ in Lakhs

Particulars	Year ended March 31, 2022				Year ended March 31, 2021			
	General approach			Total	General approach			Total
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective		Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	
ECL allowance - opening balance	320.91	4.23	-	325.14	158.66	2.44	-	161.10
New exposures	456.60	-	-	456.60	300.95	-	-	300.95
Exposures derecognised or matured/repaid (excluding write-offs)	(286.40)	(2.55)	-	(288.95)	(135.24)	(1.67)	-	(136.91)
Transfer to Stage 1	1.65	(1.65)	-	-	-	-	-	-
Transfer to Stage 2	(1.01)	5.17	-	4.16	(3.46)	3.46	-	-
Transfer to Stage 3	-	-	-	-	-	-	-	-
ECL allowance - closing balance	491.75	5.20	-	496.95	320.91	4.23	-	325.14

NOTE 26: OTHER NON-FINANCIAL LIABILITIES

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues payable	6,510.18	2,511.07
Retention money and other sundry liabilities	8.50	33.21
Total	6,518.68	2,544.28

NOTE 27: EQUITY SHARE CAPITAL

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised:		
11,85,00,000 (March 31, 2021: 11,85,00,000) equity shares of ₹ 10/- each	11,850.00	11,850.00
40,00,000 (March 31, 2021: 40,00,000) cumulative redeemable preference shares of ₹ 100/- each	4,000.00	4,000.00
Total	15,850.00	15,850.00
Issued share capital		
6,66,28,016 (March 31, 2021 : 6,60,05,022) equity shares of ₹ 10/- each	6,662.80	6,600.50
Subscribed share capital		
6,66,28,016 (March 31, 2021 : 6,60,05,022) equity shares of ₹ 10/- each	6,662.80	6,600.50
Paid up (fully paid up)		
6,66,28,016 (March 31, 2021 : 6,60,05,022) equity shares of ₹ 10/- each	6,662.80	6,600.50
Total Equity	6,662.80	6,600.50
Issued, Subscribed and fully paid up Equity Shares		
6,66,28,016 (March 31, 2021 : 6,60,05,022) equity shares of ₹ 10/- each	6,662.80	6,600.50
Total Equity	6,662.80	6,600.50

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 27: EQUITY SHARE CAPITAL (Contd.)

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	No. of Shares	₹ in Lakhs
As at March 31, 2020	6,60,02,922	6,600.29
Issued during the year*	2,100	0.21
As at March 31, 2021	6,60,05,022	6,600.50
Issued during the year*	6,22,994	62.30
As at March 31, 2022	6,66,28,016	6,662.80

* Relates to ESOP allotment

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

The Company has issued total 6,84,614 (March 31, 2021 : 77,870) equity shares during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP), wherein a part of the consideration was received in form of employee service.

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Shriram Capital Limited	2,23,71,594	33.58%	2,23,71,594	33.89%
Dynasty Acquisition FPI Limited	1,34,21,889	20.14%	1,34,21,889	20.33%
Piramal Enterprises Limited	65,79,840	9.88%	65,79,840	9.97%

As per the records of the Company, including its register of shareholders / members and other declarations received from shareholders / members regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

e. Shareholding of Promoters*

Shares held by promoters/ promoter groups at the end of the year	As at March 31, 2022			As at March 31, 2021		
	No. of Shares	% of total shares	% change during the year	No. of Shares	% of total shares	% change during the year
Promoter Name						
Shriram Capital Limited	2,23,71,594	33.58%	-0.94%	2,23,71,594	33.89%	0.00%
Shriram Ownership Trust	4,88,383	0.73%	-100.00%	-	0.00%	NA
Shriram Value Services Limited	2,01,106	0.30%	-100.00%	-	0.00%	NA
Shriram Financial Ventures (Chennai) Private Limited	-	0.00%	-100.00%	4,88,383	0.74%	3599.59%
Total	2,30,61,083			2,28,59,977		

* Promoter here means promoter as defined in the Companies Act, 2013.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 27: EQUITY SHARE CAPITAL (Contd.)

f. Dividend Details

The Board of Directors in their meeting held on March 8, 2022 declared second interim equity dividend of 270% (₹ 27/- per equity share of nominal face value of ₹ 10/- each fully paid up) for the financial year 2021-22, amounting to ₹ 1,79,82,48,195/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders. The record date for payment of second interim equity dividend was March 17, 2022. The second interim dividend was paid to eligible shareholders on March 25, 2022. The Board of Directors have not recommended final dividend. As such the interim dividend aggregating to ₹ 37/-per share (i.e. 370 %) shall be the final dividend for the financial year 2021-22 .

The Board of Directors in their meeting held on October 27, 2021 declared interim equity dividend of 100% (₹ 10/- per equity share of nominal face value of ₹ 10/- each fully paid up) for the financial year 2021-22, amounting to ₹ 66,15,81,390/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders. The record date for payment of interim equity dividend was November 12, 2021. The interim dividend was paid to eligible shareholders on November 24, 2021.

Pursuant to the final equity dividend for the financial year 2020- 21 approved by the shareholders at the 35th Annual General Meeting held on July 29, 2021, the Company paid the final equity dividend of 130% (₹ 13/- per equity share of nominal face value of ₹ 10/- each fully paid up) aggregating to ₹ 85,80,65,286/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders. The record date for payment of final equity dividend was July 22, 2021 and the payment was made on August 21, 2021. With this the total dividend for the financial year 2020-21 is ₹ 33 /- per share (i.e. 330 %).

The Board of Directors in their meeting held on March 26, 2021 declared second interim equity dividend of 100% (₹ 10/- per equity share of nominal face value of ₹ 10/- each fully paid up) for the financial year 2020-21, amounting to ₹ 66,00,50,220/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders. The record date for payment of second interim dividend was April 07, 2021 and the payment was done on April 19, 2021.

The Board of Directors in their meeting held on November 2, 2020 declared first interim equity dividend of 100% (₹ 10/- per equity share of nominal face value of ₹ 10/- each fully paid up) for the financial year 2020-21, amounting to ₹ 66,00,43,220/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders. The record date for payment of second interim dividend was November 12, 2020 and the payment was done on November 27, 2020.

Refer note 45 - Capital for the Company's objectives, policies and processes for managing capital

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 28: OTHER EQUITY

Particulars	₹ in Lakhs
	Amount
Share application money pending allotment	
As at March 31, 2020	-
As at March 31, 2021	-
As at March 31, 2022	-
Capital Reserve	
As at March 31, 2020	7,871.88
As at March 31, 2021	7,871.88
As at March 31, 2022	7,871.88
Securities Premium Account	
As at March 31, 2020	1,84,927.96
Add: Premium on shares issued under Employee Stock Option Plan	5.28
As at March 31, 2021	1,84,933.24
Add: Movement due to subscription in right issue of SHFL	946.59
Add: Premium on shares issued under Employee Stock Option Plan	5,180.44
Add: Share Issue Expenses (SHFL)	(71.22)
As at March 31, 2022	1,90,989.05
Share Option Outstanding	
As at March 31, 2020	89.06
Add: Expenses on Employee Stock Option Plan	1,929.15
Less: Adjustment on exercise of Employee Stock Option Plan	(4.76)
Less: Transfer to Retained Earning	(1.40)
As at March 31, 2021	2,012.05
Add: Movement due to subscription in right issue of SHFL	16.97
Add: Expenses on Employee Stock Option Plan	9,992.17
Less: Adjustment on exercise of Employee Stock Option Plan	(3,373.76)
As at March 31, 2022	8,647.43
Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	
As at March 31, 2020	1,28,431.30
Add: Amount transferred from retained earnings	20,490.00
As at March 31, 2021	1,48,921.30
Add: Amount transferred from retained earnings	21,760.00
As at March 31, 2022	1,70,681.30
Statutory Reserve pursuant to section 29C of the NHB Act, 1987	
As at March 31, 2020	2,882.57
Add: Amount transferred from Retained Earnings	968.72
As at March 31, 2021	3,851.29
Add: Movement due to subscription in right issue of SHFL	387.46
Add: Amount transferred from Retained Earnings	1,372.01
As at March 31, 2022	5,610.76

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 28: OTHER EQUITY (CONTD.)

₹ in Lakhs	
Particulars	Amount
Capital Redemption Reserve	
As at March 31, 2020	2,328.98
As at March 31, 2021	2,328.98
As at March 31, 2022	2,328.98
General Reserve	
As at March 31, 2020	1,01,124.46
Add: Amount transferred from retained earnings	10,250.00
As at March 31, 2021	1,11,374.46
Add: Amount transferred from retained earnings	10,880.00
As at March 31, 2022	1,22,254.46
Retained Earnings	
As at March 31, 2020	3,09,666.82
Add: Profit for the year	1,06,352.34
Add / (less): Appropriations and other adjustments	
Interim equity dividend FY 2020-21	(13,200.93)
Transfer from employee stock option plan	1.40
Transfer to statutory reserve pursuant to Section 45-IC of the RBI Act, 1934	(20,490.00)
Transfer to statutory reserve pursuant to section 29C of the NHB Act, 1987	(968.72)
Transfer to general reserve	(10,250.00)
As at March 31, 2021	3,71,110.91
Add: Movement due to subscription in right issue of SHFL	(4,284.77)
Add: Profit for the year	1,15,177.12
Add / (less): Appropriations and other adjustments	
Final equity dividend FY 2020-21	(8,580.65)
Interim equity dividend FY 2021-22	(24,598.30)
Transfer to statutory reserve pursuant to section 45-IC of the RBI Act, 1934	(21,760.00)
Transfer to statutory reserve pursuant to section 29C of the NHB Act, 1987	(1,372.01)
Transfer to general reserve	(10,880.00)
As at March 31, 2022	4,14,812.29
Other Comprehensive Income	
As at March 31, 2020	(1,567.11)
Remeasurement gain / (loss) on defined benefit plan	1,181.15
Gain / (loss) on fair valuation of quoted investments in equity shares	768.97
Income tax provision / (reversal) on above	(633.44)
As at March 31, 2021	(250.43)
Add: Movement due to subscription in right issue of SHFL	5.75
Remeasurement gain / (loss) on defined benefit plan	(140.80)
Gain / (loss) on fair valuation of quoted investments in equity shares	(2,171.10)
Income tax provision/ (reversal) on above	542.24
As at March 31, 2022	(2,014.34)

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 28: OTHER EQUITY (CONTD.)

₹ in Lakhs	
Particulars	Amount
Money received against share warrants	
As at March 31, 2020	-
As at March 31, 2021	-
As at March 31, 2022	-
Total Other Equity	
As at March 31, 2020	7,35,755.92
As at March 31, 2021	8,32,153.68
As at March 31, 2022	9,21,181.82

Proposed Dividend on equity shares

₹ in Lakhs		
Particulars	As at March 31, 2022	As at March 31, 2021
The Board proposed dividend on equity shares		
Proposed dividend on equity shares for the year ended on March 31, 2022: ₹ Nil (March 31, 2021: ₹ 13.00) per share	-	8,580.65
Total	-	8,580.65

Nature and purpose of reserves

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

Securities Premium Account: The amount received in excess of face value of the equity shares is recognised in Securities Premium Account. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium Account. This amount can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Share Option Outstanding: The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

Statutory Reserve: Every year the Company transfers a of sum of not less than twenty per cent of net profit of that year as disclosed in the statement of profit and loss to its Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934.

The conditions and restrictions for distribution attached to statutory reserves as specified in Section 45-IC(1) in The Reserve Bank of India Act, 1934:

- (1) Every non-banking financial company (NBFC) shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.
- (2) No appropriation of any sum from the reserve fund shall be made by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty-one days from the date of such withdrawal. Provided that the RBI may, in any particular case and for sufficient cause being shown, extend the period of twenty-one days by such further period as it thinks fit or condone any delay in making such report.
- (3) Notwithstanding anything contained in sub-section (1) the Central Government may, on the recommendation of the RBI and having regard to the adequacy of the paid-up capital and reserves of a NBFC in relation to its deposit liabilities, declare by order in writing that the provisions of sub-section (1) shall not be applicable to the NBFC for such period as may be specified in the order. Provided that no such order shall be made unless the amount in the reserve fund under sub-section (1) together with the amount in the share premium account is not less than the paid-up capital of the NBFC.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 28: OTHER EQUITY (CONTD.)

Statutory Reserve(SHFL): The Subsidiary Company creates Special Reserve every year out of its profits in terms of Sec 36(1) (viii) of the Income Tax Act, 1961 read with Sec 29C of the National Housing Bank Act, 1987. The Subsidiary Company transfers amount at least 20% of the total comprehensive income after tax to Statutory reserve.

Capital Redemption Reserve: The Group has recognised Capital Redemption Reserve on redemption of Non-Convertible Redeemable Preference Shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the Non-Convertible Redeemable Preference Shares redeemed. The Group may issue fully paid up bonus shares to its members out of the capital redemption reserve account.

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

Retained earnings: Retained earnings are the profits that the Group has earned till date, less any transfers to statutory reserve, general reserve and dividend distributed to shareholders.

Other Comprehensive Income: Other comprehensive income consists of remeasurement of net defined benefit liability / asset, FVTOCI financial liabilities and financial assets.

NOTE 29: INTEREST INCOME

₹ in Lakhs

Particulars	Year ended March 31, 2022			Year ended March 31, 2021		
	On Financial Assets measured at FVTOCI	On Financial Assets measured at Amortised cost	Total	On Financial Assets measured at FVTOCI	On Financial Assets measured at Amortised cost	Total
Interest on Loans	-	6,44,087.70	6,44,087.70	-	5,73,656.00	5,73,656.00
Interest income from investments	125.64	4,610.49	4,736.13	177.51	2,799.65	2,977.16
Interest on deposits with Banks						
- Margin money deposit	-	3,298.37	3,298.37	-	4,211.17	4,211.17
- Other Deposits	-	15,369.44	15,369.44	-	8,737.21	8,737.21
Interest on Others	-	622.24	622.24	-	108.89	108.89
Total	125.64	6,67,988.24	6,68,113.88	177.51	5,89,512.92	5,89,690.43

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 30: FEE AND COMMISSION INCOME

Particulars	₹ in Lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Income from commission services	3,414.92	3,075.78
Income from collection services	5,916.29	256.20
Income from other services	3,932.90	1,622.51
Total	13,264.11	4,954.49

Revenue from contracts with customers

Set out below is the revenue from contracts with customers and reconciliation to profit and loss account

Particulars	₹ in Lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Type of Services or Service		
Fee and commission income	13,264.11	4,954.49
Total revenue from contract with customers	13,264.11	4,954.49
Geographical markets		
India	13,264.11	4,954.49
Outside India	-	-
Total revenue from contract with customers	13,264.11	4,954.49
Timing of revenue recognition		
Services transferred at a point in time	9,941.85	3,764.02
Services transferred over time	3,322.26	1,190.47
Total revenue from contracts with customers	13,264.11	4,954.49

Contract Balance

Particulars	₹ in Lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Trade Receivables	463.61	239.62
Less: Impairment loss allowances	(24.52)	(9.63)
Net Trade Receivables	439.09	229.99
Contract Assets	-	-
Total	439.09	229.99

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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 31: NET GAIN / (LOSS) ON FAIR VALUE CHANGES

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net gain/ (loss) on financial instruments at fair value through profit or loss		
- Investments	874.86	907.24
- Derivatives	-	-
Total Net gain/(loss) on fair value changes	874.86	907.24
Fair Value changes		
- Realised	815.27	840.55
- Unrealised	59.59	66.69
Total Net gain/(loss) on fair value changes	874.86	907.24

NOTE 32: FINANCE COST

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
On financial liabilities measured at amortised cost		
Interest expense on:-		
Fixed Deposits	54,438.57	42,630.98
Subordinated liabilities	-	612.93
Borrowings (other than debt securities)		
- Loans from Banks	95,718.82	86,763.23
- Loans from Financial Institution/ NBFC	24,595.18	11,381.56
- Loans from National Housing Bank	773.14	971.26
- Loans from Financial Institution/ NBFC- Securitisation	27,094.94	27,498.89
- Loans from Banks- Securitisation	2,770.96	4,295.51
- Loans from Banks - Demand Loan against Fixed Deposits	129.40	-
- Working Capital Demand Loans	17,048.02	16,299.90
- Cash Credit	746.78	2,014.12
- Commercial Paper	-	35.67
Debt securities	55,871.25	39,618.17
Interest on Tax Liability	84.14	89.02
Interest on Defined Benefit Plan	103.33	80.93
Finance Cost on Lease liability	1,938.03	1,812.86
Total	2,81,312.56	2,34,105.03

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 33: IMPAIRMENT ON FINANCIAL INSTRUMENTS

₹ in Lakhs

Particulars	Year ended March 31, 2022			Year ended March 31, 2021		
	On Financial instruments measured at Fair Value through OCI	On Financial instruments measured at Amortised cost	Total	On Financial instruments measured at Fair Value through OCI	On Financial instruments measured at Amortised cost	Total
Loans and advances to customers (Refer Note No. 68.3)	-	3,865.79	3,865.79	-	1,360.84	1,360.84
Others						
- Undrawn Commitments	-	171.81	171.81	-	164.03	164.03
- Trade receivables	-	14.89	14.89	-	6.27	6.27
- Assignment Receivables	-	(244.57)	(244.57)	-	125.35	125.35
- Lease Receivables	-	(0.16)	(0.16)	-	(0.22)	(0.22)
- Investment Through PTC	(0.55)	5.55	5.00	(0.58)	7.26	6.68
Total	(0.55)	3,813.31	3,812.76	(0.58)	1,663.53	1,662.95

The table below shows the ECL charges on financial instruments for the year recorded in the profit and loss based on evaluation stage:

Year ended March 31, 2022

₹ in Lakhs

Particulars	General Approach				Simplified Approach	Total
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	POCI		
Loans and advances to customers	457.05	907.08	2,501.66	-	-	3,865.79
Others						
- Undrawn Commitments	170.84	0.97	-	-	-	171.81
- Trade receivables	-	-	-	-	14.89	14.89
- Assignment Receivables	(197.56)	(14.95)	(29.92)	-	(2.14)	(244.57)
- Lease Receivables	-	-	-	-	(0.16)	(0.16)
- Investment Through PTC	4.92	-	-	-	0.08	5.00
Total impairment loss	435.25	893.10	2,471.74	-	12.67	3,812.76

Year ended March 31, 2021

₹ in Lakhs

Particulars	General Approach				Simplified Approach	Total
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	POCI		
Loans and advances to customers	5,377.70	5,439.99	(9,456.85)	-	-	1,360.84
Others						
- Undrawn Commitments	162.25	1.78	-	-	-	164.03
- Trade receivables	-	-	-	-	6.27	6.27
- Assignment Receivables	126.08	23.18	36.26	-	(60.17)	125.35
- Lease Receivables	-	-	-	-	(0.22)	(0.22)
- Investment Through PTC	0.21	-	-	-	6.47	6.68
Total impairment loss	5,666.24	5,464.95	(9,420.59)	-	(47.65)	1,662.95

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 34: BAD DEBTS WRITTEN OFF

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Loans and advances written off	85,583.75	85,068.81
Repossessed assets written off	425.65	327.58
Total	86,009.40	85,396.39

NOTE 35: EMPLOYEE BENEFIT EXPENSES

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, other allowances and bonus	87,378.98	73,863.96
Contribution to provident and other funds	5,843.36	5,041.46
Staff welfare expenses	1,850.83	1,354.14
Share based payments to employees	10,017.57	1,953.07
Gratuity expenses	645.96	777.20
Interest Expenses on Staff Loan	23.73	22.91
Total	1,05,760.43	83,012.74

NOTE 36: DEPRECIATION, AMORTISATION AND IMPAIRMENT

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation of tangible assets	2,387.76	2,715.88
Amortisation of intangible assets	287.47	275.64
Amortisation on right of use assets (Refer Note No. 17)	5,947.28	5,720.94
Total	8,622.51	8,712.46

NOTE 37: OTHER EXPENSES

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Power and fuel	946.03	864.53
Repairs and maintenance		
- Buildings	1,245.00	1,108.89
- Office equipments	56.19	38.84
Office expenses	1,698.32	1,693.03
Rates and taxes	1,983.72	1,554.70
Printing and stationery	2,423.84	1,765.70
Travelling and conveyance	3,646.26	2,068.38
Advertisement	1,350.58	292.88
Business promotion	5,263.51	4,678.30
Directors' sitting fees	91.56	54.23
Insurance	503.32	457.23
Communication expenses	3,236.58	2,442.74
Bank charges	1,607.84	1,598.91
Legal and Professional Fees	2,383.21	1,397.45
Loss on sale of Property, plant and equipment(net)	5.48	66.15
Public issue expenses for non-convertible debentures	-	-
CSR expenses	3,295.69	2,273.88

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 37: OTHER EXPENSES (Contd.)

Particulars	₹ in Lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Mortgage Guarantee Fees	92.61	117.56
Miscellaneous expenses	2,034.50	1,224.60
Auditor fees*		
(a) Audit Fees	77.47	56.06
(b) Tax Audit Fees	10.74	12.04
(c) Certification Fees	1.65	12.04
(d) Out of Pocket	6.65	0.58
Total	31,960.75	23,778.72

* Includes fees paid to previous Statutory auditors for FY 2021-22

NOTE 38: INCOME TAX

38.1 The components of income tax expense are:

Particulars	₹ in Lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Current tax	41,068.04	47,155.66
Tax adjustment for earlier years	477.38	(190.33)
Deferred tax relating to origination and reversal of temporary differences	(1,160.26)	(6,935.69)
Total tax charge	40,385.16	40,029.64

38.2 Reconciliation of the total tax charge:

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

Particulars	₹ in Lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Accounting profit before tax	1,56,859.83	1,47,801.18
At India's statutory income tax rate for Shriram City Union Finance Limited: 25.168% (2021: 25.168%), For Shriram Housing Finance Limited: 25.168% (2021: 25.168%)	39,523.52	37,088.14
Total Tax	39,523.52	37,088.14
Corporate social responsibility and donation expenditure not allowable for tax purpose	830.85	566.00
Deduction under chapter VIA of the Income Tax Act, 1961 (80JJAA)	(387.44)	(202.80)
Income tax of earlier years	143.16	(190.33)
Tax impact of Bonus payable to employees allowable on payment basis	-	1,035.21
Others	275.07	1,733.42
Income tax expense reported in the statement of profit or loss	40,385.16	40,029.64
Effective income tax rate %	25.75%	27.08%

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 38: INCOME TAX (Contd.)

38.3.1 Deferred Tax - Shriram City Union Finance Limited

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

₹ in Lakhs

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Statement of profit & loss	OCI
	As at March 31, 2022	As at March 31, 2022	Year ended March 31, 2022	Year ended March 31, 2022
Property, plant and equipment and intangible assets	1,817.47	-	3.32	-
Net Right to use asset and future rent liability	419.54	-	(132.92)	-
Expenses allowable for tax purpose when paid	2,712.20	-	(1,639.68)	-
EIR impact on debt instrument measured at amortised cost	133.34	6.80	(107.55)	-
Impact of Fair valuation on Investments measured at fair value through profit and loss account	594.56	73.88	14.98	(546.42)
Impact of amortization of processing fees on loans and advances	79.29	-	213.53	-
Provision for Impairment of financial assets at amortised cost	9,224.16	-	(246.67)	-
Other temporary differences	564.96	298.40	90.25	-
Total	15,545.52	379.08	(1,804.74)	(546.42)

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

₹ in Lakhs

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Statement of profit & loss	OCI
	As at March 31, 2021	As at March 31, 2021	Year ended March 31, 2021	Year ended March 31, 2021
Property, plant and equipment and intangible assets	1,820.79	-	(98.22)	-
Net Right to use Asset and future rent liability	286.62	-	(163.29)	-
Expenses allowable for tax purpose when paid	1,072.52	-	961.59	439.31
EIR impact on debt instrument measured at amortised Cost	44.41	25.43	(113.69)	-
Impact of fair valuation on investments measured at fair value through profit and loss Account	48.14	58.90	33.21	193.53
Impact of amortization of processing fees on loans and advances	292.82	-	144.28	-
Provision for Impairment of financial assets at amortised cost	9,090.12	-	(9,090.12)	-
Other temporary differences	244.19	-	(49.11)	-
Total	12,899.61	84.33	(8,375.35)	632.84

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 38: INCOME TAX (Contd.)

38.3.2 Deferred Tax - Shriram Housing Finance Limited

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

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Statement of profit & loss	OCI
	As at March 31, 2022	As at March 31, 2022	Year ended March 31, 2022	Year ended March 31, 2022
Property, plant and equipment and intangible assets	36.82	-	(14.02)	-
Net Right to use asset and future rent liability	26.65	-	7.28	-
Expenses allowable for tax purpose when paid	-	-	(28.61)	-
EIR impact on debt instrument measured at amortised Cost	-	9.33	(8.52)	-
Impact of amortization of processing fees on loans and advances	13.62	28.19	7.37	-
Provision for Impairment of financial assets at amortised cost	1,126.97	-	64.21	-
Special Reserve u/s 36 1(viii)	-	833.22	225.52	-
Other temporary differences	150.31	3,669.91	391.25	4.84
Total	1,354.37	4,540.65	644.48	4.84

₹ in Lakhs

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

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Statement of profit & loss	OCI
	As at March 31, 2021	As at March 31, 2021	Year ended March 31, 2021	Year ended March 31, 2021
Property, plant and equipment and intangible assets	22.80	-	(18.33)	-
Net Right to use asset and future rent liability	33.93	-	(11.54)	-
Expenses allowable for tax purpose when paid	-	-	(40.30)	-
EIR impact on debt instrument measured at amortised Cost	-	17.85	(18.83)	-
Impact of amortization of processing fees on loans and advances	20.99	56.79	32.52	-
Provision for Impairment of Financial Assets at amortised cost	1,191.19	-	(1,191.19)	-
Special Reserve u/s 36 1(viii)	-	607.70	(133.94)	-
Other temporary differences	75.00	3,198.52	2,821.27	0.78
Total	1,343.91	3,880.86	1,439.66	0.78

₹ in Lakhs

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 38: INCOME TAX (Contd.)

38.4 Amount recognised in respect of current tax / deferred tax directly in equity:

₹ in Lakhs

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

38.5 Tax losses and Tax credits

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Unused capital gains tax losses for which no deferred tax asset has been recognised	-	-
Unused tax credits-MAT credit entitlement	-	-

38.6 Current Tax Assets (Net)

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Advance income tax (net of provision for tax) [provision for income tax March 31, 2022: ₹ 4,14,921.15 Lakhs March 31, 2021: ₹ 3,73,376.02.Lakhs]	3,236.34	4,921.74
Total	3,236.34	4,921.74

NOTE 39: EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of the group by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of group (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares and issue of Employee Stock Options.

₹ in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net Profit after tax as per Statement of profit and loss (₹ in Lakhs) (A)	1,15,177.12	1,06,352.34
Weighted average number of equity shares for calculating basic earnings per share (₹ in Lakhs) (B)	661.68	660.04
Effect of dilution:		
Stock options granted under ESOP (Nos. in Lakhs)	4.00	1.54
Weighted average number of equity shares for calculating diluted earnings per share (₹ in Lakhs) (C)	665.68	661.58
Earnings per equity share (face value ₹ 10/- per equity share)		
Basic earnings per share (₹) (A/B)	174.07	161.13
Diluted earnings per share (₹) (A/C)	173.02	160.76

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 40: INVESTMENT IN SUBSIDIARY

Name of the subsidiary	Country of Incorporation	Principal place of business	Principal activities	For the year ending	No. of Equity Shares Held (FV of ₹ 10 /- each)	% of equity interest
Shriram Housing Finance Limited	India	Mumbai	Housing Finance	March 31, 2022	27,65,51,112	85.02%
				March 31, 2021	16,54,40,000	77.25%

The Company has recognised its investment in subsidiary at cost.

STATEMENT OF NET ASSETS, PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME ATTRIBUTABLE TO OWNERS AND NON CONTROLLING INTEREST AS ON MARCH 31, 2022

₹ in Lakhs

Name of the Entity	Net Assets, i.e. total assets minus total liabilities		Share in profits / (loss)		Share in Other Comprehensive Income / (Loss)		Share in total Comprehensive Income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit / (loss)	Amount	As % of Consolidated profit / (loss)	Amount	As % of Consolidated profit / (loss)	Amount
Parent - Shriram City Union Finance Limited	87.76%	8,29,425.04	93.10%	1,08,440.54	100.82%	(1,782.12)	92.98%	1,06,658.42
Indian Subsidiary - Shriram Housing Finance Limited	10.41%	98,419.58	5.78%	6,736.58	(0.70%)	12.46	5.88%	6,749.04
Non - Controlling Interest	1.83%	17,311.00	1.11%	1,297.55	(0.11%)	1.95	1.13%	1,299.50
Total	100%	9,45,155.62	100%	1,16,474.67	100%	(1,767.71)	100%	1,14,706.96

Statement of Net Assets, Profit and Loss and Other Comprehensive Income attributable to owners and Non Controlling Interest as on March 31, 2021

₹ in Lakhs

Name of the Entity	Net Assets, i.e. total assets minus total liabilities		Share in profits / (loss)		Share in Other Comprehensive Income / (Loss)		Share in total Comprehensive Income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit / (loss)	Amount	As % of Consolidated profit / (loss)	Amount	As % of Consolidated profit / (loss)	Amount
Parent - Shriram City Union Finance Limited	93.24%	7,94,206.59	94.21%	1,01,533.25	99.82%	1,314.88	94.28%	1,02,848.13
Indian Subsidiary - Shriram Housing Finance Limited	5.23%	44,547.59	4.47%	4,819.09	0.14%	1.80	4.42%	4,820.89
Non - Controlling Interest	1.53%	13,073.10	1.32%	1,419.20	0.04%	0.53	1.30%	1,419.73
Total	100%	8,51,827.28	100%	1,07,771.54	100%	1,317.21	100%	1,09,088.75

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 41: 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.

₹ in Lakhs

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	5,24,407.87	2,500.86	5,26,908.73	3,91,641.65	-	3,91,641.65
Bank Balance other than above	1,41,917.27	15,407.55	1,57,324.82	1,25,875.71	18,433.45	1,44,309.16
Receivables						
- Trade Receivables	439.09	-	439.09	229.99	-	229.99
- Other Receivables	-	-	-	-	-	-
Loans	18,91,774.15	16,62,825.48	35,54,599.63	16,21,240.33	14,58,539.55	30,79,779.88
Investments	41,462.32	89,485.85	1,30,948.17	72,090.79	20,323.52	92,414.31
Other financial assets	3,928.99	15,321.26	19,250.25	2,740.02	13,486.64	16,226.66
Non-financial Assets						
Current tax asset (net)	-	3,236.34	3,236.34	-	4,921.74	4,921.74
Deferred tax assets	-	15,166.44	15,166.44	-	12,815.28	12,815.28
Property, plant and equipment	-	6,954.86	6,954.86	-	6,841.27	6,841.27
Other intangible assets	-	498.93	498.93	-	643.36	643.36
Right of use assets	30.30	17,651.66	17,681.96	-	16,538.88	16,538.88
Other non-financial assets	5,759.57	17,007.48	22,767.05	9,418.05	10,852.49	20,270.54
Total assets	26,09,719.56	18,46,056.71	44,55,776.27	22,23,236.54	15,63,396.18	37,86,632.72
Liabilities						
Financial Liabilities						
Derivative financial instruments	5.49	-	5.49	-	-	-
Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	6.39	-	6.39	18.90	-	18.90
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	5,277.09	26.08	5,303.17	7,856.73	-	7,856.73
Debt Securities	3,55,452.78	3,49,390.93	7,04,843.71	2,06,674.95	2,77,577.87	4,84,252.82
Borrowings (other than debt securities)	10,31,400.25	10,34,968.58	20,66,368.83	10,34,639.33	8,02,833.63	18,37,472.96
Deposits	2,12,669.67	4,70,168.97	6,82,838.64	1,62,962.13	3,89,926.65	5,52,888.78
Other financial liabilities	19,251.43	19,306.36	38,557.79	26,057.87	18,319.11	44,376.98
Non-financial Liabilities						
Provisions	2,941.55	50.12	2,991.67	2,758.92	98.12	2,857.04
Deferred tax liabilities (net)	213.11	2,973.17	3,186.28	-	2,536.95	2,536.95
Other non-financial liabilities	6,518.68	-	6,518.68	2,544.28	-	2,544.28
Total Liabilities	16,33,736.44	18,76,884.21	35,10,620.65	14,43,513.11	14,91,292.33	29,34,805.44
Net	9,75,983.12	(30,827.50)	9,45,155.62	7,79,723.43	72,103.85	8,51,827.28

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 42: CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in liabilities arising from financing activities during FY 2021-22

₹ in Lakhs

Particulars	As at March 31, 2021	Cash Flows	Exchange difference	Others *	As at March 31, 2022
At Amortised Cost					
Debt Securities					
- NCD Public Issue	86,924.21	(48,392.67)	-	370.87	38,902.41
- NCD Institutional	3,97,328.61	2,72,301.97	-	(3,689.27)	6,65,941.30
Borrowings other than debt securities					
- Derivative financial instruments	-	-	-	5.49	5.49
- Term Loan from Banks	9,85,835.07	1,53,187.06	115.14	(1,232.38)	11,37,904.89
- Term Loan from Institution	2,78,436.28	70,308.66	-	(171.81)	3,48,573.13
- Term Loan from National Housing Bank	8,981.52	46,481.75	-	-	55,463.27
- Term Loan from Bank- Securitisation	46,018.97	(21,557.10)	-	176.50	24,638.38
- Term Loan from financial Institution/ NBFC- Securitisation	2,99,853.14	(1,10,566.05)	-	1,865.59	1,91,152.68
- Demand Loan against fixed deposits	-	36,000.00	-	-	36,000.00
- Cash Credit from Banks	36,833.51	(1,280.59)	-	1.13	35,554.05
- Working Capital Demand Loans	1,81,514.47	55,566.42	-	1.54	2,37,082.43
Deposits					
- Public Deposits	5,52,881.69	1,30,392.75	-	(824.42)	6,82,450.02
- Recurring deposits	7.09	381.53	-	-	388.62
Total	28,74,614.56	5,82,823.73	115.14	(3,496.76)	34,54,056.67

* Represents adjustments on account of processing fees and other transaction cost.

Changes in liabilities arising from financing activities during FY 2020-21

₹ in Lakhs

Particulars	As at March 31, 2020	Cash Flows	Exchange difference	Others *	As at March 31, 2021
At Amortised Cost					
Debt Securities					
- NCD Public Issue	84,955.43	918.31	-	1,050.47	86,924.21
- NCD Institutional	4,00,369.51	203.95	-	(3,244.84)	3,97,328.61
Subordinated Liabilities					
- Sub Debt Retail	23,923.91	(23,961.29)	-	37.38	-
Borrowings other than debt securities					
- Term Loan from Banks	9,11,703.81	78,594.87	-	(4,463.61)	9,85,835.07
- Term Loan from Institution	64,040.47	2,14,783.83	-	(388.02)	2,78,436.28
- Term Loan from National Housing Bank	13,480.37	(4,498.85)	-	-	8,981.52
- Commercial paper	11,164.33	(11,200.00)	-	35.67	-
- Term Loan from Bank- Securitisation	62,573.00	(16,814.42)	-	260.39	46,018.97
- Term Loan from financial Institution/ NBFC- Securitisation	3,19,206.50	(19,250.56)	-	(102.80)	2,99,853.14
- Cash Credit from Banks	58,873.42	(22,024.06)	-	(15.85)	36,833.51
- Working Capital Demand Loans	1,57,988.63	23,526.36	-	(0.52)	1,81,514.47
Deposits					
- Public Deposits	4,01,206.80	1,52,815.49	-	(1,140.60)	5,52,881.69
- Recurring deposits	-	7.09	-	-	7.09
Total	25,09,486.18	3,73,100.72	-	(7,972.33)	28,74,614.56

* Represents adjustments on account of processing fees and other transaction cost.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 43: CONTINGENT LIABILITIES AND COMMITMENTS

(A) Contingent Liabilities

Particulars	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
a. In respect of Income tax demands where the Company has filed appeal before various authorities	184.11	116.45
b. VAT demand where the Group has filed appeal before various Appellate	259.95	259.95
c. Service tax demand	8,019.29	8,019.29
d. Bank Guarantees	135.00	135.00
Total	8,598.35	8,530.69

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

(B) Commitments not provided for

Particulars	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
a. Estimated amount of contracts remaining to be executed on capital account, net of advances	652.26	326.97
b. Commitments related to loans sanctioned but undrawn	52,804.95	23,786.60

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 44: RELATED PARTY DISCLOSURE

Relationship	Name of the party	
(i) Enterprises having significant influence over the group	: Shriram Capital Limited (SCL)	
	Shriram Ownership Trust (SOT)	
	Dynasty Acquisition FPI Limited (DAFL)	
	Valiant Mauritius Partners FDI Limited (VMPL)	
(ii) Subsidiary	: Shriram Housing Finance Limited (SHFL)	
(iii) Associates *	: Insight Commodities and Futures Private Limited (ICFPL)	
	Shriram Asset Management Company Limited (SAMCL)	
	Shriram Credit Company Limited (SCCL)	
	Shriram Financial Products Solutions (Chennai) Private Limited (SFPSPL)	
	Shriram Financial Ventures (Chennai) Private Limited (SFVPL)	
	Shriram Fortune Solutions Limited (SFSL)	
	Shriram General Insurance Company Limited (SGICL)	
	Shriram Insight Share Brokers Limited (SISBL)	
	Shriram Life Insurance Company Limited (SLICL)	
	Shriram Overseas Investments Private Limited (SOIPL)	
	Shriram Wealth Advisors Limited (SWAL)	
	Shriram Value Services Limited (SVSL)	
	Bharath Investments Pte. Limited, Singapore (BIPL)	
	SGI Philippines General Insurance Co. Inc. (SGIPGICI)	
	Novac Technology Solutions Private Limited (NTSPL)	
	Novac Digital Services Private Limited (formerly Techfactory Services Private Limited) (NDSPL)	
	Shriram LI Holdings Private Limited (Formerly Snottor Technology Services Private Limited) (SLHPL)	
	SEA Funds Management India Private Limited (SFMIPL)	
	Way2wealth Insurance Brokers Private Limited (WIBPL)	
	Way2wealth Securities Private Limited (WSPL)	
	Way2wealth Brokers Private Limited (WBPL)	
	Way2wealth Commodities Private Limited (WCPL)	
	Shriram GI Holdings Private Limited (formerly Oner Infotech Services Private Limited) (SGHPL)	
	Shriram Investment Holdings Limited (SIHL)	
	(iv) Key Management Personnel	: Sri Y.S. Chakravarti, Managing Director
		Sri Debendranath Sarangi, Chairperson
		Sri R. Duruvasan, Director
Sri Diwakar Bhagwati Gandhi, Director		
Smt Maya S Sinha, Director		
Sri Shashank Singh, Director		
Sri Venkataraman Murali, Director		
Sri Ignatius Michael Viljoen, Director		
Sri Umesh G Revankar, Director (w.e.f. December 14, 2021)		
Sri Pranab Prakash Pattanayak, Director (Resigned w.e.f. January 05, 2022)		
Late Sri C R Muralidharan, Director (Ceased w.e.f. October 8, 2020)		

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 44: RELATED PARTY DISCLOSURE (Contd.)

Relationship	Name of the party
	Sri R Chandrasekar, Chief Financial Officer
	Sri C R Dash, Company Secretary
	Smt Lakshminaryanan Priyadarshini , Director (SHFL)
	Sri Subramanian Jambunathan, MD & CEO (SHFL)
	Sri Gauri Shankar Agarwal, Chief Financial Officer (SHFL)
	Smt Puja R Shah - Company Secretary (SHFL) (w.e.f. February 11, 2022)
	Smt Bhavita Ashiyani - Company Secretary (SHFL) (Resigned w.e.f. January 31, 2022)
(v) Relatives of Key Management Personnel	: Relatives of Sri Y.S. Chakravarti, Managing Director & CEO
	Late Sri Satyanarayana Y (Father)
	Smt Rajamannar (Mother)
	Smt Sujata Yalamati (Spouse)
	Sri Sree Bhargav (Son)
	Ms. Nayana Sri (Daughter)
	Smt Aruna S (Sister)
	Smt Rama Devi D (Sister)
	Sri S R Krishna (Sister's husband)
	Sri Venkateswara Rao D (Sister's husband)
	Sri M S R Choowdary (Brother of spouse)
	Relatives of Smt Subramanian Jambunathan, Managing Director & CEO (SHFL)
	Late Smt Krishnawamy Jambunathan (Father)
	Smt Padmavathi Jambunathan (Mother)
	Smt Dharini Mani Subramanian (Spouse)
	Ms. Anusha Subramanian (Daughter)
	Sri Jambunathan Krishnan (Brother)

*- The Group neither holds any shares in the above entities nor these entities hold any shares in the Group except Shriram Value Services Limited (SVSL), Shriram Financial Ventures (Chennai) Private Limited (SFVPL). However these entities are "subsidiaries/ associates" of Shriram Capital Limited and hence these entities are treated as "associates" as per paragraph 9(b)(ii) of IND- AS 24 and transactions made with these entities are disclosed.

There are no transactions with relatives of Key Management Personnel for the year ended March 31, 2022.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 44: RELATED PARTY DISCLOSURE (Contd.)

Particulars	Enterprises having significant influence over the Group		Associates		Key Management Personnel		Total	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
	₹ in Lakhs							
Payments/Expenses								
Royalty to SVSL	-	-	7,673.58	6,716.05	-	-	7,673.58	6,716.05
Commission & Other expenses- SFPSPL	-	-	3,769.34	3,037.05	-	-	3,769.34	3,037.05
Commission & Other expenses- SFSL	-	-	3,582.38	3,610.18	-	-	3,582.38	3,610.18
Commission & Other expenses- SISBL	-	-	73.38	136.91	-	-	73.38	136.91
Commission & Other expenses- SWAL	-	-	13.45	3.59	-	-	13.45	3.59
Commission & Other expenses- WSPL	-	-	2.14	-	-	-	2.14	-
Interest Expenses- SFPSPL	-	-	46.31	95.24	-	-	46.31	95.24
Interest Expenses- SLICL	-	-	604.92	603.84	-	-	604.92	603.84
Interest Expenses - SAMCL	-	-	88.30	63.01	-	-	88.30	63.01
Interest Expenses - SFSL	-	-	12.57	-	-	-	12.57	-
Interest Expenses- SGICL	-	-	168.66	-	-	-	168.66	-
Insurance - SGICL	-	-	500.66	435.22	-	-	500.66	435.22
Insurance and other expenses- SLICL	-	-	719.67	510.29	-	-	719.67	510.29
Professional Charges to NTSPL	-	-	6,348.42	5,835.20	-	-	6,348.42	5,835.20
Reimbursement of Rent and other expenses-SCL	-	-	-	-	-	-	-	1.61
Fees to SCL	2,031.07	1,934.36	-	-	-	-	2,031.07	1,934.36
Payments to Key Managerial Personnel (MD, CFO & CS)								
Short-term employee benefits	-	-	-	-	490.64	426.03	490.64	426.03
Post-employment pension (defined contribution)	-	-	-	-	48.66	60.70	48.66	60.70
Other long term employee benefits	-	-	-	-	17.31	6.91	17.31	6.91
Share Based Payments	-	-	-	-	88.09	60.36	88.09	60.36
Loan disbursement - Sri Gauri Shankar Agarwal	-	-	-	-	-	130.00	-	130.00
Loan EMI received - Sri Gauri Shankar Agarwal	-	-	-	-	15.26	8.45	15.26	8.45
Advances - Sri Gauri Shankar Agarwal	-	-	-	-	20.00	-	20.00	-
Directors Sitting Fees	-	-	-	-	91.57	54.23	91.57	54.23
Equity dividend to SCL	11,185.80	4,474.32	-	-	-	-	-	-
Equity dividend to DAFL	6,710.94	2,684.38	-	-	-	-	11,185.80	4,474.32
							6,710.94	2,684.38

NOTE 44: RELATED PARTY DISCLOSURE (Contd.)

₹ in Lakhs

Particulars	Enterprises having significant influence over the Group		Associates		Key Management Personnel		Total	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Equity dividend to SFVPL	-	-	112.33	97.68	-	-	112.33	97.68
Equity dividend to KMP	-	-	-	-	5.06	1.63	5.06	1.63
Equity dividend to SOT	131.86	-	-	-	-	-	131.86	-
Receipts/Income								
Commission - SGICL	-	-	525.93	596.18	-	-	525.93	596.18
Commission - SLICL	-	-	701.43	1,570.40	-	-	701.43	1,570.40
Rent Income - SFSL	-	-	16.85	15.41	-	-	16.85	15.41
Rent Income - SISBL	-	-	1.09	2.63	-	-	1.09	2.63
Electricity, Telephone and other charges Received								
Expenses reimbursement -SFSL	-	-	7.26	8.06	-	-	7.26	8.06
Expenses reimbursement -SISBL	-	-	1.20	1.89	-	-	1.20	1.89
Expenses reimbursement -SLICL	-	-	5.57	3.49	-	-	5.57	3.49
Balance outstanding as at								
Share Capital held by SCL	2,237.16	2,237.16	-	-	-	-	2,237.16	2,237.16
Share Capital held by DAFL	1,342.19	1,342.19	-	-	-	-	1,342.19	1,342.19
Share Capital held by SFVPL	-	-	-	48.84	-	-	-	48.84
Share Capital held by KMP	-	-	-	-	1.18	0.82	1.18	0.82
Share Capital held by SVSL	-	-	20.11	-	-	-	20.11	-
Share Capital held by SOT	48.84	-	-	-	-	-	48.84	-
Share Capital held by VMPL	4,872.00	4,872.00	-	-	-	-	4,872.00	4,872.00
Interim Dividend Payable to SCL	-	2,237.16	-	-	-	-	-	2,237.16
Interim Dividend Payable to DAFL	-	1,342.19	-	-	-	-	-	1,342.19
Interim Dividend Payable to SFVPL	-	-	-	48.84	-	-	-	48.84
Interim Dividend Payable to KMP	-	-	-	-	-	0.82	-	0.82
Royalty Payable to SVSL	-	-	1,885.82	1,751.03	-	-	1,885.82	1,751.03
Expenses Payable to SFPSPL	-	-	215.90	269.39	-	-	215.90	269.39
Expenses Payable to SFSL	-	-	288.29	306.60	-	-	288.29	306.60
Expenses Payable to SISBL	-	-	2.89	8.51	-	-	2.89	8.51
Expenses Payable to SVSL	-	-	21.83	21.83	-	-	21.83	21.83
Expenses Payable to NTSPL	-	-	240.32	200.51	-	-	240.32	200.51

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 44: RELATED PARTY DISCLOSURE (Contd.)

₹ in Lakhs

Particulars	Enterprises having significant influence over the Group		Associates		Key Management Personnel		Total	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Expenses Payable to SLICL	-	-	4.36	4.36	-	-	4.36	4.36
Expenses Payable to SWAL	-	-	0.52	1.59	-	-	0.52	1.59
Expenses Payable to WSPL	-	-	0.03	-	-	-	0.03	-
Deposits held by SAMCL	-	-	1,049.08	1,052.63	-	-	1,049.08	1,052.63
Deposits held by SFSL	-	-	211.19	-	-	-	211.19	-
NCD held by SFPSPL	-	-	-	1,044.40	-	-	-	1,044.40
NCD held by SLICL	-	-	6,630.03	6,537.11	-	-	6,630.03	6,537.11
NCDs held by SGICL	-	-	17,599.41	-	-	-	17,599.41	-
Receivable from SFSL	-	-	-	0.16	-	-	-	0.16
Receivable from SGICL	-	-	85.66	33.26	-	-	85.66	33.26
Receivable from SLICL	-	-	255.61	102.25	-	-	255.61	102.25
Receivable from NTSP	-	-	0.40	0.40	-	-	0.40	0.40
Receivable from SFPSPL	-	-	32.26	31.78	-	-	32.26	31.78
Receivable from SVSL	-	-	23.91	23.91	-	-	23.91	23.91
Advances receivable from Sri Gauri Shankar Agarwal	-	-	-	-	20.00	-	20.00	-
Loan Receivable from Sri Gauri Shankar Agarwal	-	-	-	-	118.55	126.45	118.55	126.45

Income are presented excluding GST.

Expenses are presented Including GST charged off.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 45: CAPITAL

The Group maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Group.

As an NBFC, the RBI requires the Company to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. The capital management process of the group ensures to maintain a healthy CRAR at all the times.

CAPITAL MANAGEMENT

The primary objectives of the Group's capital management policy are to ensure that the Group complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Group manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board. The Group has complied with the notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 "Implementation of Indian Accounting Standards".

A. Shriram City Union Finance Limited

₹ in Lakhs

Regulatory capital	As at March 31, 2022	As at March 31, 2021
Tier 1 Capital	8,27,252.84	7,30,641.50
Tier 2 Capital	-	-
Total capital funds	8,27,252.84	7,30,641.50
Total Risk weighted assets	30,88,503.60	25,51,149.04
Tier 1 capital ratio	26.78%	28.64%
Other Tier 2 capital ratio	0.00%	0.00%
Total capital ratio	26.78%	28.64%

The Company is meeting the capital adequacy requirements of Reserve Bank of India (RBI).

B. Shriram Housing Finance Limited

₹ in Lakhs

Regulatory capital	As at March 31, 2022	As at March 31, 2021
Tier 1 Capital	99,782.12	56,298.34
Tier 2 Capital	3,395.08	2,434.85
Total capital funds	1,03,177.20	58,733.19
Total Risk weighted assets	3,34,085.78	2,55,003.58
Tier 1 capital ratio	29.87%	22.08%
Other Tier 2 capital ratio	1.02%	0.95%
Total capital ratio	30.89%	23.03%

Regulatory capital consists of Tier 1 capital, which comprises share capital, share premium, retained earnings including current year profit. Certain adjustments are made to Ind AS-based results and reserves, as prescribed by the National Housing Bank. The other component of regulatory capital is Tier 2 Capital, which includes provision for standard assets.

The Company is meeting the capital adequacy requirements of National Housing Bank.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 46: SEGMENT INFORMATION

The Group is primarily engaged in the business of financing. All the activities of the group revolve around the main business. Further, the Group does not have any separate geographic segments other than India

During year ending March 31, 2022, for management purposes, the group has been organised into two operating segments based on products and services, as follows

The Chief Operating Decision Maker (CODM) monitors the operating results of its business units separately for making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profits or losses and is measured consistently with operating profits or losses in the financial statements. However, income taxes are managed on a entity as whole basis and are not allocated to operating segments.

Note: Segment Reporting

₹ in Lakhs

Particulars	Year ended March 31,2022			
	Retail Finance	Housing Finance	Unallocable	Total
Revenue from operations				
Interest income	6,21,422.90	46,431.19	259.79	6,68,113.88
Dividend income	184.66	0.41	-	185.07
Fees and commission income	12,706.42	560.92	(3.23)	13,264.11
Net gain on fair value changes	59.50	815.36	-	874.86
Net gain on derecognition of financial instruments under amortised cost category	210.38	5,508.35	(461.99)	5,256.74
Bad debts recovery	18,091.74	203.19	-	18,294.93
Other operating income	-	1,307.79	-	1,307.79
Segment revenue from operations	6,52,675.60	54,827.21	(205.43)	7,07,297.38
Other income	363.63	90.32	(2.23)	451.72
Total income	6,53,039.23	54,917.53	(207.66)	7,07,749.10
Expenses				
Finance cost	2,53,252.52	28,060.04	-	2,81,312.56
Fees and commission expenses	10,373.41	1,754.12	-	12,127.53
Impairment on financial instruments	3,512.13	323.85	(23.22)	3,812.76
Bad debts written off	85,253.45	755.95	-	86,009.40
Employee benefit expenses	97,236.64	8,523.79	-	1,05,760.43
Depreciation, amortisation and impairment	7,835.49	787.02	-	8,622.51
Royalty	7,076.06	597.52	-	7,673.58
Professional charges	12,664.85	944.90	-	13,609.75
Other expenses	29,710.31	2,255.96	(5.52)	31,960.75
Segment expenses	5,06,914.86	44,003.15	(28.74)	5,50,889.27
Segment Profit / (loss) before taxation	1,46,124.37	10,914.38	(178.92)	1,56,859.83
Tax expense	37,504.87	2,880.29	-	40,385.16
Profit for the year	1,08,619.50	8,034.09	(178.92)	1,16,474.67

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 46: SEGMENT INFORMATION (Contd.)

₹ in Lakhs

Particulars	Year ended March 31, 2021			
	Retail Finance	Housing Finance	Unallocable	Total
Revenue from operations				
Interest income	5,57,155.86	32,334.68	199.89	5,89,690.43
Dividend income	190.28	-	-	190.28
Fees and commission income	4,721.75	349.90	(117.16)	4,954.49
Net gain on fair value changes	131.95	775.29	-	907.24
Net gain on derecognition of financial instruments under amortised cost category	-	7,390.05	32.41	7,422.46
Bad debts recovery	10,869.81	242.57	-	11,112.38
Other operating income	-	820.41	-	820.41
Segment revenue from operations	5,73,069.65	41,912.90	115.14	6,15,097.69
Other income	773.82	321.16	(4.61)	1,090.37
Total income	5,73,843.47	42,234.06	110.53	6,16,188.06
Expenses				
Finance cost	2,13,388.43	20,833.73	(117.13)	2,34,105.03
Net loss on derecognition of financial instruments under amortised cost category	167.03	-	(167.03)	-
Fees and commission expenses	10,384.64	867.81	-	11,252.45
Impairment on financial instruments	285.73	1,416.75	(39.53)	1,662.95
Bad debts written off	84,799.87	596.52	-	85,396.39
Employee benefit expenses	76,366.07	6,646.67	-	83,012.74
Depreciation, amortisation and impairment	7,984.14	728.32	-	8,712.46
Royalty	6,254.89	461.16	-	6,716.05
Professional charges	13,010.25	739.84	-	13,750.09
Other expenses	22,263.67	1,519.65	(4.60)	23,778.72
Segment expenses	4,34,904.72	33,810.45	(328.29)	4,68,386.88
Segment Profit / (loss) before taxation	1,38,938.75	8,423.61	438.82	1,47,801.18
Tax expense	37,844.33	2,185.30	-	40,029.64
Profit for the year	1,01,094.42	6,238.30	438.82	1,07,771.54

₹ in Lakhs

Particulars	Retail Finance	Housing Finance	Unallocable	Total
As at March 31, 2022				
Segment Assets	40,06,764.43	5,16,834.36	-	45,23,598.79
Unallocable assets	-	-	(67,822.52)	(67,822.52)
Total Assets	40,06,764.43	5,16,834.36	(67,822.52)	44,55,776.27
Segment Liabilities	31,09,516.79	4,01,075.05	-	35,10,591.84
Unallocable liabilities	-	-	28.81	28.81
Total Liabilities	31,09,516.79	4,01,075.05	28.81	35,10,620.65
As at March 31, 2021				
Segment Assets	34,21,003.51	3,83,275.75	-	38,04,279.26
Unallocable assets	-	-	(17,646.54)	(17,646.54)
Total Assets	34,21,003.51	3,83,275.75	(17,646.54)	37,86,632.72
Segment Liabilities	26,09,150.92	3,25,628.70	-	29,34,779.62
Unallocable liabilities	-	-	25.82	25.82
Total Liabilities	26,09,150.92	3,25,628.70	25.82	29,34,805.44

In computing the segment information, certain estimates and assumptions have been made by the management, which have been relied upon.

There are no revenue from transactions with a single external customer or counter party which amounted to 10% or more of the Group's total revenue in the Current year and Previous year.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 47: FAIR VALUE MEASUREMENT

47.1 Valuation Principle

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained in Note 6.1(xii)

47.2 Fair Value Hierarchy of assets and liabilities

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

As at March 31, 2022

₹ in Lakhs				
Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Financial assets held for trading				
Mutual funds	-	493.53	-	493.53
Equity instruments	7,515.00	-	-	7,515.00
Security Receipts	-	819.72	-	819.72
Pass through Certificate	-	883.73	-	883.73
Total financial assets held for trading	7,515.00	2,196.98	-	9,711.98
Total assets measured at fair value on a recurring basis	7,515.00	2,196.98	-	9,711.98
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Forward Contracts	5.49	-	-	5.49
Total derivative financial instruments	5.49	-	-	5.49
Total financial liabilities measured at fair value on a recurring basis	5.49	-	-	5.49

As at March 31, 2021

₹ in Lakhs				
Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Financial assets held for trading				
Mutual funds	-	434.03	-	434.03
Equity instruments	9,686.10	-	-	9,686.10
Security Receipts	-	980.24	-	980.24
Pass through Certificate	-	1,403.05	-	1,403.05
Total financial assets held for trading	9,686.10	2,817.32	-	12,503.42
Total assets measured at fair value on a recurring basis	9,686.10	2,817.32	-	12,503.42

47.3 Valuation techniques

Equity Instruments

Quoted equity instruments on recognised stock exchanges are valued at Level 1 hierarchy being the unadjusted quoted price as at the reporting date.

Unquoted equity instruments are valued at Level 3 hierarchy being unobservable inputs that are significant to the measurement as a whole. Accordingly, the valuation technique involves the net worth of the investee company.

Mutual Funds

Units held in funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are generally Level 2.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 47: FAIR VALUE MEASUREMENT (Contd.)

Derivative Financial Instruments

Foreign exchange contracts include foreign exchange forward and swap contracts, interest rate swaps and over-the-counter foreign exchange options. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points and option valuation models. With the exception of contracts where a directly observable rate is available which are disclosed as Level 1, the Group classifies foreign exchange contracts as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole).

47.4 Transfer between fair value hierarchy levels

During the year there were no transfers between level 1 and level 2. Similarly, there were no transfers from or transfer to level 3.

47.5 Movements in Level 3 financial instruments measured at fair value

There are no level 3 Financial instruments measured at fair value for the year ended March 31, 2022 and March 31, 2021.

47.6 Impact on fair value of level 3 financial instruments measured at fair value of changes to key assumptions

There are no level 3 Financial instruments measured at fair value for the year ended March 31, 2022 and March 31, 2021.

47.7 Sensitivity of fair value measurements to changes in unobservable market data

There are no level 3 Financial instruments measured at fair value for the year ended March 31, 2022 and March 31, 2021.

47.8 Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

₹ in Lakhs

As at March 31, 2022	Carrying Amount	Fair Value			Total
		Level-1	Level-2	Level-3	
Financial assets:					
Cash and cash equivalents	5,26,908.73	5,26,908.73	-	-	5,26,908.73
Bank balance other than cash and cash equivalents	1,57,324.82	1,57,324.82	-	-	1,57,324.82
Trade Receivables	439.09	-	-	439.09	439.09
Loans	35,54,599.63	-	-	34,47,667.60	34,47,667.60
Investments	1,21,235.50	1,09,016.89	12,350.66	117.18	1,21,484.73
Other financial assets	19,250.25	-	-	19,250.25	19,250.25
Total financial assets	43,79,758.02	7,93,250.43	12,350.66	34,67,474.12	42,73,075.21
Financial liabilities:					
Other Payables	5,309.56	-	-	5,309.56	5,309.56
Debt securities	7,04,843.71	-	7,60,130.13	-	7,60,130.13
Borrowings (other than debt securities)	20,66,368.83	-	20,86,280.50	-	20,86,280.50
Deposits	6,82,838.64	-	-	7,27,403.49	7,27,403.49
Other financial liabilities	38,557.79	-	-	38,557.79	38,557.79
Total financial liabilities	34,97,918.53	-	28,46,410.63	7,71,270.84	36,17,681.47
Off-balance sheet items					
Other commitments	52,804.95	-	-	52,804.95	52,804.95
Total off-balance sheet items	52,804.95	-	-	52,804.95	52,804.95

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 47: FAIR VALUE MEASUREMENT (Contd.)

As at March 31, 2021	Carrying Amount	Fair Value			Total
		Level-1	Level-2	Level-3	
₹ in Lakhs					
Financial assets:					
Cash and cash equivalents	3,91,641.65	3,91,641.65	-	-	3,91,641.65
Bank balance other than cash and cash equivalents	1,44,309.16	1,44,309.16	-	-	1,44,309.16
Trade Receivables	229.99	-	-	229.99	229.99
Loans	30,79,779.88	-	-	30,13,702.26	30,13,702.26
Investments	79,909.66	75,386.89	5,027.50	154.53	80,568.92
Other financial assets	16,226.66	-	-	16,226.66	16,226.66
Total financial assets	37,12,097.00	6,11,337.70	5,027.50	30,30,313.44	36,46,678.64
Financial liabilities:					
Other Payables	7,875.63	-	-	7,875.63	7,875.63
Debt securities	4,84,252.82	-	5,07,255.12	-	5,07,255.12
Borrowings (other than debt securities)	18,37,472.96	-	18,71,638.20	-	18,71,638.20
Deposits	5,52,888.78	-	-	5,61,390.07	5,61,390.07
Other financial liabilities	44,376.98	-	-	44,376.98	44,376.98
Total financial liabilities	29,26,867.17	-	23,78,893.32	6,13,642.68	29,92,536.00
Off-balance sheet items					
Other commitments	23,786.60	-	-	23,786.60	23,786.60
Total off-balance sheet items	23,786.60	-	-	23,786.60	23,786.60

Note:

The management assessed that cash and cash equivalents, trade receivables, trade payables, other current assets and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

47.9 Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, Trade receivables, other receivables, balances other than cash and cash equivalents and trade payables without a specific maturity.

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models based on contractual cash flows using actual or estimated yields.

Pass through certificates

These instruments include asset backed securities. The market for these securities is not active. Therefore, the Group uses a variety of valuation techniques to measure their fair values. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers such as loan-to-value ratios, emergence period estimation, indebtedness and rental income levels. Securities with no significant unobservable valuation inputs are classified as Level 2, while instruments with no comparable instruments or valuation inputs are classified as Level 3.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 47: FAIR VALUE MEASUREMENT (Contd.)

Financial assets at amortised cost

The fair values of financial assets held-to-maturity investments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

Issued debt

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Group's own credit risk. The Group estimates and builds its own credit spread from market-observable data such as secondary prices for its traded debt and the credit spread on credit default swaps and traded debt of itself.

Borrowings

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Group's own credit risk. The Group estimates and builds its own credit spread from market-observable data.

Deposits

The fair value of public deposits and deposit from corporates is estimated by discounting the future cash flows considering the interest rate applicable on the reporting date for deposits of similar tenure and scheme (cumulative/non-cumulative). Inter-corporate deposits are estimated at their carrying amounts due to the short-term maturities of these deposits.

Off-balance sheet positions

Estimated fair values of off-balance sheet positions are based on the carrying amounts due to the short-term maturities of these positions.

Fair Value Measurement - Non-Financial assets

Reposessed House Property are non-financial assets which are measured at fair value through profit and loss. At the time of initial classification as assets held for sale, these assets are measured at the lower of carrying amount and fair value less cost to sell. The fair value of the assets is determined by an independent valuer. These assets are carried at the fair value determined on initial recognition, unless there are indicators of significant changes in real estate market condition requiring a re-valuation.

The non-recurring fair value measurement for the assets Reposessed House Property has been categorized as a Level 2 fair value based on the inputs to the valuation techniques used.

₹ in Lakhs

Particulars	Fair Value Hierarchy - Level 3	
	As at March 31, 2022	As at March 31, 2021
Non-Financial assets at fair value through profit or loss:		
Reposessed House Property	8,073.19	7,116.63
Total	8,073.19	7,116.63

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 48: RISK MANAGEMENT

Whilst risk is inherent in the Group's activities, it is managed through an integrated risk management framework including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to his or her responsibilities. The Group is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

48.1 Introduction and Risk Profile

48.1.1 Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Board has constituted the Audit & Risk Management Committee which is responsible for monitoring the overall risk process within the Group.

The Audit & Risk Management Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Audit & Risk Management Committee is responsible for managing risk decisions and monitoring risk levels.

The Chief Risk officer is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The Risk Owners within each department will report to the Risk Committee.

The Risk Owners are responsible for monitoring compliance with risk principles, policies and limits across the Group. Each department has its Risk owner who is responsible for the control of risks, including monitoring the actual risk of exposures against authorised limits and the assessment of risks.

The Group's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Group.

The Group's policy is that risk management processes throughout the Group are audited annually by the Internal Audit function, which examines both the adequacy of the procedures and the Group's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to Audit & Risk Management Committee.

48.1.2 Risk mitigation and risk culture

As part of its overall risk management, the Group can use derivatives and other instruments to manage exposures resulting from changes in interest rates and foreign currencies associated with foreign currency transactions.

48.1.3 Risk measurement and reporting systems

The Group's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment, as necessary.

The Group's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Information compiled from all the departments is examined and processed in order to analyse, control and identify risks on a timely basis. This information is presented and explained to the Audit & Risk Management Committee and the head of each department. The Audit & Risk Management Committee receives a comprehensive risk report once a quarter which is designed to provide all the necessary information to assess and conclude on the risks of the Group.

It is the Group's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Group is exposed to that they decide to take on. The Group's continuous training and development emphasises that employees are made aware of the Group's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Group's risk appetite limits.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 48: RISK MANAGEMENT (Contd.)

Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

48.1.4 Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on spreading its lending portfolio across all the states with a cap on maximum limit of exposure for a state and also for an individual / Group.

48.2 Credit Risk

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

Credit risk is monitored by the credit department of the Group. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit manager, as well as the business with tools like credit risk systems, policies, models and reporting.

The Group has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties.

The credit quality review process aims to allow the Group to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

The Group's internal credit rating grades on days past due (dpd) basis:

Internal rating grade	Internal rating description
Performing	
High grade	0 dpd
Standard grade	1 to 30 dpd
Sub-standard grade	31 to 60 dpd
Past due but not impaired	61 to 90 dpd
Non-performing	90+ dpd

48.2.1 Derivative financial instruments

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet.

With gross-settled derivatives, the Group is also exposed to a settlement risk, being the risk that the Group honours its obligation, but the counterparty fails to deliver the counter value.

48.2.2 Impairment assessment

The references below show where the Group impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the Summary of significant accounting policies.

The Group definition and assessment of default (Note 48.2.2.1).

- How the Group defines, calculates and monitors the probability of default, exposure at default and loss given default (Notes 48.2.2.2 to 48.2.2.4)
- When the Group considers there has been a significant increase in credit risk of an exposure (Note 48.2.2.5)
- The Group policy of segmenting financial assets where ECL is assessed on a collective basis (Note 48.2.2.5)
- The details of the ECL calculations for stage 1, stage 2 and stage 3 assets (Note 6.1.x)

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 48: RISK MANAGEMENT (Contd.)

48.2.2.1 Definition of default

The Group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikelihood to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

- The borrower requesting emergency funding from the Group.
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral.
- A covenant breach not waived by the Group.
- The debtor (or any legal entity within the debtor's Group) filing for bankruptcy application / protection.
- All the facilities of a borrower are treated as Stage 3 when one of his facility becomes 90 days past due i.e. credit impaired.

48.2.2.2 PD estimation process

It is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Group. While arriving at the PD, the Group also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. Group calculates the 12 month PD by taking into account the past historical trends of the portfolio and its credit performance. In case of assets where there is a significant increase in credit risk, lifetime PD has been applied which is computed based on survival analysis. For credit impaired assets, a PD of 100% has been applied.

48.2.2.3 Exposure at Default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Group assesses the possible default events within 12 months for the calculation of the 12 months ECL.

For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

In case of undrawn loan commitments, a credit conversion factor of 100% is applied for expected drawdown.

48.2.2.4 Loss Given Default (LGD)

LGD is an estimate of the loss arising in case where a default occurs. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, including from the realization of any security.

48.2.2.5 Significant increase in credit risk

The Group continuously monitors all assets subject to ECLs in order to determine whether an instrument or a portfolio of instruments is subject to 12 month ECL or lifetime ECL. The Group assesses whether there has been an event which could cause a significantly increase in the credit risk of the underlying asset or the customers ability to pay and accordingly change the 12 month ECL to a lifetime ECL.

In certain cases, the Group may also consider that events explained in Note 48.2.2.1 are a significant increase in credit risk as opposed to a default. Regardless of the above, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

When estimating ECLs on a collective basis for a Group of similar assets (as set out in Note 48.2.2.6), the Group applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 48: RISK MANAGEMENT (Contd.)

48.2.2.6 Forward looking information

The Group has incorporated forward looking information and macro-economic factors while calculating PD and LGD rate. Refer note 68.3 for impact of COVID-19 on estimate of PD, LGD and SICR.

48.2.2.7 Grouping financial assets measured on a collective basis

As explained in Note 6.1.x dependant on the factors below, the Group calculates ECLs only on a collective basis

The Group segments the exposure into smaller homogeneous portfolios, based on a combination of internal and external characteristics of the loans as described below.

1. Gold Loans
2. Auto Loans
3. MSME Loans
4. Two wheelers Loans
5. Personal Loans
6. Home Loan
7. Pre-Owned Two wheelers Loans
8. Loan against Property

48.2.3 Analysis of risk concentration

The maximum credit exposure to any individual client or counterparty as of March 31, 2022 was ₹ 1,925.45 Lakhs (March 31, 2021 ₹ 3,172.52 Lakhs)

Credit risk exposure analysis

₹ in Lakhs

Particulars	As at March 31, 2022				
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	POCI	Total
Normal	31,57,750.34	3,93,314.98	2,15,596.15	-	37,66,661.47
Repossessed	-	-	1,152.73	-	1,152.73
Total	31,57,750.34	3,93,314.98	2,16,748.88	-	37,67,814.20

₹ in Lakhs

Particulars	As at March 31, 2021				
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	POCI	Total
Normal	28,49,985.18	2,45,122.54	1,93,095.20	-	32,88,202.92
Repossessed	-	-	925.74	-	925.74
Total	28,49,985.18	2,45,122.54	1,94,020.94	-	32,89,128.66

48.3 Liquidity risk and funding management

In assessing the Group's liquidity position, consideration shall be given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds. The Group maintains a portfolio of marketable assets that are assumed to be easily liquidated and undrawn cash credit limits which can be used in the event of an unforeseen interruption in cash flow. The Group also enters into securitization deals (direct assignment as well as pass through certificates) of their loan portfolio, the funding from which can be accessed to meet liquidity needs. In accordance with the Group's policy, the liquidity position is assessed under a variety

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 48: RISK MANAGEMENT (Contd.)

of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Group. Net liquid assets consist of cash, short-term bank deposits and investments in mutual fund available for immediate sale, less issued securities and borrowings due to mature within the next month. Borrowings from banks and financial institutions, issue of debentures and bonds and acceptance of public deposits are considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings. Asset Liability Management Committee(ALCO) reviews or monitors Asset Liability Management (ALM) mismatch. ALCO conducts periodic reviews relating to the liquidity position and stress test assuming various what if scenarios.

The Board of Directors also approves constitution of Asset Liability Committee (ALCO), Asset Liability Management Committee(ALCO) reviews or monitors Asset Liability Management (ALM) mismatch. ALCO conducts periodic reviews relating to the liquidity position and stress test assuming various what if scenarios. The ALCO is responsible for ensuring adherence to the limits set by the Board as well as for deciding the business strategy of the Group in line with the Group's budget and decided risk management objectives. The ALCO is a decision-making unit responsible for balance sheet planning from risk-return perspective including strategic management of interest rate and liquidity risks. The ALCO also evaluates the Borrowing Plan of subsequent quarters on the basis of previous borrowings of the Group. The ALCO will be responsible for ensuring the adherence to the target set by the Board of Directors. The meetings of ALCO are held at quarterly intervals. The ALM Support Groups consisting of operating staff are responsible for analysing, monitoring and reporting the risk profiles to the ALCO. ALCO support group meets every fortnight. The minutes of ALCO meetings are placed before the Audit & Risk Management Committee and the Board of Directors in its next meeting for its ratification.

48.3.1. Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Group's financial assets and liabilities. All derivatives used for hedging and natural hedges are shown by maturity, based on their contractual undiscounted payment obligations. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Group expects that many customers will not request repayment on the earliest date as it could be required to pay and the table does not reflect the expected cash flows indicated by its deposit retention history.

MATURITY PATTERN OF ASSETS AND LIABILITIES AS ON MARCH 31, 2022:

Particulars	₹ in Lakhs						Total
	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	
Financial assets							
Cash and cash equivalents and Other Bank Balances	5,57,766.53	17,442.74	81,798.89	15,831.26	17,558.17	-	6,90,397.59
Trade Receivables	439.09	-	-	-	-	-	439.09
Loans	7,71,273.83	5,89,101.70	10,12,326.99	14,02,375.29	5,17,528.68	7,02,014.61	49,94,621.10
Financial investments at amortised cost	9,774.67	319.08	35,093.74	85,425.59	12.26	117.46	1,30,742.80
Financial investments at FVTOCI	42.49	41.29	80.42	332.57	338.74	8,078.69	8,914.20
Financial investments at FVTPL	493.53	-	-	273.24	273.24	273.24	1,313.25
Financial investments at Cost	37.37	29.05	38.30	23.08	-	-	127.80
Other Financial Assets	1,520.47	1,388.39	2,096.45	7,070.36	5,273.87	2,623.43	19,972.97
Total undiscounted financial assets	13,41,347.98	6,08,322.25	11,31,434.79	15,11,331.39	5,40,984.96	7,13,107.43	58,46,528.80

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 48: RISK MANAGEMENT (Contd.)

₹ in Lakhs

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial liabilities							
Derivative financial instruments	5.49	-	-	-	-	-	5.49
Other Payables	5,266.95	6.09	10.44	3.05	13.24	9.79	5,309.56
Deposits	48,133.02	62,871.72	1,10,603.99	3,84,837.61	1,88,934.50	-	7,95,380.84
Debt securities	67,070.58	48,059.66	2,03,240.81	3,53,044.47	24,935.75	1,89,841.28	8,86,192.55
Borrowings (other than debt securities)	3,34,259.37	3,20,655.17	5,00,101.49	8,79,880.95	2,41,771.72	49,835.31	23,26,504.01
Other Financial Liabilities	15,973.02	209.40	4,262.67	427.64	403.83	18,474.90	39,751.46
Total undiscounted financial liabilities	4,70,708.43	4,31,802.04	8,18,219.40	16,18,193.72	4,56,059.04	2,58,161.28	40,53,143.91
Net undiscounted financial assets/(liabilities)	8,70,639.55	1,76,520.21	3,13,215.39	(1,06,862.33)	84,925.92	4,54,946.15	17,93,384.89

Maturity pattern of assets and liabilities as on March 31, 2021:

₹ in Lakhs

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents and Other Bank Balances	4,17,872.85	43,078.43	60,082.38	9,456.87	-	11,496.79	5,41,987.32
Trade Receivables	229.99	-	-	-	-	-	229.99
Loans	5,96,957.15	5,31,214.78	9,34,760.56	12,60,752.52	3,96,343.55	6,17,746.44	43,37,775.00
Financial investments at amortised cost	3,329.90	81.18	70,492.48	9,537.99	12.26	115.33	83,569.14
Financial investments at FVTOCI	51.91	57.34	112.86	435.26	453.18	10,659.33	11,769.88
Financial investments at FVTPL	434.03	-	-	326.75	326.75	326.75	1,414.28
Financial investments at Cost	45.07	40.46	56.53	25.96	-	-	168.02
Other Financial Assets	953.66	1,081.56	1,408.36	4,929.33	4,425.53	4,103.28	16,901.72
Total undiscounted financial assets	10,19,874.56	5,75,553.75	10,66,913.17	12,85,464.68	4,01,561.27	6,44,447.92	49,93,815.35
Financial liabilities							
Other Payables	7,803.31	72.32	-	-	-	-	7,875.63
Deposits	31,881.41	42,230.72	96,637.94	3,30,862.56	1,51,442.33	-	6,53,054.96
Debt securities	57,034.92	14,023.28	1,05,051.59	3,36,134.57	35,261.60	25,928.10	5,73,434.06
Borrowings (other than debt securities)	4,25,673.15	3,18,500.48	3,76,761.25	6,18,639.32	2,42,872.71	82,758.09	20,65,205.00
Other Financial Liabilities	21,039.90	223.31	4,471.80	278.47	160.62	16,982.76	43,156.86
Total undiscounted financial liabilities	5,43,432.69	3,75,050.11	5,82,922.58	12,85,914.92	4,29,737.26	1,25,668.95	33,42,726.51
Net undiscounted financial assets/(liabilities)	4,76,441.87	2,00,503.64	4,83,990.59	(450.24)	(28,175.99)	5,18,778.97	16,51,088.84

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 48: RISK MANAGEMENT (Contd.)

The table below shows the contractual expiry by maturity of the Group's contingent liabilities and commitments: Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

₹ in Lakhs

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
As at March 31, 2022							
In respect of Income tax demands where the Group has filed appeal before various authorities	-	-	-	-	-	184.11	184.11
VAT demand where the Group has filed appeal before various Appellate	-	-	-	-	-	259.95	259.95
Service tax demand	-	-	-	-	-	8,019.29	8,019.29
Guarantees and counter guarantees	110.00	25.00	-	-	-	-	135.00
Estimated amount of contracts remaining to be executed on capital account, net of advances	652.26	-	-	-	-	-	652.26
Commitments related to loans sanctioned but undrawn	36,419.07	16,385.88	-	-	-	-	52,804.95
Total commitments	37,181.33	16,410.88	-	-	-	8,463.35	62,055.56

₹ in Lakhs

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
As at March 31, 2021							
In respect of Income tax demands where the Group has filed appeal before various authorities	-	-	-	-	-	116.45	116.45
VAT demand where the Group has filed appeal before various Appellate	-	-	-	-	-	259.95	259.95
Service tax demand	-	-	-	-	-	8,019.29	8,019.29
Guarantees and counter guarantees	-	-	-	110.00	-	25.00	135.00
Estimated amount of contracts remaining to be executed on capital account, net of advances	302.41	24.56	-	-	-	-	326.97
Commitments related to loans sanctioned but undrawn	23,786.60	-	-	-	-	-	23,786.60
Total commitments	24,089.01	24.56	-	110.00	-	8,420.69	32,644.26

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 48: RISK MANAGEMENT (Contd.)

48.4 Market Risk

Market risk is that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Group classifies exposures to market risk into either trading or non-trading portfolios and manages each of those portfolios separately.

Interest rate risk

The Group exposure to changes in interest rates relates to the Group outstanding floating rate liabilities. Outstanding liability which are on fixed rate basis are not subject to interest rate risk. Only borrowings that are linked to rate benchmarks such as Bank MCLR and Mumbai Inter-Bank Offer Rate (MIBOR) are subject to interest rate risk. The sensitivity of the Group floating rate borrowings to change in interest rate (assuming all other variables constant) is given below

AS AT MARCH 31, 2022

₹ in Lakhs

Particulars	Carrying amount	Favourable change 1% decrease	Unfavourable change 1% increase
Debt securities	20,000.00	200.00	(200.00)
Term Loans - Bank	11,39,121.56	1,19,153.48	(94,779.35)
Term Loans - National Housing Bank	55,463.27	554.63	(554.63)
Term Loans - Financial Institution	78,768.49	9,685.95	(7,658.82)
Loans & Advances	2,10,315.57	(2,103.16)	2,103.16
Total floating rate borrowings	15,03,668.89	1,27,490.90	(1,01,089.64)

As at March 31, 2021

₹ in Lakhs

Particulars	Carrying amount	Favourable change 1% decrease	Unfavourable change 1% increase
Term Loans - Bank	9,87,095.63	98,895.48	(79,283.06)
Term Loans - National Housing Bank	8,981.52	89.82	(89.82)
Term Loans - Financial Institution	2,78,637.32	38,692.44	(29,772.30)
Loans & Advances	2,49,808.10	(2,498.08)	2,498.08
Total floating rate borrowings	15,24,522.57	1,35,179.66	(1,06,647.10)

Fair value sensitivity analysis for fixed rate instruments

The Group fixed rate instruments are carried at amortised cost and are not measured for interest rate risk, as neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

Currency Risk

The Group is exposed to currency risk on account of its borrowings in foreign currency. The fluctuation currency of the Group is Indian Rupee. The Group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

The Group does not use derivative financial instruments for trading or speculative purposes.

Following are the forward contracts to hedge the foreign exchange rate

Particulars	Purpose	Currency	Cross Currency	March 31, 2022	March 31, 2021
Forward Contract (principal)	Term Loan	USD	₹	5,218.44	NA

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 49 : DISCLOSURE UNDER THE MSME ACT 2006, (AS PER THE INTIMATION RECEIVED FROM THE VENDOR)

Based on the intimation received by the Group, some of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:

Particulars	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
The principal amount remaining unpaid to supplier as at the end of the year	6.39	18.90
The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

NOTE 50: EXPENDITURE IN FOREIGN CURRENCY: Nil (March 31, 2021: ₹ 623.25 Lakhs)

NOTE 51: The Group had no discontinuing operations during the year ended March 31, 2022 and March 31, 2021.

NOTE 52: EVENTS AFTER REPORTING DATE

There have been no events after the reporting date, which warrants adjustments to be made in the financials statement prepare for the year ended March 31, 2022.

NOTE 53: TRANSFERRED FINANCIAL ASSETS THAT ARE NOT DERECOGNISED IN THEIR ENTIRETY

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

53.1 Shriram City Union Finance Limited

Particulars	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Securitisations		
Carrying amount of transferred assets measured at amortised cost (Held as collateral)	2,17,363.26	3,44,849.01
Carrying amount of associated liabilities (Borrowings (other than debt securities)-measured at amortised cost)	2,10,013.63	3,38,459.12
Fair value of assets	2,23,304.71	3,58,964.40
Fair value of associated liabilities	2,26,362.80	3,72,624.36
Net position at Fair Value	(3,058.09)	(13,659.96)

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 53: TRANSFERRED FINANCIAL ASSETS THAT ARE NOT DERECOGNISED IN THEIR ENTIRETY (Contd.)

53.2 Shriram Housing Finance Limited

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Securitisations		
Carrying amount of transferred assets measured at amortised cost (Held as collateral)	5,773.16	7,161.27
Carrying amount of associated liabilities (Borrowings (other than debt securities) - measured at amortised cost)	5,777.43	7,412.99
Fair value of assets	5,773.16	7,161.27
Fair value of associated liabilities	5,777.43	7,412.99
Net position at Fair Value	(4.27)	(251.72)

NOTE 54: TRANSFERRED FINANCIAL ASSETS THAT ARE DERECOGNISED IN THEIR ENTIRETY

54.1 Shriram City Union Finance Limited

The Company has assigned loans (earlier measured at amortised cost) by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 90% of the assets transferred to the buyer, the assets have been de-recognised from the Company's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets:

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Direct assignment		
Carrying amount of transferred assets measured at amortised cost	8,215.46	10,419.30
Carrying amount of exposures retained by the Company at amortised cost	876.20	1,009.52

54.2 Shriram Housing Finance Limited

The Company has assigned loans (earlier measured at amortised cost) by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 90%, 80% and 87% of the assets transferred to the buyer, the assets have been de-recognised from the Company's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets:

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Direct assignment		
Carrying amount of transferred assets measured at amortised cost	77,522.81	50,034.13
Carrying amount of exposures retained by the Company at amortised cost	11,234.59	8,923.94

NOTE 55: TRANSFERRED FINANCIAL ASSETS THAT ARE DERECOGNISED IN THEIR ENTIRETY BUT WHERE THE COMPANY HAS CONTINUING INVOLVEMENT

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 56: DISCLOSURE RELATING TO SECURITISATION (NON STC)

Disclosure as per RBI Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 dated September 24, 2021

56.1.1 Shriram City Union Finance Limited

The information on securitisation of the Company as an originator in respect of securitisation transaction done during the year is given below

₹ in Lakhs			
S. No.	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
1	Total number of transactions under par structure	9	9
2	Total book value of assets	2,20,835.52	2,11,842.97
3	Sale consideration received	2,20,835.52	2,11,842.97

56.1.2 Shriram Housing Finance Limited

The information on securitisation of the Company as an originator in respect of securitisation transaction done during the year is given below

₹ in Lakhs			
S. No.	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
1	Total number of transactions under par structure	-	1
2	Total book value of assets	-	4,068.74
3	Sale consideration received	-	4,068.74

56.2 Disclosures to be made in Notes to Accounts by originators

56.2.1 Shriram City Union Finance Limited

₹ in Lakhs			
S. No.	Particulars	As at March 31, 2022	As at March 31, 2021
1	No of SPEs holding assets for securitisation transactions originated by the originator	20	23
2	Total amount of securitised assets as per books of the SPEs	2,17,363.26	3,44,849.01
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet	81,976.50	97,715.10
	a) Off-balance sheet exposures		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	First loss	81,852.90	97,554.28
	Others	123.60	160.82
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 56: DISCLOSURE RELATING TO SECURITISATION (NON STC) (Contd.)

₹ in Lakhs

S. No.	Particulars	As at March 31, 2022	As at March 31, 2021
b)	On-balance sheet exposures		
i)	Exposure to own securitisations		
	First loss	-	-
	Others	-	-
ii)	Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
5	Sale consideration received for the securitised assets and gain/ loss on sale on account of securitisation		
(a)	Sale consideration	2,20,835.52	2,11,842.97
(b)	Gain / Loss on securitisation	-	-
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
7	Performance of facility provided -Credit enhancement		
a)	Amount paid	70,115.57	97,554.28
b)	Repayment received	85,816.95	70,520.71
c)	Outstanding amount	81,852.90	97,554.28
8	Average default rate of portfolios observed in the past.		
a)	Trade Finance	1.12%	0.18%
b)	Personal Loans	1.28%	-
c)	Vehicle Loans	1.49%	0.88%
9	Amount and number of additional / top up loan given on same underlying asset.	-	-
10	Investor complaints (a) Directly / Indirectly received and; (b) Complaints outstanding	-	-

56.2.2 Shriram Housing Finance Limited

₹ in Lakhs

S. No.	Particulars	As at March 31, 2022	As at March 31, 2021
1	No of SPEs holding assets for securitisation transactions originated by the originator	2	2
2	Total amount of securitised assets as per books of the SPEs	5,773.16	7,161.27
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet	1,298.50	1,298.50
a)	Off-balance sheet exposures		
	First loss	-	-
	Others	-	-
b)	On-balance sheet exposures		
	First loss	1,298.50	1,298.50
	Others	-	-
4	Amount of exposures to securitisation transactions other than MRR		
a)	Off-balance sheet exposures		
i)	Exposure to own securitisations		
	First loss	-	-
	Others	-	-

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 56: DISCLOSURE RELATING TO SECURITISATION (NON STC) (Contd.)

		₹ in Lakhs	
S. No.	Particulars	As at March 31, 2022	As at March 31, 2021
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
5	Sale consideration received for the securitised assets and gain/ loss on sale on account of securitisation		
	(a) Sale consideration	-	4,068.74
	(b) Gain / Loss on securitisation	-	-
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
7	Performance of facility provided -Credit enhancement		
	a) Amount paid	-	651.00
	b) Repayment received	-	-
	c) Outstanding amount	1,298.50	1,298.50
8	Average default rate of portfolios observed in the past.		
	a) Housing Loan	0.20%	-
9	Amount and number of additional / top up loan given on same underlying asset.		
10	Investor complaints (a) Directly / Indirectly received and; (b) Complaints outstanding		

There are no transaction in nature of STC for the year ended March 31, 2022 and March 31, 2021

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 57: DISCLOSURE RELATING ASSIGNMENT

57.1.1 Shriram City Union Finance Limited

- (i) The information on Direct Assignment of the Company as an originator in respect of outstanding amount of assets assigned under par structure is given below

		₹ in Lakhs	
S. No.	Particulars	As at March 31, 2022	As at March 31, 2021
1	No of transactions Assigned by the Company	2	5
2	Total amount of Outstanding	8,215.46	10,419.30
3	Total amount of exposures retained by the Company to comply with MRR as on the date of Balance Sheet	876.20	1,009.52
	a) Off-balance sheet exposures		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	First loss	-	-
	Others	876.20	1,009.52
4	Amount of exposures to Assigned transaction other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
5	Sale consideration received for the securitised assets and gain/ loss on sale on account of securitisation		
	(a) Sale consideration	4,570.02	-
	(b) Gain / Loss on securitisation	210.38	-
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
7	Performance of facility provided - Credit enhancement		
	a) Amount paid	-	-
	b) Repayment received	-	-
	c) Outstanding amount	-	-
8	Average default rate of portfolios observed in the past.		
	a) Trade Finance	0.12%	0.03%
	b) Personal Loans	-	-
	c) Vehicle Loans	-	0.40%
9	Amount and number of additional / top up loan given on same underlying asset.	-	-
10	Investor complaints (a) Directly / Indirectly received and; (b) Complaints outstanding	-	-

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 57: DISCLOSURE RELATING ASSIGNMENT (Contd.)

- (ii) There are no transaction in nature of Direct Assignment wherein the Company as an originator had assets assigned under premium structure as on March 31, 2022 and March 31, 2021.

57.1.2 Shriram Housing Finance Limited

- (i) The information on Direct Assignment of the Company as an originator in respect of outstanding amount of assets assigned under par structure is given below

S. No.	Particulars	₹ in Lakhs	
		As at March 31, 2022	As at March 31, 2021
1	No of transactions Assigned by the Company	22	12
2	Total amount of Outstanding	77,522.81	50,034.13
3	Total amount of exposures retained by the Company to comply with MRR as on the date of Balance Sheet	11,234.59	8,923.94
	a) Off-balance sheet exposures		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	First loss	-	-
	Others	11,234.59	8,923.94
4	Amount of exposures to Assigned transaction other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
5	Sale consideration received for the securitised assets and gain/ loss on sale on account of securitisation		
	(a) Sale consideration	42,649.74	30,411.59
	(b) Gain / Loss on securitisation	5,508.35	7,390.05
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
7	Performance of facility provided - Credit enhancement		
	a) Amount paid	-	-
	b) Repayment received	-	-
	c) Outstanding amount	-	-
8	Average default rate of portfolios observed in the past.		
	a) Housing Loan	0.19%	0.06%
	b) Non Housing Loan	0.15%	0.03%
9	Amount and number of additional / top up loan given on same underlying asset.		
10	Investor complaints (a) Directly / Indirectly received and; (b) Complaints outstanding.		

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 57: DISCLOSURE RELATING ASSIGNMENT (Contd.)

(ii) There are no transaction in nature of Direct Assignment wherein the Company as an originator had assets assigned under premium structure as on March 31, 2022 and March 31, 2021.

57.2 The Group has not sold any financial assets to Securitisation/Reconstruction company for asset reconstruction for the year ended March 31, 2022 and March 31, 2021.

57.3 The Group has not purchased/sold non-performing assets for the year ended March 31, 2022 and March 31, 2021

NOTE 58: INVESTMENTS

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
(1) Value of investments		
(i) Gross value of investments		
(a) In India	1,23,446.67	82,736.72
(b) Outside India,	7,515.00	9,686.10
(ii) Provisions for depreciation		
(a) In India	13.50	8.51
(b) Outside India,	-	-
(iii) Net value of investments		
(a) In India	1,23,433.17	82,728.21
(b) Outside India,	7,515.00	9,686.10
(2) Movement of provisions held towards depreciation on investments		
(i) Opening balance	8.51	1.81
(ii) Add : Provisions made during the year	11.58	7.27
(iii) Less : Write-off/write-back of excess provisions during the year	(6.59)	(0.57)
(iv) Closing balance	13.50	8.51

NOTE 59: DERIVATIVES

59.1 Forward rate agreement/Interest rate swap: NIL

59.2 Exchange Traded interest rate (IR) derivatives : NIL

NOTE 60: RATING ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS DURING THE YEAR

60.1 Shriram City Union Finance Limited

Rating Agency	Rating Instrument	As at March 31, 2022	As at March 31, 2021
India Ratings	Long-Term (NCDs)	IND AA/ Positive	IND AA/ Stable
	Long-Term (NCDs-MLD)	IND PP-MLD AAemr/ Positive	IND PP-MLD AAemr/ Stable
	Bank Loan Ratings	IND AA/ Positive	IND AA/ Stable
	Fixed deposit	NA	IND tAA/ Stable
CARE	Long-Term (NCDs)	CARE AA	CARE AA+ /Stable
	Short-Term (CP)	CARE A1+	CARE A1+
	Fixed deposit	CARE AA	CARE AA /Stable
ICRA	Long-Term (NCDs)	ICRA AA	ICRA AA / Stable
	Long-Term (NCDs-MLD)	ICRA PP-MLD AA	ICRA PP-MLD AA/Stable
	Short-Term (CP)	ICRA A1+	ICRA A1+
	Fixed deposit	MAA+ /Stable	MAA+ / Stable
CRISIL	Long-Term (NCDs)	CRISIL AA	CRISIL AA / Stable
	Short-Term (CP)	CRISIL A1+	CRISIL A1+

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 60: RATING ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS DURING THE YEAR (Contd.)

60.2 Shriram Housing Finance Limited

Rating Agency	Rating Instrument	As at March 31, 2022	As at March 31, 2021
India Ratings	Long-Term (NCDs)	IND AA	IND AA
	Bank Loan Ratings	IND AA	IND AA
CARE	Long-Term (NCDs)	CARE AA	CARE AA
	Short-Term (CP)	CARE A1+	CARE A1+
	Long-Term Bank Loan Ratings	CARE AA	CARE AA
	Subordinate Debts	CARE AA	CARE AA
CRISIL	Bank Loan Ratings	CRISIL AA	CRISIL AA
	Long-Term (NCDs)	CRISIL AA	CRISIL AA

NOTE 61: EXPOSURE TO REAL ESTATE SECTOR

₹ in Lakhs

S. No.	Particulars	As at March 31, 2022	As at March 31, 2021
i)	Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	3,99,957.89	3,02,057.42
ii)	Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	64,977.71	62,103.56
iii)	Investments in Mortgage Backed Securities(MBS) and other securitised exposures -		
	Residential	-	14.15
	Commercial Real Estate	-	-
	Total Exposure to Real Estate Sector	4,64,935.60	3,64,175.13

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 62: EXPOSURE TO CAPITAL MARKET

₹ in Lakhs

S. No.	Particulars	As at March 31, 2022	As at March 31, 2021
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	8,008.53	10,274.66
(ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/ convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares/bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows/issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Total exposure to capital market	8,008.53	10,274.66

NOTE 63: DETAILS OF FINANCING OF PARENT COMPANY PRODUCTS

The Group does not have any Parent Company, hence not applicable.

NOTE 64: DETAILS OF SINGLE BORROWER LIMIT (SGL) / GROUP BORROWER LIMIT (GBL) EXCEEDED BY THE NBFC

The Group has not exceeded the prudential exposure limits for Single Borrower Limit (SGL) / Group Borrower Limit (GBL) during the year ended March 31, 2022 and March 31, 2021

NOTE 65: UNSECURED ADVANCES

The Group has not granted unsecured advances against collateral of intangible securities such as charge over the rights, licenses or authority.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 66: PROVISIONS AND CONTINGENCIES

66.1 Shriram City Union Finance Limited

₹ in Lakhs

Break up of 'Provisions and contingencies' shown under the head expenditure in Profit and Loss account	Year ended March 31, 2022	Year ended March 31, 2021
Provisions for depreciation on investments	0.08	6.47
Provision towards NPA #	3,064.61	(9,804.56)
Provision made towards income tax ##	37,504.87	37,844.33
Provision for Standard Assets ###	403.91	9,912.24
Provision towards impairment of financial instruments other than provision for stage 3 assets	43.53	171.58

Expected Credit Loss Provision for stage 3 assets.

Provision made towards income tax comprises of current tax, deferred tax and tax adjustment for earlier years.

Provision for standard assets is included in provision towards impairment of financial instruments other than provision for stage 3 assets.

66.2 Shriram Housing Finance Limited

₹ in Lakhs

Break up of 'Provisions and contingencies' shown under the head expenditure in Profit and Loss account	Year ended March 31, 2022	Year ended March 31, 2021
Provisions for depreciation on investments ##	4.92	0.21
Provision towards NPA#	437.05	347.71
Provision made towards income tax	2,880.29	2,185.31
Provision for Standard Assets#	960.22	905.45
Provision for Undrawn commitment	164.25	(21.93)
Provision for Covid-19 impact	(1,000.00)	-
Provision for Assignment Receivables	(242.43)	185.53

Amount shown is as per expected credit loss(ECL) of loans & non funded exposure as per Ind AS.

Amount shown is as per expected credit loss(ECL) of investment & ECL on interest on investment as per Ind AS .

NOTE 67: DRAW DOWN FROM RESERVES

The draw down from reserves was Nil during the year ended March 31, 2022 and March 31, 2021.

NOTE 68: CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAS

68.1.1 Shriram City Union Finance Limited

a) Concentration of deposits (for deposit taking NBFCs)

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Total deposits of twenty largest depositors	15,759.51	13,448.28
Percentage of deposits of twenty largest depositors to total deposits of the NBFC	2.31%	2.43%

b) Concentration of advances

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Total advances to twenty largest borrowers	17,357.94	22,622.75
Percentage of advances to twenty largest borrowers to total advances of the NBFC	0.52%	0.77%

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 68: CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAS (Contd.)

c) Concentration of exposures

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Total exposure to twenty largest borrowers/customers	17,357.94	22,622.75
Percentage of exposures to twenty largest borrowers/customers to total exposure of the NBFC on borrowers/customers	0.52%	0.77%

d) Concentration of NPAs[#]

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Total Exposure to top four NPA accounts	4,176.21	4,016.98

[#] NPA accounts refer to stage 3 assets.

e) Sector-wise NPAs[#]

S. No	Sector	As at March 31, 2022	As at March 31, 2021
		Percentage of NPAs to Total Advances in that sector	Percentage of NPAs to Total Advances in that sector
1	Agriculture & allied activities	-	-
2	MSME / Corporate borrowers	7.03%	7.26%
3	Services	-	-
4	Loan Against Property	0.47%	-
5	Unsecured personal loans	9.25%	10.86%
6	Auto loans		
	i) Auto Loans	9.87%	8.56%
	ii) Two wheeler	6.04%	5.80%
	iii) Pre Owned Two Wheeler	6.28%	2.21%
7	Other personal loans		
	i) Consumer Durable	-	-
	ii) Pledged Jewel	1.99%	2.86%
8	Others	0.70%	1.04%

[#] NPA accounts refer to stage 3 assets.

68.1.2 Shriram Housing Finance Limited

a) Concentration of Public Deposits

₹ in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Total Deposits of twenty largest depositors		
Percentage of Deposits of twenty largest depositors to Total Deposits of the HFC	N.A.	N.A.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 68: CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAS (Contd.)

b) Concentration of Loans & Advances

Particulars	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Total Loans & Advances to twenty largest borrowers	26,669.12	22,940.75
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	5.90%	6.77%

c) Concentration of all Exposure (including off-balance sheet exposure)

Particulars	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Total Exposure to twenty largest borrowers /customers	35,637.12	26,779.85
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	7.15%	7.50%

d) Concentration of NPAs*

Particulars	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Total Exposure to top ten NPA accounts	1,494.77	1,556.24

* NPA accounts refer to stage 3 assets.

e) Sector-wise NPAs

S. No	Sector	₹ in Lakhs	
		As at March 31, 2022	As at March 31, 2021
		Percentage of NPAs to Total Advances in that sector	Percentage of NPAs to Total Advances in that sector
A	Housing Loans:		
1	Individuals	0.74%	0.59%
2	Builders/Project Loan	-	0.17%
3	Corporates	0.13%	-
4	Others (specify)	-	-
B.	Non-Housing Loans:		
1	Individuals	1.84%	2.13%
2	Builders/Project Loan	-	-
3	Corporates	0.37%	0.60%
4	Others (specify)	-	-

*NPA accounts refer to stage 3 assets.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 68: CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAS (Contd.)

68.2 Movement of NPAs

68.2.1 Shriram City Union Finance Limited

₹ in Lakhs

S. No	Particulars	As at March 31, 2022	As at March 31, 2021
(i)	Net NPAs to Net Advances (%)	3.30%	3.08%
	Movement of NPAs (Gross)		
(ii)	(a) Opening balance	1,87,598.74	2,26,293.73
	(b) Additions during the year	1,80,611.56	1,00,911.35
	(c) Reductions during the year	(1,59,341.10)	(1,39,606.34)
	(d) Closing balance	2,08,869.20	1,87,598.74
	Movement of Net NPAs		
(iii)	(a) Opening balance	87,728.16	1,16,618.59
	(b) Additions during the year	91,930.47	25,800.76
	(c) Reductions during the year	(73,724.62)	(54,691.19)
	(d) Closing balance	1,05,934.01	87,728.16
	Movement of provisions for NPAs (excluding provisions on standard assets)		
(iv)	(a) Opening balance	99,870.58	1,09,675.14
	(b) Provisions made during the year	88,681.09	75,110.59
	(c) Write-off / write-back of excess provisions	(85,616.48)	(84,915.15)
	(d) Closing balance	1,02,935.19	99,870.58

NPA accounts refer to stage 3 assets.

68.2.2 Shriram Housing Finance Limited

₹ in Lakhs

S. No	Particulars	As at March 31, 2022	As at March 31, 2021
(i)	Net NPAs to Net Advances (%)	1.32%	1.47%
	Movement of NPAs (Gross)		
(ii)	(a) Opening balance	6,422.18	4,884.02
	(b) Additions during the year	4,730.70	3,003.58
	(c) Reductions during the year	(3,273.20)	(1,465.42)
	(d) Closing balance	7,879.68	6,422.18
	Movement of Net NPAs		
(iii)	(a) Opening balance	5,015.51	3,825.08
	(b) Additions during the year	3,556.54	2,305.64
	(c) Reductions during the year	(2,536.09)	(1,115.21)
	(d) Closing balance	6,035.96	5,015.51
	Movement of provisions for NPAs (excluding provisions on standard assets)		
(iv)	(a) Opening balance	1,406.67	1,058.94
	(b) Provisions made during the year	1,174.16	720.14
	(c) Write-off / write-back of excess provisions	(737.11)	(372.41)
	(d) Closing balance	1,843.72	1,406.67

NPA accounts refer to stage 3 assets.

Note 68.3: As at March 31, 2022, additional ECL provision on loan assets as management overlay on account of COVID-19 stood at ₹ 42,553.44 Lakhs (March 31, 2021: ₹ 71,876.72 Lakhs). The additional ECL provision on account of COVID-19 is based on the Group's historical experience, collection efficiencies till date, internal assessment on the impacted segments and other emerging forward looking factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic. The Group's management is continuously monitoring the situation and the economic factors affecting the operations of the Group.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 69: OVERSEAS ASSETS (FOR THOSE WITH JOINT VENTURES AND SUBSIDIARIES ABROAD)

The Group does not have any joint venture or subsidiary abroad, hence not applicable.

NOTE 70: OFF-BALANCE SHEET SPVS SPONSORED (WHICH ARE REQUIRED TO BE CONSOLIDATED AS PER ACCOUNTING NORMS)

The Group has not sponsored any off-balance sheet SPV which are required to be consolidated as per accounting norms.

NOTE 71: CUSTOMER COMPLAINTS

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) Number of complaints pending at the beginning of the year	2	25
(b) Number of complaints received during the year	5,752	2,982
(c) Number of complaints redressed during the year	5,751	3,005
(d) Number of complaints pending at the end of the year	3	2

NOTE 72: DISCLOSURE OF PENALTIES IMPOSED BY RBI AND OTHER REGULATORS

72.1 Shriram city union Finance Limited

No penalties have been levied by any regulator on the Company for the year ended March 31, 2022.

Details for penalties levied for the year ended March 31, 2021 as follows.

₹ in Lakhs								
S. No	Authority	Details of non-compliance made by the Company for which penalty has been levied	Penalty levied	Penalty paid	Penalty provided	Penalty Waived/Reduced/Stay Received	Date of payment	Status as on March 31, 2021
1	Reserve Bank of India	Non-Compliance with directions issued by RBI on verification of the ownership of gold jewellery	5.00	5.00	Nil	Nil	October 12, 2020	Paid
2	Financial Intelligence Unit - India	Failure of the Company to file CTR, to evolve an internal mechanism for detecting the transactions, to put in place of an effective mechanism to detect and report suspicious transactions, to undertake risk categorization of the customers and to conduct periodical review of risk categorization, to identify and verify the Beneficial Owner	4.50	4.50	Nil	Nil	January 1, 2021	Paid

72.2 Shriram Housing Finance Limited

No penalties have been imposed by NHB or any other regulators for the year ended March 31, 2022 and March 31, 2021.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 73: The Group invoked resolution plans to relieve COVID-19 pandemic related stress to eligible borrowers. The resolution plans are based on the parameters laid down in the resolution policy approved by the Board of Directors of the Group and in accordance with the guidelines issued by the RBI on August 6, 2020 and May 5, 2021. The staging of accounts and provisioning for the eligible accounts where the resolution plans are invoked and implemented is in accordance with the Board Approved Policy in this regard.

73.1 Disclosures pursuant to RBI Notification - RBI/2020-21/16 DOR.No.BP/BC/3/21.04.048/2020-21 dated August 6, 2020 and RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021: Resolution of Covid-19 related stress of individuals and Small Businesses

₹ in Lakhs

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of March 31, 2021 (A)	Of (A), aggregate debt that slipped into NPA during the year	Of (A) amount written off during the year	Of (A) amount paid by the borrowers during the year	Addition on account of implementation of resolution during the year end of March 31, 2022	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position at the end of March 31, 2022
Personal Loans	5,819.29	894.26	-	359.05	9,467.29	14,033.27
Corporate persons*	13,091.72	5,110.87	54.47	1,931.37	13,468.97	19,463.98
Of which, MSMEs	13,091.72	5,110.87	54.47	1,931.37	13,468.97	19,463.98
Others	2,143.03	1,013.39	4.31	99.83	2,130.43	3,155.93
Total	21,054.04	7,018.52	58.78	2,390.25	25,066.69	36,653.18

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

73.2 Disclosure as per format prescribed under notification no. RBI/2020-21/17 DOR.No.BP/BC/4/21 04.048/2020-21 (for restructuring of accounts of Micro, Small and Medium Enterprises (MSME) sector - Restructuring of Advances having exposure less than or equal to ₹ 25 crores) for the year ended March 31, 2022

₹ in Lakhs

No. of accounts restructured *	Amount
548	14,925.43

* relates to accounts restructured under COVID 1.0 framework

NOTE 74: COMPLIANCE WITH APPROVED SCHEME(S) OF ARRANGEMENTS

The Board of Directors of the Company in its meeting held on December 13, 2021 has approved a Composite Scheme of Arrangement and Amalgamation ("Scheme"), inter alia, involving amalgamation of Shriram Capital Limited (after de-merger of a few undertakings from the said Shriram Capital Limited) and the Company with Shriram Transport Finance Company Limited under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The said Scheme is effective upon approval of shareholders, creditors, Hon'ble National Company Law Tribunal, Reserve Bank of India and other regulatory and statutory approvals as applicable with an appointed date of April 1, 2022. The Company has already initiated process for the approval of the Scheme by various statutory authorities. The Company has received Observation letters dated March 15, 2022 and March 16, 2022 from BSE Limited (designated Stock Exchange) and National Stock Exchange of India Limited respectively. The financial statements are for the year ended March 31, 2022, which is prior to the appointed date i.e. April 1, 2022 and as such the approval / implementation of Scheme has no implications on these financial statements.

NOTE 75: The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Group towards Provident Fund and Gratuity. The effective date from which changes are applicable is yet to be notified and the rules thereunder are yet to be announced. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 76: CHANGE IN THE PROCESS OF NPA CLASSIFICATION

Pursuant to the RBI circular dated November 12, 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications", the Group has aligned its definition of default from "Days Past Due Approach as on reporting date" to "Days Past Due Approach as on Day end" with effect from November 12, 2021. Had the Group followed the earlier method, the profit before tax for the period ended March 31, 2022 would have been higher by ₹ 6,338.89 Lakhs.

NOTE 77: DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

The Group has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2022 and March 31, 2021.

NOTE 78: DETAILS OF BENAMI PROPERTY HELD

No proceedings have been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2022 and March 31, 2021.

NOTE 79: WILFUL DEFAULTER

The Group is not declared as a wilful defaulter by any bank or financial institution or other lender in the financial years ended March 31, 2022 and March 31, 2021.

NOTE 80: RELATIONSHIP WITH STRUCK OFF COMPANIES

The Group has not undertaken any transactions with any company whose name is struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 in the financial years ended March 31, 2022 and March 31, 2021.

NOTE 81: REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES (ROC)

All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2022 and March 31, 2021. No charges or satisfactions are yet to be registered with ROC beyond the statutory period.

NOTE 82: COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES

The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2022 and March 31, 2021.

NOTE 83: UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM

The Group, as part of its normal business, grants loans and advances, makes investment, provides guarantees to and accept deposits and borrowings from its customers, other entities and persons. These transactions are part of Group's normal non-banking finance business, which is conducted ensuring adherence to all regulatory requirements. Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries). The Group has also not received any fund from any parties (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTE 84: UNDISCLOSED INCOME

There are no transactions in nature of undisclosed income.

NOTE 85: DETAILS OF STRESSED LOANS TRANSFERRED/ACQUIRED DURING THE YEAR

The Group has neither acquired nor transferred any stressed loans during the year ended March 31, 2022.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 86: DISCLOSURE OF FRAUDS REPORTED DURING THE YEAR ENDED MARCH 31, 2022 VIDE DNBS. PD. CC NO. 256/03.10.042/2011-12 DATED 02 MARCH, 2012

86.1 Shriram City Union Finance Limited

Instances of fraud for the year ended March 31, 2022:

₹ in Lakhs

Particulars	Less than ₹ 1 Lakh		₹ 1 Lakh to ₹25 Lakhs		Greater than ₹ 25 Lakhs		Total	
	Number	Value	Number	Value	Number	Value	Number	Value
A) Person involved								
Staff	-	-	-	-	-	-	-	-
Staff & Customer	-	-	-	-	-	-	-	-
Customer	1	0.70	-	-	-	-	1	0.70
Customer & Outsider	-	-	-	-	-	-	-	-
Staff, Customer & Outsider	-	-	-	-	-	-	-	-
Total	1	0.70	-	-	-	-	1	0.70
B) Type of Fraud								
Misappropriation and Criminal breach of trust	-	-	-	-	-	-	-	-
Fraudulent encashment/ manipulation of books of accounts	-	-	-	-	-	-	-	-
Unauthorised credit facility extended	-	-	-	-	-	-	-	-
Cheating and Forgery	1	0.70	-	-	-	-	1	0.70
Total	1	0.70	-	-	-	-	1	0.70

Instances of fraud for the year ended March 31, 2021:

₹ in Lakhs

Particulars	Less than ₹ 1 Lakh		₹ 1 Lakh to ₹ 25 Lakhs		Greater than ₹ 25 Lakhs		Total	
	Number	Value	Number	Value	Number	Value	Number	Value
A) Person involved								
Staff	-	-	-	-	-	-	-	-
Staff & Customer	-	-	2	5.00	-	-	2	5.00
Customer	-	-	-	-	-	-	-	-
Customer & Outsider	-	-	-	-	-	-	-	-
Staff, Customer & Outsider	-	-	-	-	-	-	-	-
Total	-	-	2	5.00	-	-	2	5.00
B) Type of Fraud								
Misappropriation and Criminal breach of trust	-	-	-	-	-	-	-	-
Fraudulent encashment/ manipulation of books of accounts	-	-	-	-	-	-	-	-
Unauthorised credit facility extended	-	-	-	-	-	-	-	-
Cheating and Forgery	-	-	2	5.00	-	-	2	5.00
Total	-	-	2	5.00	-	-	2	5.00

"- "represents Nil

86.2 Shriram Housing Finance Limited

Instances of fraud for the year ended March 31, 2022: Nil

Instances of fraud for the year ended March 31, 2021: Two frauds were detected during the year ended March 31, 2021 and was duly reported to the Board and National Housing Bank. While in one case, the fraud was detected before the disbursement of loan and hence there was no principal loss to the subsidiary company, in the second case, the loan outstanding of ₹ 22.40 Lakhs was fully written off during the year.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

NOTE 87: ASSET LIABILITY MANAGEMENT MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES

As at March 31, 2022

₹ in Lakhs

Particulars	0 to 7 days	8 to 14 days	15 to 30/31 Days	Over 1 month upto 2 Months	Over 2 months upto 3 Months	Over 3 months & upto 6 Months	Over 6 Months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	2,495.92	2,982.13	9,675.57	14,217.52	18,143.29	60,939.01	1,04,216.23	3,29,061.66	1,41,107.31	-	6,82,838.64
Advances*	1,51,814.79	55,984.74	59,636.75	1,68,509.39	1,78,370.53	4,62,697.04	8,14,760.91	11,28,944.83	3,15,199.72	2,18,680.93	35,54,599.63
Investments	-	282.41	578.58	852.43	7,900.71	139.37	31,708.82	80,944.14	486.75	8,054.96	1,30,948.17
Borrowings	39,068.14	12,017.89	64,343.17	55,504.50	95,391.35	2,80,946.78	8,39,586.70	9,94,930.79	2,30,316.45	1,59,112.26	27,71,218.03
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

As at March 31, 2021

₹ in Lakhs

Particulars	0 to 7 days	8 to 14 days	15 to 30/31 Days	Over 1 month upto 2 Months	Over 2 months upto 3 Months	Over 3 months & upto 6 Months	Over 6 Months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	1,239.96	1,587.71	6,626.81	9,697.77	12,304.94	40,859.07	90,645.87	2,80,783.32	1,09,143.33	-	5,52,888.78
Advances*	1,11,101.30	44,981.02	36,509.74	1,31,743.11	1,39,760.34	4,11,671.18	7,45,473.62	10,18,259.74	2,41,912.14	1,98,367.69	30,79,779.88
Investments	-	280.77	466.63	3,035.97	24.68	72.29	68,210.46	8,823.87	615.65	10,883.99	92,414.31
Borrowings	187.77	43,105.54	1,01,771.93	1,03,323.64	1,15,892.78	2,44,771.95	6,32,260.67	8,51,306.82	1,93,209.71	35,894.97	23,21,725.78
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

* net of Impairment loss allowance.

NOTE 88: PREVIOUS YEAR COMPARATIVES

Previous year's figures have been regrouped/reclassified wherever necessary, to confirm to current year's classification.

As per our report of even date

For M/s R Subramanian & Company LLP
Chartered Accountants
Firm Registration No.004137S/ S200041

For M/s Abarna & Ananthan
Chartered Accountants
Firm Registration No.000003S

For and on behalf of the Board of Directors of Shriram City Union Finance Limited

K Jayasankar

Partner
Membership No.014156

Place: Chennai
Date : April 29, 2022

Lalitha Rameswaran

Partner
Membership No.207867

Yalamati Srinivasa Chakravarti

Managing Director and CEO
DIN: 00052308

C R Dash
Company Secretary

Venkataraman Murali

Director
DIN: 00730218

R Chandrasekar
Chief Financial Officer





Shriram City Union Finance Ltd.
www.shriramcity.in