SHRIRAM
Transport Finance Company Limited
A WINNING RELATIONSHIP

SEC/FILING/NSE-BSE/21-22/68B **May 30, 2021**

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

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

Dear Sir/Madam,

Sub: 1 Regulation 30 and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') – Notice of 42nd Annual General Meeting and Annual Report for the Financial Year 2020-21.

2 Intimation of cut-off date i.e Thursday, June 17, 2021 to determine the eligibility of the members to cast their vote through remote e-Voting and e-Voting during 42nd Annual General Meeting.

In continuation to our letter dated April 29, 2021 and pursuant to Regulations 30 and 34 read with paragraph A of Part A of Schedule III of the Listing Regulations, we are enclosing the Annual Report for the Financial Year 2020-21 also containing Notice of the 42nd Annual General Meeting of the Company (including e-voting instructions) scheduled to be held on Thursday, June 24, 2021 at 2.00 p.m. through Video Conferencing (VC)/ Other Audio Visual Means (OAVM).

The Notice of the 42nd Annual General Meeting and the Annual Report for the Financial Year 2020-21 is available on the Company's website at the link: https://www.stfc.in/investors/annual-reports/

In compliance with the General Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No.20/2020 dated May 5, 2020 and Circular No.02/2021 dated January 13, 2021 issued by the Ministry of Corporate Affairs ("**MCA Circulars**") and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 ("**SEBI Circulars**"), electronic copies of the Annual Report for F.Y.2020-21 also containing Notice of the 42nd Annual General Meeting of the Company (including e-voting instructions) are being dispatched by email to those Members whose email addresses are registered with the Company/Depository Participants(s).The requirements of sending physical copy of the Notice of the AGM and Annual Report to the Members have been dispensed with vide MCA Circulars and SEBI Circulars.

Further, in terms of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management & Administration) Rules, 2014, as amended, the Company has fixed Thursday, June 17, 2021 as the cut-off date to determine the eligibility of the members to cast their vote by electronic means and e-Voting during the 42nd AGM scheduled to be held on Thursday, June 24, 2021 at 2.00 p.m through VC/OAVM Facility.

Kindly take the same on record.

Thanking you,
Yours faithfully,

for **SHRIRAM TRANSPORT FINANCE COMPANY LIMITED**

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

SHRIRAM

Transport Finance Company Limited

A WINNING RELATIONSHIP

SHRIRAM TRANSPORT
FINANCE COMPANY LIMITED

42nd ANNUAL REPORT
2020-21

CONTENTS

FORWARD LOOKING STATEMENT

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

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

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

CORPORATE
INFORMATION

Corporate Identity Number (CIN)
L65191TN1979PLC007874

BOARD OF DIRECTORS

Chairman (Non - Executive)
Mr. S. Lakshminarayanan (Independent)

Vice Chairman & Managing Director
Mr. Umesh Revankar

Directors
Mrs. Kishori Udeshi (Independent)
Mr. S. Sridhar (Independent)
Mr. Pradeep Kumar Panja (Independent)
Mr. D. V. Ravi
Mr. Puneet Bhatia
(upto August 19, 2020)
Mr. Ignatius Michael Viljoen

SENIOR MANAGEMENT TEAM

Mr. Parag Sharma, Joint Managing Director and CFO

Mr. S. Sunder, Joint Managing Director

Mr. P. Sridharan, Joint Managing Director

Mr. Sudarshan Holla, Joint Managing Director

Mr. Nilesh Odedara, Joint Managing Director

Mr. Vivek Achwal, Company Secretary

AUDITORS

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

REGISTRAR & SHARE TRANSFER AGENT

Integrated Registry Management Services Private Limited,
2nd Floor, 'Kences Towers', No. 1,
Ramakrishna Street, North Usman Road,
T. Nagar, Chennai - 600 017. Tel No. : +91 44 281 408 01/02/03, Fax: +91 44 2814 2479

DEBENTURE TRUSTEES

IDBI Trusteeship Services Limited
Asian Building, Ground Floor, 17, R Kamani Marg,
Ballard Estate, Mumbai – 400 001.
Mr. Jatin Bhat
Tel No. : +91 22 40807000, Fax: + 91 22 66311776
itsl@idbitrustee.com

Axis Trustee Services Limited
The Ruby, 2nd Floor, SW, 29 Senapati Bapat Marg,
Dadar West, Mumbai- 400 028.
Ms. Krishna Kumari
Tel No. : + 91 22 6230 0451, Fax: +91 22 6230 0700
debenturetrustee@axistrustee.com

Catalyst Trusteeship Limited (Formerly known as GDA Trusteeship Limited)
Office No. 604, 6th floor, Windsor,
C.S.T. Road, Kalina, Santacruz (East), Mumbai 400098.
Mr. Umesh Salvi
Tel No. : +91 22 – 49220555, Fax: +91 22 49220505
umesh.salvi@ctltrustee.com

REGISTERED OFFICE

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

CORPORATE OFFICE

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

LISTED AT

National Stock Exchange of India Limited
BSE Limited

LIST OF INSTITUTIONS

- International Finance Corporation (IFC)
- Life Insurance Corporation of India
- Micro Units Development and Refinance Agency Bank (MUDRA)
- National Bank for Agriculture and Rural Development (NABARD)
- NEC Capital Solutions Limited
- Oesterreichische Entwicklungsbank AG (OeEB)
- Proparco
- Small Industries Development Bank of India (SIDBI)

LIST OF BANKS

- Axis Bank Limited
- Bank of Baroda
- Bank of India
- Bank of Maharashtra
- Barclays Bank PLC
- BNP Paribas SA
- Canara Bank
- Central Bank of India
- Citibank N.A.
- Credit Suisse AG
- DBS Bank India Limited
- Deutsche Bank AG
- Dhanlaxmi Bank Limited
- Doha Bank
- Emirates NBD Bank PJSC
- FirstRand Bank Limited
- HDFC Bank Limited
- ICICI Bank Limited
- IDBI Bank Limited
- IDFC First Bank Limited
- Indian Bank
- Indian Overseas Bank
- IndusInd Bank Limited
- ING Bank, a Branch of ING-DiBa AG
- JP Morgan Chase Bank N.A.
- KEB Hana Bank
- Kotak Mahindra Bank Limited
- MUFG Bank
- PT Bank Rakyat (Indonesia)Persero Tbk, Singapore Branch
- Punjab & Sind Bank
- Punjab National Bank
- RBL Bank Limited
- South Indian Bank Limited
- Standard Chartered Bank
- State Bank of India
- SBM Bank (India) Limited
- Sumitomo Mitsui Banking Corporation
- The Hongkong and Shanghai Banking Corporation Limited
- The National Bank of Ras Al Khamirah
- The Zoroastrian Co-operative Bank Limited
- The Federal Bank Limited
- UCO Bank
- Union Bank of India
- Woori Bank
- Yes Bank Limited

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

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

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

A professionally managed company, STFC has fostered the culture of entrepreneurship across all levels in the organization. Presently, the company is driven by **24,452** employees (including business team ~19,000) championing a unique “relationship-based” business model through a pan-India network comprising **1,817** branches, **820** rural centers and partnerships with ~**500** private financiers.

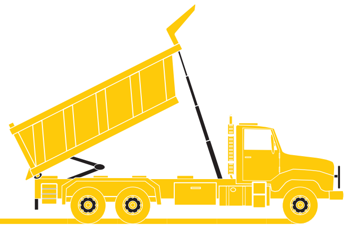
STFC, being a pioneer in pre-owned CV segment, has institutionalized its expertise in loan origination, valuation and collection. Over the years, STFC has created “an ecosystem of empowerment” by expanding its products and services to encompass similar asset classes (pre-owned and new commercial and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

STFC is listed on the BSE Ltd (stock code: 511218) and the National Stock Exchange of India Ltd (stock code: SRTRANSFIN). Its market capitalization as on March 31, 2021 stood at **Rs. 35,950 crores**.

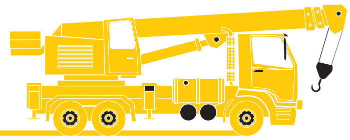
PERFORMANCE IN NUMBERS

STANDALONE BASIS

Assets under management stands at **Rs. 117,243** crores

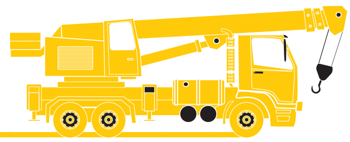


Securitisation done during the year **Rs. 13,622** crores

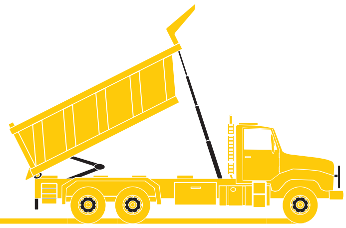


Total income for the year **Rs. 17,436** crores

Profit after tax for the year **Rs. 2,487** crores



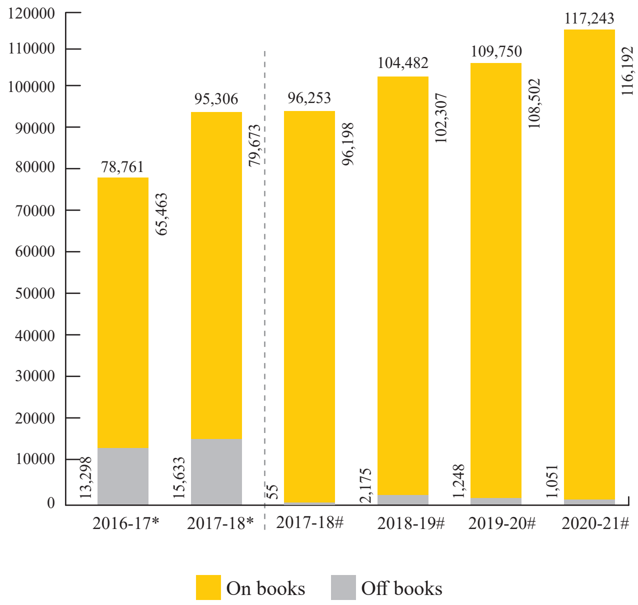
Net interest income for the year **Rs. 8,167** crores



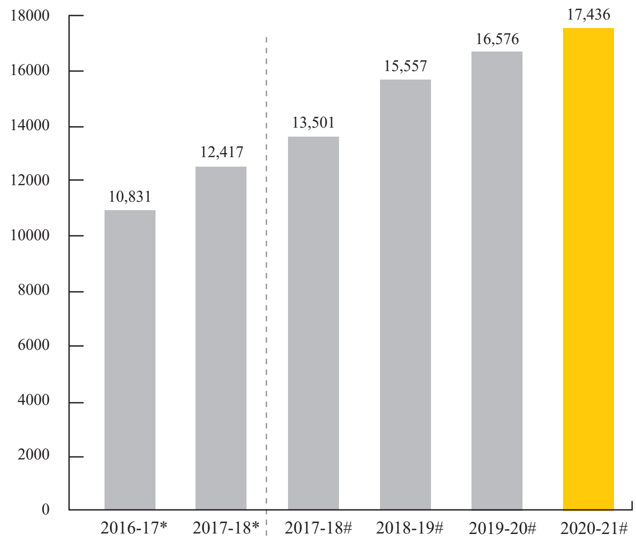
Earnings per share for the year **Rs. 100.97**

ANNUAL
PERFORMANCE TRENDS STANDALONE BASIS

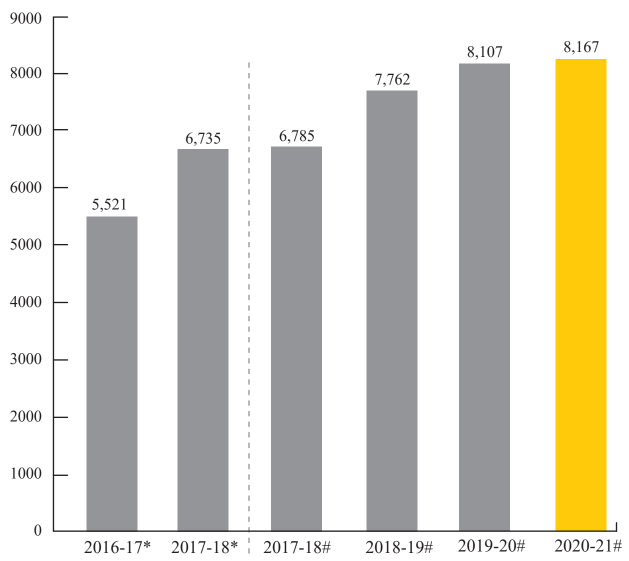
ASSETS UNDER MANAGEMENT (Rs. crores)



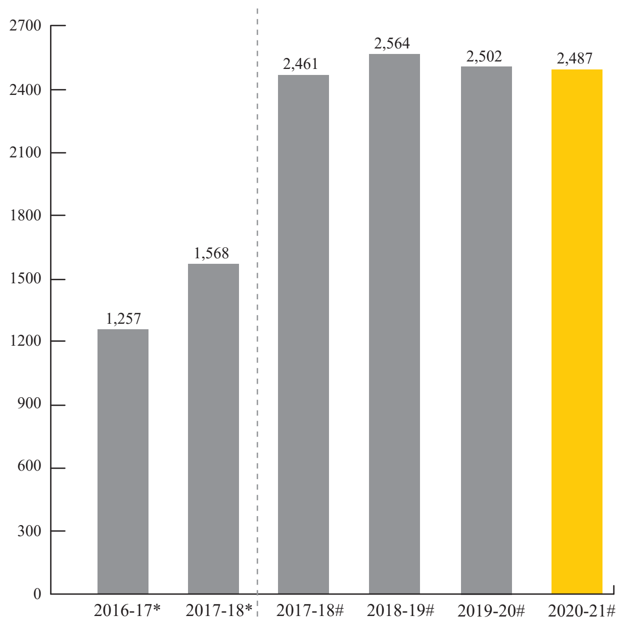
TOTAL INCOME (Rs. crores)



NET INTEREST INCOME (Rs. crores)

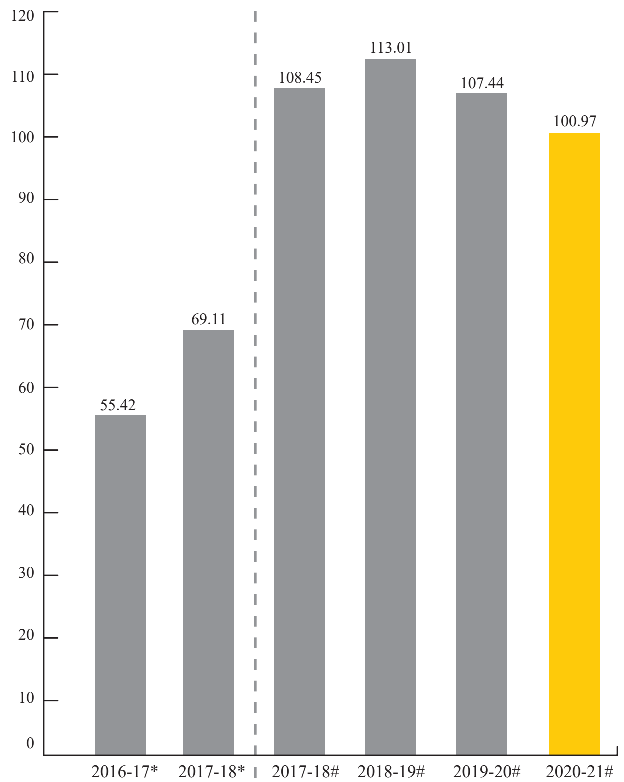


NET PROFIT (Rs. crores)

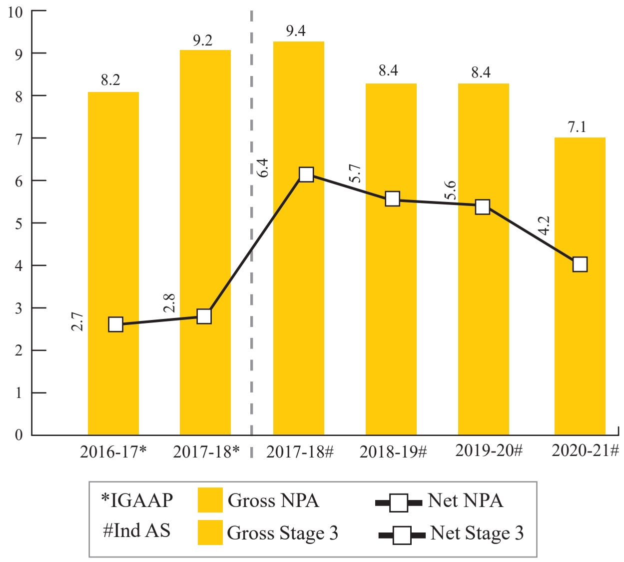


** Figures as per IGAAP.   # Figures as per Ind AS.*

EPS (BASIC) (Rs.)

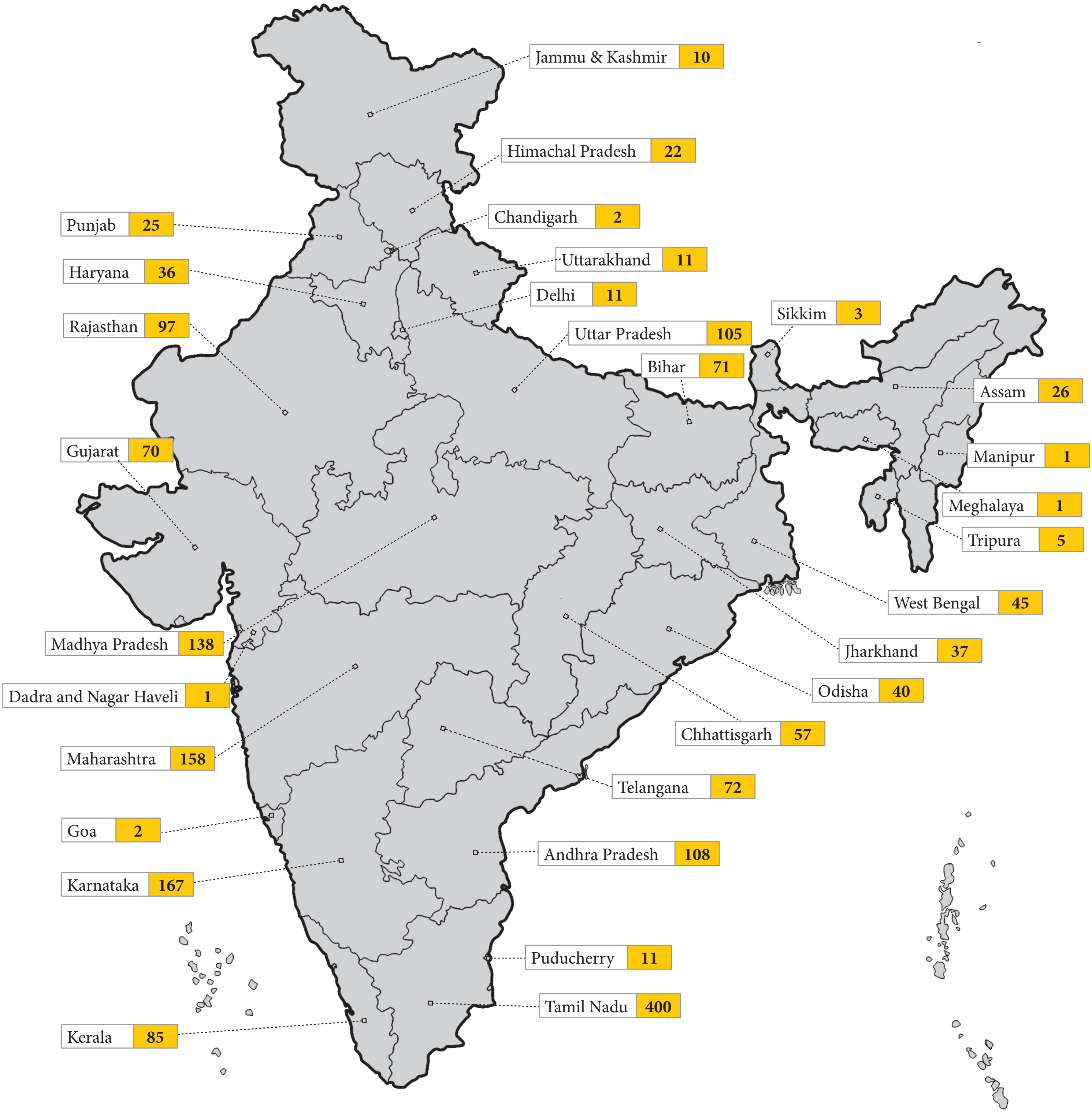


NPA/STAGE 3 (%)



** Figures as per IGAAP. # Figures as per Ind AS.*

BRANCH NETWORK AS ON MARCH 31, 2021 : 1,817 BRANCHES



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

Environmental, Social and Governance Report



Our Commitment towards Environment, Social and Governance aspects of our Business

As a responsible corporate citizen, we are committed to the principles of ESG and sustainable development and strive to incorporate these principles in everything that we do. A strong commitment to environmental protection, social development and good governance have not only helped us build a successful business but also supported in creating long-term value for all our stakeholders and the society at large. It is our endeavour to continually identify and assess ESG related concerns and opportunities and implement actions to improve our performance on such matters.

As seen during the recent times, Sustainable Development has emerged as a key focus area for businesses to remain resilient, competitive and successful over a long period of time. The three dimensions of Sustainable Development i.e. Environmental, Social and Governance (ESG) aspects forms the basis on which companies can take actions and measure performance on the long-term value it creates for its stakeholders. The twin concepts of sustainable development and ESG not only help companies identify previously unknown material risks but also new opportunities for growth, market competitiveness and opportunities for creating a positive impact on the nature and society.

The UN Sustainable Development Goals (UN SDGs), as outlined in Agenda 2030, require the public and private sectors to work together at scale in order to achieve sustainable development. We understand the importance of assimilating the sustainable development dimensions of ESG in our business operations as these factors are becoming increasingly significant for the financial sector. The sector has the ability to facilitate long-term positive impacts for the society at large by providing the much-needed financial support for transition to a low carbon economy which will generate livelihoods and enable millions to escape from poverty. Organisations which have incorporated ESG factors in their business have an advantage as the stakeholders have also started focussing on ESG dimensions such as fight against climate change and poverty in India.

ESG considerations are integral for our business and our aim is to promote socio-economic development of the society. We believe in doing our business sustainably, responsibly and in a way that creates positive impact for all our stakeholders. Our product portfolio is reflective of our beliefs and is designed to focus on providing financing solutions primarily for individuals who are first time buyers / business owners and are engaged in micro, small and medium enterprises across the country. In our pursuit of propagating financial inclusion and advancement, apart from providing loans to first time buyers and small road transport operators at affordable interest rates, we have financing solutions covering all the aspects of a road transportation business.

Environment

We understand the importance of environment and the need to protect it. These thoughts are reflected in our day to day operations as well and we are always aspiring to be an environmentally-friendly organisation. As financing of pre-owned vehicles is an essential part of our business, we have created a checklist of eligibility criteria to ascertain whether the vehicle is environmentally sound, BS VI compliant and fit for usage by our customers. We do not finance vehicles which are more than 12 years old and Pollution Under Control (PUC) certificates are mandatory for all along with a fitness certificate and insurance (to be renewed regularly). We always encourage our employees and customers to use vehicles which run on cleaner fuels and have also launched an initiative to be a paperless office where majority of our loan cycle processes are digital. We have requested our shareholders to opt for soft copies of annual reports and other relevant documents. For payment of interest, dividend, maturity amount of debentures and fixed deposits etc. we make continuous appeal to the investors to give us their bank account details to enable Company to use electronic mediums (like NECS, NEFT, RTGS) of payment / remittance in line with our initiatives for paperless, faster, safer and secure transfer of funds. In the wake of COVID19 pandemic and need for Social Distancing these measures has gained more importance and relevance. Also, we are currently making efforts to switch from paper-based agreements to e-agreements.

Looking at the spread of our offices across the country as well as the nature of our business where electricity is the most integral element required for operating our digital media due to loan processing being transformed from paper-based to digital, we have incorporated energy saving and energy efficiency measures, which also help enable reduction of our carbon footprint, for all our locations. We have started replacement of conventional incandescent lighting fixtures with LEDs and only 5-star rated air conditioner are allowed for usage in offices. Old technology and gadgets with low efficiency are scrapped and more efficient substitutes are installed such as invertors as an alternative of DG Sets and prioritise usage of video conferencing facilities over employee travel.

Additionally, we have designed our loan disbursement policy to be in line with our environment policy to ensure our employees and customers are aware about the essential environmental aspects and undertake initiatives for protection of their surrounding areas.

Social

We started our journey in the year 1979 to serve the aspirations of the perceived underserved and often neglected financially disadvantaged population of our country. We envisaged creation of a financially independent society where aspirations of individuals to become an entrepreneur in order to bring prosperity, social status and prestige for their family are fully realized. We understood that those who needs financial aid the most often have the least amount of resources available. The interest rates are often unaffordable, and the service providers are generally not present in all parts of the country. These circumstances motivated us, and we decided to focus on the commercial and passenger vehicles segment. We started providing financial services to small road transport business owners who are first time buyers of used or new commercial vehicles.

Employee Engagement

The value we have created so far for our stakeholders is the result of the hard work and dedication of our employees and without our employees we cannot sustain for a long period of time. Our employees play a critical role when understanding the requirements of customers and to ensure there is a healthy service provider – client relationship we identify local talent. We have in-house facilities designed to identify the local talent and build their capabilities via training, nurturing and leadership development initiatives. Hiring local talent enables us to break language barriers and have a better understanding of the geographic demography required to connect with our diverse customer base.

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

Majority of our senior executives have started their careers with us and our trainings, continuous guidance and mentoring sessions have helped them achieve professional success within the organisation. Identified talents are developed by their Supervisors, Training Team, Review Panels, Seniors, mentors along with virtual classroom sessions and an E-Learning Platform for continuous learning. Employees also access to learning materials in video and pdf formats in their respective employee portal which are available via SMS Links and WhatsApp as well for quick learning.

The Company's low attrition rate is an example of our commitment towards the growth and well-being of our employees. Employees covered under various engagement activities are as below:

Sr. No.	Name of the program	No. of employees Covered (During FY 2020-21)
1	Induction Program	2274
2	Refresher Program	13397
3	E-Learning	All Employees are enrolled
4	Future Leadership Program	50
5	Management Education Scheme	3049

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

Diversity in Workforce

We have a total workforce of 24,452 employees out of which there are 1,200 permanent women employees and 23 permanent employees with disabilities. Our board of directors also has a woman director while there are three women in key management roles. All our employees covered by health insurance, accident insurance, Maternity benefits, Paternity benefits, Day care facilities.

Customers

Over time, our awareness about various challenges faced by the trucking community of the country has helped us in designing and diversifying our product range to help them overcome these challenges. Also, as a token of our gratitude to our customers and their affiliates, we have initiated various skill development programs for truck drivers to generate livelihood, promote entrepreneurship and create a healthy and safe environment for all.

We maintain trust of our customers by protecting their data and information while delivering fair outcomes for them. Operating with high standards of conduct we also ensure all customer feedback is incorporated across all our products and business lines.

Area of Focus	Action
Improving Customer Service	Endless efforts towards reaching out and expeditiously serving customer expectations digitally up to the satisfaction level of serving physically has been duly recognised as need of the hour. Besides, well drafted and communicated policy and procedures on Grievance redressal mechanism aim at assuming high standards of customer service.
Making our Processes Easier	Customer Service aspect in the company surpasses hierarchical bounds and every employee is empowered to give ideas /suggestions to the management for betterment of processes and customer service, with all deserved recognition. There is an Employee rewards Program serving this cause. We have always been compassionate and thankful in hearing from workforce serving customers through the branch network and expeditiously acting towards the customer relationship aspects.
Enhancing Customer Experience	Usage of chosen vernacular language in our communications, keeping customers updated and enthused through newsletters, technologically connected through mobile applications, etc.

Social Bond Framework

Additionally, we also have developed the Social Bond Framework, under which we issue Social Financing Instruments ("SFI") including, inter-alia, social bond(s), loan(s), private placement(s) and any other debt financing instruments to finance or refinance a portfolio of new and/or existing Eligible Social Projects to promote sustainability. This Framework outlines the criteria and guidelines for the allocation of proceeds as per International Capital Market Association ("ICMA") Social Bond Principles 2018 ("SBP") as permitted by the ECB Guidelines. We have engaged Sustainanalytics for a Second Party Opinion while the Independence Assurance was undertaken by KPMG.

Eligible use of proceeds*:*

- Provision of financing for Small Road Transport Operators and First Time Buyers from underserved communities across India at favourable interest rates. To exclude vehicles that are used in environmental unfriendly sectors such as extraction, refining, or transportation of coal.
- Provision for suitable financial instruments and supporting services for micro-, small- and medium-sized enterprises in India, in accordance to the definition in India's Micro, Small & Medium Enterprises Development Act, 2006.
- Provision of affordable loans to help communities alleviate income through promoting entrepreneurship from low-income states as defined by World Bank

On 13th of January 2021, we have issued 4.40 % Senior Secured Notes due 2024 (Social Bonds) worth USD 500 Million under the USD Three (3) Billion Global Medium Term Note Programme to the Qualified Institutional Buyers (QIBs) under the Rule 144A of the U.S. Securities Act 1933 and to the eligible investors outside United States under Regulation S of the U.S. Securities Act 1933. The Social Bonds got good response from investors with oversubscription by more than 2 times.

Furthermore, on 31st of March 2021, we have issued USD 225 Million worth Senior Secured Notes (to be consolidated and form a single series with the U.S.$500 Million & 4.40 % Senior Secured Notes due 2024 issued on January 13, 2021) under the USD Three (3) Billion GMTN Programme. These are fully hedged and there is no foreign exchange risk to the Company. The aforementioned Social Bonds are listed on the Singapore Exchange Securities Trading Limited.

Governance

Our Company has an internal governance structure comprising of the Board of Directors which include professionals from diverse disciplines which guide us in enhancing the value we create for all our stakeholders. Senior management personnel, headed by Vice Chairman and Managing Director are entrusted with the day to day management of the affairs, overall supervision, direction and control of the Company. The Board of Directors regularly conduct reviews on the Company's policies, existing goals, performance appraisals, etc. Independent Directors confirm that there is no material, financial and/or commercial transaction(s) between Independent Directors and the Company which may result in potential conflict of interest with the Company at large. Various Board Committees are constituted for the efficient functioning of the Company and all the Committee members are entrusted with the relevant decision-making powers.

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

Full details of the Company's Corporate Governance are presented separately in the Corporate Governance Report of the Annual Report.

As a further reflection of our highest commitment to ESG principles, we have constituted ESG Committee on March 25, 2021. The first ESG Committee meeting was held on April 28, 2021. The terms of reference of the ESG Committee are mentioned in the Corporate Governance Report also forming part of this Report.

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

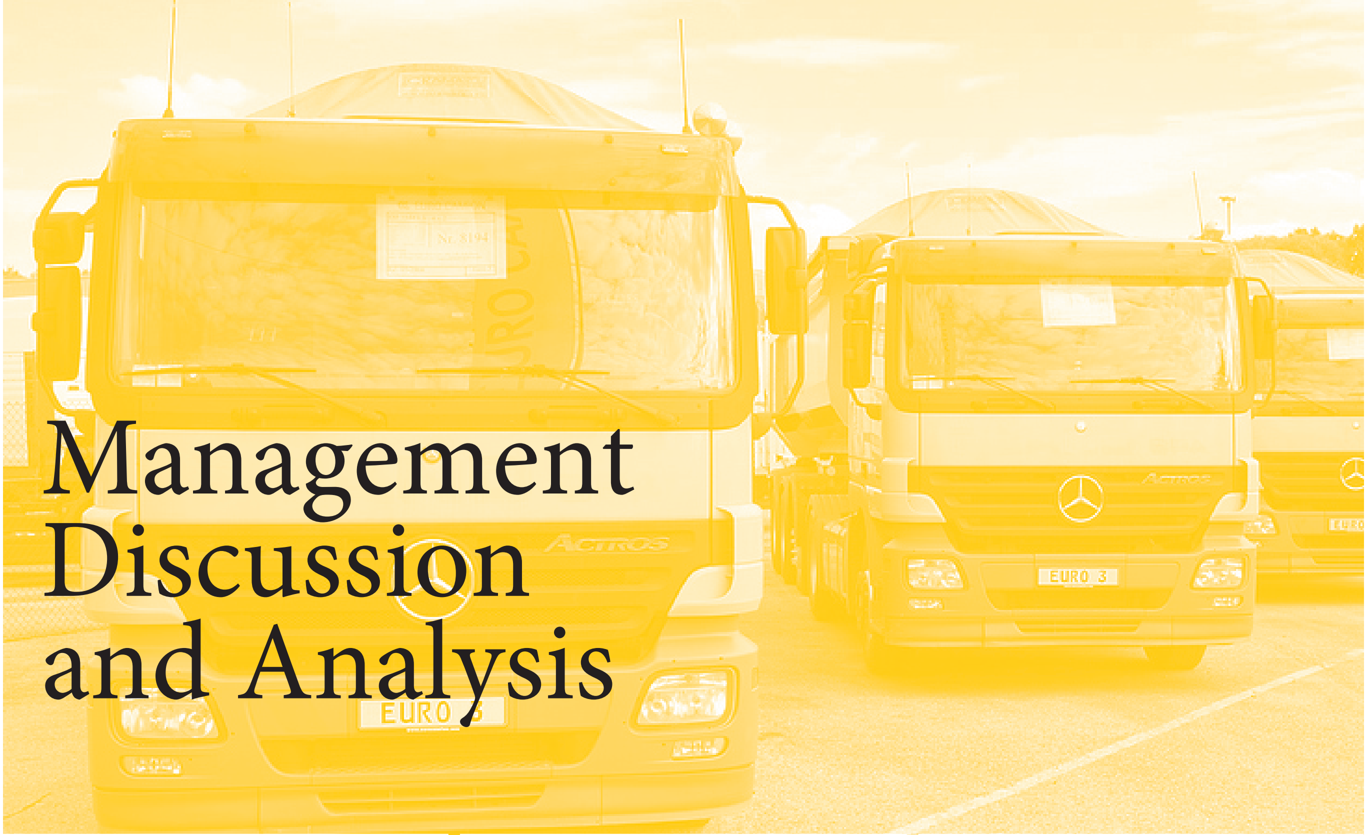
Our Commitment to Sustainable Development Goals

Our activities and initiatives on ESG not only create sustained value for the business and our stakeholders, but also contribute to the larger sustainable goals as defined by under the United Nations' Sustainable Development Goals listed below:

For and on behalf of the Board of Directors

S. Lakshminarayanan
Chairman
(DIN: 02808698)

New Delhi
April 29, 2021



Management Discussion and Analysis

OVERVIEW OF INDIAN ECONOMY FY 2020-21

The Indian economy recorded a negative growth rate of 24.4 percent and 7.3 percent in Q1 FY 2021 and Q2 FY 2021 due to lockdown measures. However, the lifting of lockdown measures brought the GDP growth into positive territory of 0.4 percent in Q3 FY2021, which again fell into a negative territory of 1.1 percent in Q4 FY2021 due to the reimposition of certain lockdown type restrictions in certain states. Hence, the overall growth is expected to be in negative territory by 8.0% in FY2021 compared to the growth rate of 4.2 percent in 2019-20. However, agriculture sector growth was estimated at 3.4 percent in FY 2021 due to lower COVID-19 incidence in rural areas and the Government measures to support the sector.

The Index of Industrial Production (IIP) reported a negative growth rate of 11.3% for Apr' 20-Feb'21. However, confidence was evident as a result of the rebound, with several key figures turning favourable. The manufacturing Purchasing Managers Index (PMI) reading turned positive in August 2020 and remained above the expansionary mark of 50 for the balance fiscal. The GST collections rose above the key Rs. 100,000 crores mark in October 2020 and retained the position for each month till March 2021. The number of e-way bills generated increased by 21% in H2FY 2021 to 38.41 crores compared to 31.64 crores in H2FY 2020. Average lead railway freight traffic increased by 5% from 529 km in March 2020 to 556 km in March 2021. The food grain production increased from 2975 lac tonnes in FY 2020 to 3033 lac tonnes in FY 2021.

CPI inflation started increasing from June 2020 and was above the RBI's targeted band of 6% till November 2020. However, it fell in December 2020 due to easing in supply chain restrictions and remained within the 6% band till February 2021. Due to higher crude oil and non-oil product prices, high fuel, and other taxes post-COVID, CPI inflation pressures are still high due to higher operating costs. Professional forecasters surveyed by the Reserve Bank in March 2021 expect CPI inflation to ease from 4.9-5.0 percent in H1:2021-22 to 4.3 percent in Q3 FY 2022 and then revert to 5.0 percent in Q4 FY2022 on the back of the success of vaccination drive and return of economic activity.

Food inflation slowed post December 2020, owing to a drop in vegetable prices and a slowdown in cereal prices. It is expected that a robust Kharif and rabi harvest, continued improvement in supply chains, and a forecasted normal monsoon could further moderate food inflation in FY 2022.

The global crude oil prices rose from an average of US$ 25 per barrel in April 2020 to an average of US$ 65 per barrel in March 2021. This unevenness increased inflation in India; however, it is expected that going forward, the Indian basket of crude price imports will remain stable at US$65 barrel.

The Indian Rupee came under pressure in April 2020 due to flight to safe havens like the US dollar on account of increase in COVID cases. It showed an appreciating bias from December 2020 onwards after being mostly range-bound in May-July due to an increase in portfolio flows and rising indicators of an economic recovery. It again turned volatile in February 2021 due to increased bond yields in advanced economies leading to some flight of portfolio flows.

The rebound in both demand and supply channels, the continued rollout of the vaccine programme, growth-enhancing proposals in the Union Budget, and highly accommodative monetary conditions are all expected to help boost economic activity in the latter half of FY 2022.

India remained a preferred investment destination in FY 2020-21 for foreign investors. Foreign Direct Investment (FDI) inflows were US$ 72.12 billion in Apr-Jan'21, being 15% higher than Apr-Jan'20 on account of policy reforms and ease of doing business. Net FPI inflows into equity and debt were positive Rs 267,101 crores in FY 2021 compared to a negative Rs 27,528 crores in FY 2020 on the back of increased appetite for Indian equities.

Bank credit remained subdued in FY 2020-21 amid risk aversion and muted credit appetite. Non-food bank credit growth recorded a stable rate of 6.5 percent in February 2021 compared to 7.3 percent in February 2020. Credit growth to agriculture and allied activities accelerated to 10.2 percent in February 2021 from 5.8 percent in February 2020. Industry credit was marginally negative at 0.2 percent in February 2021 compared to 0.7 percent in February 2020. Credit growth to the services sector accelerated to 9.3 percent in February 2021 from 6.9 percent in February 2020 on healthy credit growth to trade and transport operators.

On the non-bank financing side, assets under management (AUM) of mutual funds grew by 41% percent to Rs 31.43 lac crores in FY 2021. These funds faced aggressive redemption pressures during the first quarter of the year amid a liquidity crunch in debt markets. However, RBI's special liquidity window for mutual funds helped them to tide over this difficult period. RBI's liquidity-enhancing measures also boosted Commercial Paper (CP) issuances and eased spreads. CP issuances were Rs 17.44 lakh crores in FY 2021, and an easing of rates was observed between July to February 2021. However, in March 2021, interest rates on CPs rose slightly above the reverse repo rate, reflecting the year-end demand for credit.

COVID-19 PANDEMIC

The financial year 2020-21 began with ongoing COVID19 pandemic that led to nationwide lockdown; the first phase started on March 24, 2020, till the second week of April 2020. The lockdown was relaxed in a phased manner depending upon the severity and magnitude of the spread of the pandemic. The Government permitted NBFCs and e-commerce delivery to begin operating, albeit in a limited capacity. Agricultural farming and related businesses, freight movement, and construction activity were allowed in rural areas. During this time, production in special economic zones was permitted, and taxi cab aggregators were authorized to operate in the orange zone. From June onwards, the Government announced a phased reopening. These included prohibitions being lifted on the inter-state and intra-state movement of commodities and people. Besides, most of the operations were authorized in non-containment areas in July, excluding entertainment, leisure, meetings, and educational facilities. From July 2020 onwards, lockdown measures were maintained only in the containment zone. A night-time curfew was enforced in all areas from 10 p.m. to 5 a.m. State borders were reopened, allowing interstate and intrastate travel. Shopping was permitted with more than five people at the same time. The night curfews were lifted in August, and in September, metro rail services and social gatherings were permitted with some restrictions. Corona infections started declining after reaching peak levels in September 2020. Furthermore, the economic recovery accelerated, helped by a strong recovery rate of 96 percent by December 2020.

The second wave of COVID-19 started in February 2021 in Maharashtra, Kerala, Punjab, Madhya Pradesh, Chhattisgarh. It then spread to other states, including the National Capital Region (NCR), leading to the reimposition of various restrictions on the free movement of people by some state governments. The Central Government, in response, rapidly rolled out the vaccine, initially for medical personnel, which was later extended to senior citizens and citizens above 45 years of age.

Government Policy Measures To Combat COVID-19

The Central Government, state governments announced a series of fiscal stimulus measures to support and stimulate economic recovery. The Government announced a Rs 1.70 lac crores relief package under Pradhan Mantri Garib Kalyan Yojana for the poor. The Government also increased its emphasis on the rural economy by raising the minimum support price and increasing the budgetary allocation to the Mahatma Gandhi National Rural Employment Guarantee Scheme, or MGNREGA, to Rs.1 lakh crore. It also announced Rs 30,000 crores additional emergency working capital for farmers to be refinanced by NABARD.

Time limits for filing compliance and return documents under various laws, including The Income Tax Act, CGST Act, and The Companies Act, were extended.

Private sector participation was allowed in the coal sector. In the mining industry, it was declared that blocks would be put up for auction and that stamp duty on mining lease allocation would be reduced. Foreign direct investment (FDI) ceiling in defence production was increased from 49 percent to 74 percent. Certain arms imports were banned to promote local manufacturing. An Emergency Credit Line Guarantee Scheme of Rs 3 lac crores for eligible MSMEs was announced and further extended till June 2021.

The task force on the national infrastructure pipeline increased India's infrastructure expenditure target for the next five years from Rs.102 trillion to Rs.111 trillion. This is expected to result in additional infrastructure spending in the FY 2022. The Government also sanctioned a PLI policy, or performance related incentive scheme, to stimulate economic growth at the cost of Rs 1.97 lakh crores, with pharma, pharmacy, electronics, and telecom among the major industries involved. The PM Awas Yojana was approved with a budget of Rs 18,000 crores to assist in constructing 12 lakh houses.

In agriculture, the Government announced Rs. 2 lac crore of concessional credit to be extended via the Kisan Credit Cards scheme. The Government further announced the setting up of an Agriculture Infrastructure Fund amounting to Rs. 1 lakh crore for post-harvest farm-gate infrastructure. Three agriculture-related bills were passed by Parliament, which included many amendments such as the unlimited selling of farm produce, farmers unrestricted ability to conduct contract farming, and the abolition of stocking caps on traders for a wide range of commodities. These bills are expected to facilitate enhancement of agricultural production and farm product transportation at the regional and national level.

Reserve Bank of India (RBI) Policy Measures

The RBI also announced various measures. To ensure liquidity to the tune of 4.7 percent of Indian GDP, it took standard and innovative steps. Its measures ensured Indian corporate bond issuances were higher by 11% at Rs 6.8 lac crores. It announced relief measures for MSMEs including new restructuring guidelines to retain loans from banks and NBFCs' to such qualifying MSMEs classified as standard within the regulatory framework. It stated that incremental loans disbursed in low credit flow districts would receive a higher PSL weighting. PSL guidelines were updated to include new forms of renewable energy plants used in agriculture. Bank lending targets for small farmers were revised upwards. RTGS settlements were allowed on a round the clock basis for all days.

The Government and RBI established an SBI Capital Market administered Special Purpose Vehicle (SPV) to acquire eligible NBFCs' short-term papers for repayment of their short-term liabilities.

RBI released draft measures on securitisation proposing allowance of single asset securitisations. Exposures which may be purchased from other lenders was also proposed to allowed for securitisation.

The Reserve Bank of India (RBI) released a draft discussion paper on the revised legislative structure for NBFCs. However, the proposed quantitative norms, such as capital adequacy ratio, regular asset provisioning, and NPA classification, are not expected to have a significant effect on STFC because we are already well above the minimum compliance steps.

FINANCIAL SERVICES -NBFC SECTOR

India's financial services sector comprises of commercial banks/co-operative banks, non-banking financial companies, insurance companies, pension / mutual funds and other various entities. India is expected to be fourth largest private wealth market globally by 2028.

NBFC sector plays important role in financial inclusion by meeting credit needs of retail and MSME sector. NBFC sector provides efficient credit distribution reach to untapped and under-penetrated regions and customer class. NBFCs bring the much needed diversity to the financial sector by providing consumer credit, including automobile finance, home finance and consumer durable products finance, wholesale finance products such as bills discounting for small and medium companies and fee based services such as investment banking and underwriting. NBFCs have carved niche business areas for them within the financial sector space and are also popular for providing customized products. The credit delivery of NBFC sector constituted 11.6 per cent of GDP.

Credit growth (YoY) of the NBFC sector was close to 3 per cent in June 2020. Further, the credit growth contracted in September 2020 with a YoY growth of -6.6 per cent.

Bank credit to the NBFC sector was Rs.7.05 lakh crore in June 2020, Rs 8.0 lakh crores in September 2020 and Rs 7.9 lakh crores in December 2020 and Rs 8.9 lakh crores in February 2021. However, mutual funds lending to NBFCs continued to contract in 2020-21 as well.

The NBFCs with asset size of Rs.100 crore are now eligible for debt recovery under SARFAESI Act and can pursue loan recovery under SARFAESI Act for loans starting at Rs.20 lakhs which was earlier Rs.50 lakhs.

FINANCIAL AND OPERATIONAL PERFORMANCE

(Rs. in Crores)

Sr. No.	Particulars	2020-21	2019-20	Change
1	Total Income (including exceptional items)	17,436.40	16,575.76	5.19%
2	Net Interest Income	8,167.10	8,106.98	0.74%
3	Assets Under Management	117,242.82	109,749.24	6.83%
4	Securitization done during the year	13,622.00	16,581.13	-17.85%
5	Net worth	21,540.73	17,977.52	19.82%
6	Profit after tax	2,487.26	2,501.84	-0.58%
7	Capital Adequacy Ratio	22.50%	21.99%	2.32%
8	Return on total assets	1.98%	2.17%	-8.80%
9	Debt equity ratio	4.92	5.24	-6.06%
10	Net Interest margin	6.70%	7.16%	-6.53%
11	Interest coverage ratio	1.90	1.98	-4.04%
12	Net profit margin	14.26%	15.09%	-5.49%
13	Return on Net Worth	12.59%	14.81%	-15.00%
14	Stage 3 assets	7.06%	8.36%	-15.55%
15	Net stage 3	4.22%	5.62%	-24.91%
16	Return on equity	12.57%	14.71%	-14.55%

During the FY 2020-21, the Stage 3 Assets was 7.06% as compared to 8.36% in FY 2019-20. The Stage 3 Assets net of Stage 3 Provision was 4.22% in FY 2020-21 as compared to 5.62% in FY 2019-20 due to more provision made on stage 3 assets during the year. There are no significant changes in key financial ratios of the Company for FY 2020-21 as compared to FY 2019-20. The return on equity was 12.57% as on March 31, 2021 as against 14.71% as on March 31, 2020 due to additional expected credit loss provision of Rs. 1,681.84 crores for FY 2020-21 on account of COVID-19 impact in the financial statement.

COMMERCIAL AND PASSENGER VEHICLE INDUSTRY

In the financial year FY20-21, there was a de-growth in sales of all segments compared to the previous years. (-) 2.24% for Passenger Vehicles with sales of 27.11 Lakhs units; (-) 13.19% for Two-Wheelers with sales of 151.19 Lakhs units; (-) 20.77% for Commercial Vehicles with sales 5.69 Lakhs units and (-) 66.06% for Three-Wheelers with sales of 2.16 Lakhs units.

The automobile industry produced a total 18,19,692 units including Passenger Vehicles, Three Wheelers, Two Wheelers and Quadricycle in the month of March 2021, as against 10,29,518 units in March 2020 marking a growth of 76.7%.

The Passenger Vehicles sales was 2,90,939 units in March 2021, compared to 135,196 units in March 2020, marking a growth of 115.2%.The Three-wheeler sales was 32,000 units in March 2021 compared to 28,000 units in March 2020 marking a increase by 14.00%. The Two-wheeler sales was 14,97,000 units in March 2021, compared to 867,000 units in March 2020, with a growth of 72.6%.

PRE-OWNED COMMERCIAL VEHICLES

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

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company believes that strong internal control system and processes play a critical role in the health of the Company. The Company's well-defined organizational structure, documented policy guidelines, defined authority matrix and internal controls ensure efficiency of operations, compliance with internal policies and applicable laws and regulations as well as protection of resources. Moreover, the Company continuously upgrades these processes and systems in line with the best available practices. The internal control system is supplemented by extensive internal audits, regular reviews by the management and standard policies and guidelines which ensure reliability of financial and all other records. The Internal Audit reports are periodically reviewed by the Audit Committee. The Company has, in material respect, an adequate internal financial control over financial reporting and such controls are operating effectively. The Company's Internal Auditor performed regular reviews of business processes to assess the effectiveness of internal controls. Internal Audits were carried out to review the adequacy of the internal control systems, compliance with policies and procedures. Internal Audit areas are planned based on inherent risk assessment, risk score and other factors such as probability, impact, significance and strength of the control environment. Further, each area processes/sub-processes risks were properly identified with mitigating controls. Its adequacy is assessed and the operating effectiveness was also tested.

HUMAN RESOURCES

The pandemic has brought impactful changes in all our lives highlighting importance of social distancing, wearing of masks, use of sanitizers, maintaining cleanliness to mitigate spread of Corona virus and developing habits of living with the Corona virus, the longevity of which is not yet known. The Company continued to create awareness amongst employees to strictly follow the Social Distancing protocol and mitigate the health risks during the pandemic by adapting to new methods of efficient working, striking work-life balance, switching to Work From Home (WFH) whenever necessary. The 'Lockdown' gave many new learnings, ideas and experience with respect to effective communication techniques, efficient time management, thereby improving overall efficiency, cost optimization. The importance of focusing on digital payment and use of advanced techniques for customer services has gained much prominence. Our Company is well prepared to adapt and switch to hybrid work culture – a combination of WOF and Work from Office/field, as and when necessary, to face the challenge of dynamic pandemic conditions.

As recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, the Company made one time ex-gratia payment equivalent to 15 days salary of employees as a token of appreciation of their commitment to work during challenging pandemic period, involving outgo of Rs. 22 crore.

The total strength of employees as on March 31, 2021 was 24,452. The average age of the employees is about 31 years. For further details, please refer to the Business Responsibility Report.

SWOT ANALYSIS

Strengths

- Pioneer in the pre-owned commercial vehicles financing sector
- Asset Financing Company in India with Pan-India presence with 1,817 branch offices and 800+ Rural centres for deeper penetration
- Unique relationship-based business model with extensive experience and expertise in credit appraisal and collection process
- The entire Loan portfolio is guaranteed either by an existing customer of the Company or by a customer from the CV industry.
- Strong brand name
- A well-defined and scalable organizational structure based on product, territory and process knowledge
- Consistent financial track record with rapid growth in AUMs
- Experienced senior management team
- Strong relationships with public, private as well as foreign banks, institutions and investors,
- 2.12 million customers across India

Weakness

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

Opportunities

- Growth in the commercial vehicles, passenger vehicles and tractors market
- Meeting working capital needs of persons in commercial vehicles eco-system
- Partnerships with private financiers for enhancement of reach without significant investments
- Penetration into rural markets for financing cargo light commercial vehicles and Farm equipment
- On boarding customers on technology platform and effectively used for extending credit on their working capital needs and for also enhancing our digital footprint on recovery

- Higher budgetary allocation by the Government to give boost to infrastructure sector involving construction of roads, new airports, ports etc. creating huge demand for Commercial Vehicle
- Cross selling of insurance products, invoice discounting etc.
- Huge opportunity to finance as more and more customers are likely to go for Technology upgradation

Threats

- All risks associated with pandemic
- Competition from captive finance companies, small banks
- Inadequate availability of bank finance and upsurge in borrowing cost

VOLUNTARY VEHICLE SCRAPPAGE POLICY

The Budget for 2021-22 contains a voluntary vehicle scrappage policy aimed at phasing out cars and commercial vehicles older than 20 or 15 years, respectively. The policy's objective is to help in encouraging fuel-efficient, environment-friendly vehicles, thereby reducing vehicular pollution and oil import bill. Under the policy, any private vehicle that's older than 20 years will have to undergo a fitness test.

On March 18, 2021, the Road Transport, Highways and MSMEs Minister unveiled the vehicle scrappage policy in the Lok Sabha, Rules for fitness tests and scrapping centres to be applicable from October 1, 2021, while scrapping of government and PSU vehicles which are older than 15 years to come into effect from April 1, 2022. The mandatory fitness testing for heavy commercial vehicles to be in force from April 1, 2023, and the same will be in place in a phased manner for other categories from June 1, 2024. The scrap value for the old vehicle given by the scrapping center is approximately 4-6% of the ex-showroom price of a new car. OEMs are advised to provide a 5% discount on the purchase of a new vehicle against the scrapping certificate. State governments announced to offer a road tax rebate of up to 25% for personal vehicles and up to 15% for commercial vehicles. Registration fees to be waived off for the purchase of a new vehicle against the scrapping certificate.

RISK MANAGEMENT

The Company is exposed to various risks such as pandemic risk, credit risk, economic risk, interest rate risk, liquidity risk, and cash management risk, technology risks, etc. The Company has an Enterprise Risk Management Framework that involves risk identification, risk assessment, and risk mitigation planning. The pandemic risk was unprecedented and caused many disruptions and uncertainties globally. The Company swiftly activated the Business Continuity Plan to face the challenges of a pandemic. The BCP is reviewed periodically.

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

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

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

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

The Company's Asset Liability Management Committee regularly reviews, among others, the interest rate and liquidity risks.

We are diversifying our assets portfolio focusing on passenger vehicles and tractors segment. We have also started financing the working capital needs of petrol pumps, tyre dealers, vehicle body builders and workshops forming part of ecosystem of commercial vehicle operations.

In order to mitigate cash management risk associated with collection of loan instalments, we have initiated steps to on boarding our customers on technology platform. Historically, substantial part of our loan recovery was in the form of cash due to peculiar profile and business pattern of our customers. We have effectively used the Digital mode during the initial lock down period and cash component of the collections has significantly dropped during last couple of months. Our loan instalment collection process is efficient and secured through a robust cash management network. We have been making continuous efforts to achieve efficient cash/cheque collection systems by availing Cash Management Service from private and public sector banks. It is not necessary for our customer to visit our branches to deposit the cash/cheque for making payment of loan instalment. The Customers can visit any of our tie-up banks and deposit money into our account against their Loan accounts.

We ensure that cash collected from our customers by the Field staff is deposited into the Company's Account on same/ next day. We have tied up with Post office in few states for as a part of efficient cash management. We are also working with Fino Money, Airtel. Our Field staff is enabled with MNOVA Mobile Application in which the collections can be accounted. Some of our branches are also equipped with Cash Deposit Machines for the customers. We are educating and encouraging our customers to adopt advanced methods of payment. We have started engaging with the customers actively with Digital mode of collections using our MyShriram Mobile Application. We have enabled various modes including BBPS (Wallets) through which the customer can make the payment against his/her Loan accounts. We have also collected NACH mandates from some of the customers. The NACH mandates are sent to the Bank on respective due dates with an intimation to the customers. We have adopted stringent checks and internal controls across all branches. At the regional level, the branch collections are monitored and reconciled on a daily basis.

FUTURE STRATEGY

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

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

OUTLOOK

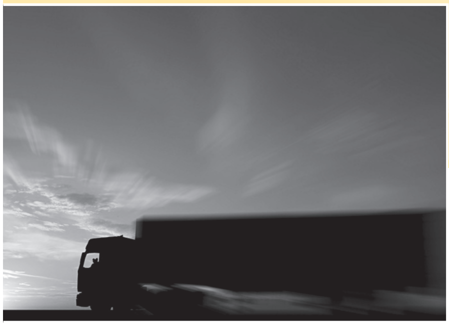
According to the long-range forecast for the monsoon season by the India Meteorological Department (IMD) the southwest monsoon rainfall over India is most likely to be normal. The Company will continue focusing on financing of pre-owned commercial and passenger vehicles, further strengthening its presence, reach and penetration into rural and urban centres through large network of branches and rural centres. The Company's business model offers multiple financing opportunities. The Company would continue to explore various options to strengthen its capital base and balance sheet to augment the long term resources for meeting funding requirements of its business activities, financing the future growth opportunities, general corporate purposes and other purposes including effectively facing challenges of the uncertainties and disruptions caused by COVID-19 pandemic.

The pandemic continues to pose major challenge to the entire world including India. However, it appears that the countries have now learnt the technique of adapting to the new normal- the new way of life. The duration and severity of spread of second wave of pandemic, roll out of two new vaccines (as per the recent announcement made by the Union Health Department) in addition to the existing two vaccines rolled out in February, 2021, the scale and effectiveness of implementation of the ongoing vaccination program and the efficacy of monetary and fiscal policy actions of Indian Government are the important factors to impacting the pace of economic recovery.

CAUTIONARY STATEMENT

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

Directors' Report



To the Members,

Your Directors have pleasure in presenting their Forty-Second Annual Report and the Audited Statements of Accounts for the financial year ended March 31, 2021.

FINANCIAL HIGHLIGHTS

(Rs. in crores)

Particulars	**2020-21**	**2019-20**
Profit Before Depreciation And Taxation	3,415.37	3,579.72
Less: Depreciation, amortization and impairment	137.36	141.05
Profit Before Tax	**3,278.01**	**3,438.67**
Less: Provision for taxation	790.75	936.83
Profit After Tax	**2,487.26**	**2,501.84**
Add: Balance brought forward from previous year	9,257.73	8,070.47
Balance available for appropriation	11,744.99	10,572.31
Appropriations		
General reserve	248.73	250.19
Statutory reserve	497.46	500.38
Debenture redemption reserve	311.00	235.79
Dividend on equity shares of Rs.10/- each	303.67	272.26
Tax on dividend	-	55.96
Balance carried to Balance Sheet	**10,384.13**	**9,257.73**

CREDIT RATING

The COVID -19 pandemic adversely affected almost all sectors of Indian economy. This led to revision of the Company's Ratings to negative outlook/Credit Watch by the Rating Agencies which felt that the weak macroeconomic environment and post imposition of lockdown by the government, the Company's asset quality would be under pressure.

However, post the moratorium period and with the gradual reopening up of the economy, the monthly collection efficiency jumped to almost 95% in September 2020. This improvement was sustained with collection efficiency crossing 100% in December 2020. During the second half of the Financial Year 2020-21, the Company regained its Ratings due to its sustained earnings profile, improvement in asset quality closer to pre-pandemic level, improvement in month-on-month collection efficiencies, continued strong market position in the pre-owned vehicle finance segment, long track record in the vehicle financing business, understanding of the target customer segment and relationship based lending model.

The restructuring in the loan portfolio was at much lower level than initial estimate of 2.5%. The Gross Stage 3 metrics stood at 8.36% and 7.06% as of March 31, 2020 and March 31, 2021 respectively.

Despite business volumes dropping till the first half of fiscal 2021 and provision of Rs.2,591.48 crores towards Covid related provisioning from Q4FY20 till Q4FY21, the Company's earnings profile remains resilient. This comes on the back of the high yields on the portfolio given the focus of STFCL on pre-owned vehicle financing.

The Company demonstrated its ability to raise funds from diversified resources including Rights Issue of Equity shares, issuance of Senior Secured Notes in the international market under its USD 3 Billion GMTN Programme, issue of Redeemable Non-Convertible Debentures (NCDs) on private placement basis, despite the challenges of weak macroeconomic environment. This fund raising coupled with higher Collections enabled the Company to sustain good liquidity throughout the Financial Year 2020-21. The credit costs, however, had slightly increased to 2.48% in the Financial Year 2020-21 from 2.43% in the Financial Year 2019-20.

The credit rating positions of the Company was as under:

Name of Rating Agency	Instrument	Ratings as on March 31, 2021
CRISIL	Bank Loan Long Term	CRISIL AA+/Stable
	Bank Loan Short Term	CRISIL A1+
	Long Term Principal Protected Market Linked Debentures	CRISIL PP-MLD AA+r/Stable
	Non-Convertible Debentures	CRISIL AA+/ Stable
	Subordinated Debt	CRISIL AA+/Stable
	Short Term Debt	CRISIL A1+
	Fixed Deposit	CRISIL FAAA /Stable
India Ratings & Research Private Limited	Non-Convertible Debentures	IND AA+/ Stable outlook
	Structured Non-Convertible Debentures	Provisional IND AAA (CE)/ Stable
	Dual Recourse Bond	IND AAA (CE)/ Stable
	Principal Protected Market Linked Debentures (Dual Recourse)	IND PP-MLD AAA(CE)emr'/ Stable
	Subordinated Debt	IND AA+/Stable outlook
	Commercial Paper	IND A1+

Name of Rating Agency	Instrument	Ratings as on March 31, 2021
CARE	Non-Convertible Debentures	CARE AA+/Stable
	Subordinated Debt	CARE AA+/ Stable
	Commercial Paper	CARE A1+
ICRA	Fixed Deposit	MAA+ with Stable
	Non-Convertible Debentures	Provisional [ICRA] AAA (CE) (Stable)
Standard & Poor's Ratings	Long-Term Issuer Credit Rating	BB -/ Stable
	Short-Term Issuer Credit Rating	B
	Senior Secured Notes	BB-
Fitch Ratings	Long-Term Issuer Default Rating	BB /Negative
	Short-Term Issuer Default Rating	B
	Senior secured Long Term Rating	BB
	Local Currency Long Term Issuer Default Rating	BB /Negative

DIVIDEND

The Board of Directors approved payment of two interim dividends for the Financial Year 2020-21:- The first interim dividend of Rs. 6/- per equity share of Rs.10/- each fully paid-up (60%) was declared on October 29, 2020 and the second interim dividend of Rs. 6/- per equity share of Rs.10/- each fully paid-up (60%) was declared on March 25, 2021. The first interim dividend and second interim dividend was paid to eligible Members on November 26, 2020 and April 16, 2021 respectively. The total interim dividend involved a cash outflow of Rs.303.67 crores. The interim dividend was paid to Members, subject to deduction of tax at source as per the applicable rate.

The Board of Directors has recommended a final dividend of Rs. 6/- per equity share of nominal face value of Rs.10/- each fully paid up i.e. 60 %, for the Financial Year 2020-21 subject to approval by Members in the ensuing 42nd Annual General Meeting (42nd AGM) of the Company. With this the total dividend for the Financial Year 2020-21 will be Rs. 18/- per share (i.e. 180 %).

The Dividend Distribution Policy forms part of the Corporate Governance Report and is also available on the website of the Company at https://cdn.stfc.in/common/Dividend-Distribution-Policy.pdf .

TRANSFER TO RESERVES

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

CAPITAL ADEQUACY RATIO

Your Company's total Capital Adequacy Ratio (CAR), as of March 31, 2021, stood at 22.50% of the aggregate risk weighted assets on balance sheet and risk adjusted value of the off-balance sheet items, which is above the regulatory minimum of 15%. The Capital Adequacy Ratio has improved due to further strengthening of capital through Rights Issue of Equity shares in the month of August, 2020 called Tier 1 Capital.

The Tier 1 ratio as on March 31, 2021 improved to 19.94% as against 18.13% as on March 31, 2020. The company's overall gearing (Debt/Tangible Net-worth) as on March 31, 2021 improved to 5.20x as against 5.45x as on March 31, 2020.

The Tier 2 ratio as on March 31, 2021 was 2.56% as against 3.86% as on March 31, 2020.

OPERATIONS AND COMPANY'S PERFORMANCE

For the Financial Year ended March 31, 2021, your Company earned Profit Before Tax of Rs. 3,278.01 crores as against Rs.3,438.67 crores in the previous Financial Year and the Profit After Tax of Rs. 2,487.26 crores as against Rs. 2,501.84 crores in the previous Financial Year. The total income for the year under consideration was Rs. 17,436.40 crores and total expenditure was Rs. 14,158.39 crores.

Mobilization of funds from following sources/instruments was as under:

(Rs. in crores)

Sr. No.	Particulars	2020-21	2019-20
1	Non-Convertible Debentures – Institutional	5,133.30	2,960.30
2	Term Loans from Banks – Secured	17,650.36	19,121.64
3	Term Loans from Financial Institutions/ corporates – Secured	3,550.00	-
4	Commercial Papers	200.00	4,130.00
5	Fixed Deposit	6,927.36	4,226.21
6	Inter Corporate Deposits	176.90	207.40
7	Non-Convertible Debentures Public Issue- Secured	-	533.61
8	External Commercial Borrowings (Loan)	-	1,636.10
9	U.S. Dollar Senior Secured Notes	5,302.85	8,744.63
10	Cash Credit	4,197.50	784.00

The total Assets Under Management had increased to Rs. 117,242.82 crores from Rs. 109,749.24 crores. During the Financial Year 2020-21, the Company securitized its assets worth Rs. 13,622.00 crores (accounting for 11.62% of the total assets under management as on March 31, 2021) as against Rs. 16,581.13 crores during the Financial Year 2019-20. With securitisation, the Company ensures better borrowing profile, leading to lower interest liability owing to its lending to priority sector as per RBI. The outstanding direct assigned portfolio stood at Rs. 1,051.23 crores as on March 31, 2021.

The Company continued its focus on financing of pre-owned commercial vehicles. The relationship based business model enabled us to maintain the leadership position in the pre-owned commercial vehicles financing segment. For further market penetration, the Company opened 59 new Branches and other offices. With this the total number of Branch and other offices across India has now increased to 1,817.

The Company's judicious liquidity management framework enabled maintaining adequate liquidity throughout the Financial Year 2020-21 to meet its liabilities, despite challenging pandemic conditions and offering moratoriums to its customers.

ISSUE OF SECURITIES

Share Capital

In order to augment capital base, the Company offered through Rights Issue 2,61,78,777 Equity Shares of face value of Rs. 10 each to the Eligible Equity Shareholders on Record Date at Issue price of Rs. 570/- per share (including premium of Rs. 560/- per Equity share) aggregating to Rs.1,492.19 crores (including share issue expenses of

Rs. 19.55 crores), in the ratio of 3 fully paid-up Rights Equity for every 26 Equity Shares held by the Eligible Equity Shareholders on Record Date.

The Company's Rights Issue received good response from Foreign Portfolio Investors, Institutional and retail shareholders/investors and was oversubscribed by 1.65 times of the issue size. The Company received 24,081 applications for 4,31,87,941 shares aggregating to Rs. 2,461.71 crores against 2,61,78,777 shares offered in the Rights Issue. The Rights Issue which was opened on July 16, 2020 was closed on the notified date i.e. July 30, 2020. The Company has received approval from stock exchanges for listing on August 7, 2020 and trading of the Rights Equity shares on August 10, 2020.

The Subscribed and Paid up Equity Share Capital of the Company stood at Rs.253.06 crores consisting of 253,061,513 fully paid-up equity shares of face value of Rs.10/- each as on March 31, 2021.

There was no convertible instrument outstanding as on March 31, 2021. None of the Directors of the Company holds instruments convertible into Equity Shares of the Company.

Issue of U.S. Dollar Senior Secured Notes (Social Bonds)

The Company updated USD 3 Billion Global Medium Term Note (GMTN) Programme on December 24, 2020.

On January 13, 2021, the Company issued USD 500,000,000 4.40 percent Senior Secured Notes due 2024 (Social Bonds) under the USD 3 Billion GMTN Programme to the Qualified Institutional Buyers (QIBs) under the Rule 144A of the U.S. Securities Act 1933 and to the eligible investors outside United States under Regulation S of the U.S. Securities Act 1933.The Social Bonds got good response from investors with oversubscription of >2x.

Further on March 31, 2021, the Company issued USD 225,000,000 Senior Secured Notes (to be consolidated and form a single series with the USD 500,000,000 4.40 per cent Senior Secured Notes due 2024 issued on January 13, 2021) under the USD 3 Billion GMTN Programme.

The proceeds of Senior Secured Notes issued have been (in case of issuance of Social Bonds on January 13, 2021) / are being (in case of issuance of Social Bonds on March 31,2021) utilized by the Company to finance investments in Eligible Social Projects in accordance with International Capital Market Association Social Bond Principles 2018 as permitted by the ECB Guidelines.

The said Social Bonds are listed on the Singapore Exchange Securities Trading Limited. All Senior Secured Notes/Social Bonds issued under the USD 3 Billion GMTN Programme are fully hedged and would not involve any foreign exchange risk to the Company.

FIXED DEPOSITS

As on March 31, 2021, there were 8,897 fixed deposits aggregating to Rs. 106.74 crores that have matured but remained unclaimed. There were no deposits, which were claimed but not paid by the Company. The unclaimed deposits have since reduced to 5,912 deposits amounting to Rs. 60.30 crores. Appropriate steps are being taken continuously to obtain the depositors' instructions so as to ensure renewal/ repayment of the matured deposits in time.

DIRECTORS

Mr. Puneet Bhatia (DIN 00143973), non-executive non–independent director ceased to be Director of the Company on expiry of his tenure on August 19, 2020 as the ordinary resolution for his re-appointment as director retiring by rotation was not passed by requisite majority in the last 41st Annual General Meeting held on 19th August, 2020. The Board of Directors have placed on record its appreciation of the invaluable services rendered by Mr. Puneet Bhatia.

Retirement of director by rotation

Mr. D. V. Ravi (DIN 00171603), non-executive non–independent director of the Company will retire by rotation at the ensuing 42nd Annual General Meeting (AGM) and being eligible, offers himself for re-appointment. Mr. D. V. Ravi is Managing Director of Shriram Capital Limited, promoter of the Company. Mr. D. V. Ravi has wide experience in corporate strategy and services, corporate finance, information technology and process activities of the Shriram Group. His profile is given in the Notice of the 42nd Annual General Meeting, forming part of this Annual Report. The Nomination and Remuneration Committee and the Board of directors recommend to Members passing of the ordinary resolution for re-appointment of Mr. D. V. Ravi as director retiring by rotation.

Declaration by Independent Directors

Pursuant to the provisions of Section 149 of the Companies Act, 2013 ("the Act"), the independent directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. There has been no change in the circumstances affecting their status as independent directors of the Company.

Policies on appointment of Directors and Remuneration

The management of the Company is immensely benefitted from the guidance, support and mature advice from members of the Board of Directors who are also members of various committees. The Board consists of directors possessing diverse skill, rich experience to enhance quality of its performance. The Company has adopted a Policy on Board Diversity formulated by the Nomination and Remuneration Committee. The Company's Remuneration Policy has laid down a framework for remuneration of Directors (Executive and Non-Executive), Key Managerial Personnel and Senior Management Personnel. These Policies are available on the Company's website at the weblink: https://bit.ly/2QQvCg4 and https://bit.ly/3hREkWC. The Company has formulated policy on Succession Planning for Directors and Key Managerial Personnel for continuity and smooth functioning of the Company.

Number of Meetings of the Board

9 (Nine) Board Meetings were held during the Financial Year. The details of the Board and various Committee meetings are given in the Corporate Governance Report.

Performance evaluation at Board and Independent Directors' Meetings

The Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its various Committees for the Financial Year 2020-21. The evaluation was conducted on the basis of a structured questionnaire which comprises performance criteria such as performance of duties and obligations, independence of judgement, level of engagement and participation, attendance of directors, their contribution in enhancing the Board's overall effectiveness, etc. The Board has expressed their satisfaction with the evaluation process. The observations made during the evaluation process were noted and based on the outcome of the evaluation and feedback of the Directors, the Board and the management agreed on various action points to be implemented in subsequent meetings.

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

The Independent Directors met on January 29, 2021 without the presence of other directors or members of Management. All the Independent Directors were present at the meeting. In the meeting, the independent directors reviewed performance of Non–Independent Directors, the Board as a whole and Chairman. They assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board. The minutes of the Independent Directors' meeting were placed before the Board Meeting held on March 25, 2021 and the same were noted by the Board.

The Independent Directors expressed satisfaction over the performance and effectiveness of the Board, individual Non-Independent Directors and the Chairman. Considering the unhealthy and stressful background of lockdown the performance of the Managing Director and Chief Financial Officer was found to be outstanding and exemplary in cutting costs, ensuring collections and team building. The Independent Directors also expressed improvement in the flow of information between the company management and the Board. The Management took note of various suggestions made in the meeting of Independent Directors, including IT and Cyber security systems, CSR projects, benchmarking of interest rates on fixed deposits etc.

The Independent Directors played active role in the committee meetings including Audit Committee. The Audit Committee which consists of four independent directors held separate meetings in addition to quarterly meetings to discuss related party transactions, review policies of the Company, approval of Budget for Financial Year 2021-22. The members of the Audit Committee also had separate meetings with joint statutory auditors and Rating Agencies in compliance with the applicable law and SEBI Circular.

KEY MANAGERIAL PERSONNEL

There was no change (appointment/resignation) in the Key Managerial Personnel namely, Managing Director, the Chief Financial Officer and the Company Secretary of the Company during the financial year. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have elevated and re-designated Mr. Umesh Revankar as Vice Chairman and Managing Director with effect from April 01, 2021. The Board of Directors also elevated and re-designated Mr. Parag Sharma, as Joint Managing Director and Chief Financial Officer, not being part of Board of Directors, with effect from April 01, 2021.

ELEVATION OF SENIOR MANAGERIAL PERSONNEL

Based on recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Mr. S. Sunder, Mr. P. Sridharan, Mr. Sudarshan Holla and Mr. Nilesh Odedara have been elevated as Joint Managing Directors, not being part of Board of Directors, with effect from April 01, 2021.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3)(c) and Section 134(5) of the Companies Act, 2013, the Directors confirm that, to the best of their knowledge and belief:

a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b) That such accounting policies as mentioned in note 1 to 7 to the financial statements have been selected and applied consistently, and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit of the Company for the year ended on that date;

c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The annual accounts have been prepared on a going concern basis.

e) The Company had followed the internal financial controls laid down by the directors and that such internal financial controls are adequate and were operating effectively.

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

RBI GUIDELINES

The Company continues to comply with all the requirements prescribed by the Reserve Bank of India from time to time.

BUSINESS RESPONSIBILITY REPORT

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR Report for the Financial Year 2020-21 is annexed to this report as **Annexure-I**. The composition of CSR Committee and the details of the ongoing CSR projects/ programs/activities are included in the CSR report/section. The CSR Policy is uploaded on the Company's website at the web link: https://bit.ly/3wnTqHg.

ANNUAL RETURN

In accordance with the provisions of Section 92(3) of the Act, Annual Return of the Company is hosted on website of the Company at https://bit.ly/2RMEkMZ

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

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

The information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 is as follows:

a. The Company has no activity involving conservation of energy or technology absorption.

b. The Com pany does not have any Foreign Exchange Earnings.

c. Outgo under Foreign Exchange – Rs. 23.29 crores.

Loans, guarantee or investments in securities

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

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

Contracts or Arrangements with Related Parties

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

As required under the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, the policy on materiality of related party transactions and dealing with related party transactions as approved by the Board is uploaded on the Company's website at the web link: https://bit.ly/3vfdL1c.

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company save and except the payment of sitting fees and commission paid to Independent Directors.

Risk Management

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

Whistle Blower Policy/ Vigil Mechanism

The Company's Whistle Blower policy provides a mechanism under which an employee/director of the Company may report unethical behaviour, suspected or actual fraud, violation of code of conduct and personnel policies of the Company. The Vigil Mechanism ensures standards of professionalism, honesty, integrity and ethical behaviour. The Whistle Blower Policy/Vigil Mechanism is uploaded on the Company's website: https://bit.ly/3uy3dZY

Financial summary/highlights

Income for the Financial Year 2020-21 increased by 5.19% to Rs.17,436.40 crores as compared to Rs.16,575.76 crores in the Financial Year 2019-20;

Income from operations for the Financial Year 2020-21 was Rs.17,420.45 crores as compared to Rs.16,555.49 crores in the Financial Year 2019-20, a growth of 5.22 %;

Profit before tax for the Financial Year 2020-21 was Rs.3,278.01 crores as compared to Rs.3,438.67 crores in the Financial Year 2019-20;

Profit after tax for the Financial Year 2020-21 was Rs.2,487.26 crores as compared to Rs.2,501.84 crores in 2019-20.

Our interest income increased by 5.29% from Rs.16,267.46 crores in the year ended March 31, 2020 to Rs.17,128.14 crores in the year ended March 31, 2021.

Finance costs increased by 9.48% from Rs.8,270.26 crores in the year ended March 31, 2020 to Rs.9,054.26 crores in the year ended March 31, 2021.

Other expenses increased from Rs.863.20 crores in the year ended March 31, 2020 to Rs. 863.23 Crores in the year ended March 31, 2021.

Our fees and commission income decreased by 40.58 % from Rs. 194.97 crores in the year ended March 31, 2020 to Rs. 115.86 crores in the year ended March 31, 2021.

Internal Financial Control System

The Company's well-defined organizational structure, documented policy guidelines, defined authority matrix and internal financial controls ensure efficiency of operations, protection of resources and compliance with the applicable laws and regulations. Moreover, the Company continuously upgrades its systems and undertakes review of policies.

The internal financial control is supplemented by extensive internal audits, regular reviews by management and standard policies and guidelines to ensure reliability of financial and all other records to prepare financial statements and other data. The Audit Committee of the Board reviews internal audit reports given along with management comments. The Audit Committee also monitors the implemented suggestions.

Composition of Audit Committee

The Audit Committee comprised of following directors namely, Mr. S. Sridhar – Chairman, Mrs. Kishori Udeshi, Mr. Pradeep Kumar Panja and Mr. S. Lakshminarayanan.

Others

- There were no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year of the Company and the date of the Directors' report. The impact of pandemic has been dealt with in the Management Discussion and Analysis annexed to the Annual Report.
- There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future. For other orders, please refer to Note 49 of the financial statement containing details of the contingent liabilities.
- No equity shares were issued with differential rights as to dividend, voting or otherwise.
- No equity shares (including sweat equity shares) were issued to employees of your company, under any scheme.
- The Company has not resorted to any buy back of its equity shares during the year under review.
- There was no change in the nature of business of the Company.
- There was no fraud reported by the Auditors of the Company under the Section 143(12) of the Act to the Audit Committee.
- Your company adopted ISO 27001 standards, practices its processes and upgrade its implementation on regular basis to maintain the information security as per the market trend. The Company is prepared to face emerging cyber threats such as Zero-day attacks, remote access threats and targeted threats. Your company has established disaster recovery centres and various security controls in place to mitigate risks, also safeguard the Company against security breaches and technological lapses located in different seismic zones, periodic upgrading of servers and data storage, adopting new technology for data management. On regular basis different type of system audits is conducted by the external and internal auditors. Board represented strategy committee governs the security policies and its implementation as per the company corporate governance process.
- The Company has a policy for prevention of Sexual Harassment for Women at Workplace. An Internal Complaints Committee has been constituted in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH'). During the year under review, there was one case filed under the said Act and it was settled. The Company also conducted an exhaustive video based learning module for all employees from awareness and compliance perspective on POSH.
- Disclosure regarding details relating to deposits covered under Chapter V of the Act is not applicable since our company is a Non-Banking Financial Company regulated by Reserve Bank of India. The Company accepts deposits as per Master Direction - non-banking financial companies acceptance of public deposits (Reserve Bank) Directions, 2016.
- The Company has obtained a certificate from the statutory auditor certifying that the Company has complied with the requirements of the Regulation 9 of the Master Direction – Foreign Investment in India with regard to downstream investments.
- The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings, Annual General Meetings and Dividend.

- The Company, in the capacity of Financial Creditor, has not filed any applications with National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 during the financial year 2020-21 for recovery of outstanding loans against any customer being Corporate Debtor.
- The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof. – Not Applicable

CONSOLIDATED FINANCIAL STATEMENTS

There was no entity which became or ceased to be subsidiary, joint venture or associate company of the Company during the financial year ended March 31, 2021.

Shriram Automall India Limited (SAMIL), associate of the Company provides fee-based facilitation services for the sale of pre-owned commercial and passenger vehicles, agricultural and construction equipment, dealer's stock of pre-owned two wheelers, etc. repossessed by banks and financing companies. SAMIL has 89 Automalls located across the Country. As per the unaudited financial statements of SAMIL for the year ended March 31, 2021, its total income from operations and Net Profit was Rs. 158.96 crores and Rs. 25.96 crores respectively, on consolidated basis. The said financial statements of SAMIL will be made available to Members on request. Pursuant to Section 129 of the Act read with Rule 5 to the Companies (Accounts) Rules, 2014, the statement containing salient features of the financial statement of associate company in Form AOC 1 forms part of this Annual Report. The consolidated financial statements forming part of this Annual Report are prepared in compliance with the applicable Indian Accounting Standards and Listing Regulations. Pursuant to the provisions of Section 136 of the Act, this Annual Report is available on the website of the Company https://www.stfc.in/investors/annual-reports/.

PARTICULARS OF EMPLOYEES

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

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

AUDITORS

Pursuant to the provisions of Section 139 of the Act and the Companies (Audit and Auditors) Rules, 2014, M/s Haribhakti & Co. LLP, Chartered Accountants, Mumbai (Firm Registration No. 103523W/W100048) and M/s Pijush Gupta & Co. Chartered Accountants, Gurugram (Firm Registration No. 309015E) had been appointed as Joint Statutory Auditors of the Company at the 38th AGM held on June 29, 2017 to hold office from the conclusion of the 38th AGM until the conclusion of the 43rd AGM of the Company.

They have also confirmed that they hold a valid peer review certificate as prescribed under Listing Regulations. The Company seeks approval of Members every year at the Annual General Meeting for payment of remuneration (exclusive of certification fee, goods and services tax and reimbursement of out of pocket expenses) to the Joint Statutory Auditors for the financial year based on recommendation of the Audit Committee and approval of the Board of Directors pursuant to Section 142 and other applicable provisions of the Act.

Reserve Bank of India (RBI) issued guidelines on appointment of statutory auditor (s) by Non-Banking Financial Company (NBFC) vide Circular RBI/2021-22/25 Ref. No. DoS. CD.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 ('Circular'/'Guidelines'). RBI has given flexibility to Non-Banking Financial Companies (NBFCs) to adopt these Guidelines from H2 (second half) of the Financial Year 2021-22 in order to ensure that there is no disruption. Accordingly, the NBFCs shall appoint Statutory Auditors for a continuous period of three years from Financial Year 2021-22.

The current Joint Statutory Auditors of the Company have conducted audit of the accounts of the Company for four consecutive financial years ending March 31, 2021. In order to give time to NBFCs for smooth transition, Finance Industry Development Council (FIDC), a representative body of asset and loan financing NBFCs, has made request to RBI that the Circular be made applicable to NBFCs from April 1, 2022 i.e. from Financial Year 2022-23.

In the event RBI accedes to the request of FIDC, it is proposed that the current Joint Statutory Auditors of the Company will continue to hold their office till such period as may be permitted by the law. In that event, it is proposed that they shall be paid the remuneration for conducting audit of Company's accounts for the full financial year ending March 31, 2022. Otherwise, it is proposed that the Joint Auditors shall be paid remuneration as may be fixed by the Board of Directors of the Company depending upon scope of their work on pro-rata basis for holding the office of Joint Statutory Auditors for part of the Financial year 2021- 22 as mentioned in the resolution at Item Nos.5 and 6 of the Notice of ensuing 42nd Annual General Meeting. The Audit Committee and the Board of Directors have recommended passing of these resolutions by the Members.

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

SECRETARIAL AUDIT

Secretarial Audit Report pursuant to the provisions of Section 204 of the Companies Act, 2013 for the financial year 2020-21 issued by Mr. P. Sriram, Practicing Company Secretary (Certificate of Practice No.3310) (Membership No. FCS 4862) is annexed to this report as **Annexure-III**. The report does not contain any qualification, reservation or adverse remark.

CORPORATE GOVERNANCE

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

- the Report on Corporate Governance;
- the Certificate duly signed by the Vice Chairman & Managing Director and the Joint Managing Director & Chief Financial Officer on the Financial Statements of the Company for the year ended March 31, 2021 as submitted to the Board of Directors at their meeting held on April 29, 2021;
- the declaration by the Vice Chairman & Managing Director regarding compliance by the Board members and senior management personnel with the Company's Code of Conduct; and
- the Management Discussion & Analysis Report

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

ACKNOWLEDGEMENT

The Board of Directors would like to place on record their gratitude for the guidance and cooperation extended by Reserve Bank of India and the other regulatory authorities. The Board takes this opportunity to express their sincere appreciation for the excellent patronage received from the Banks and Financial Institutions and for the continued enthusiasm, total commitment, dedicated efforts of the executives and employees of the Company at all levels. We are also deeply grateful for the continued confidence and faith reposed on us by all the Stakeholders including Shareholders, Depositors, Debenture holders and Debt holders.

For and on behalf of the Board of Directors

S. Lakshminarayanan

New Delhi — Chairman

April 29, 2021 — (DIN: 02808698)

ANNEXURE - I

PART-1

REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2020 – 21

(BOARD'S REPORT FOR FINANCIAL YEAR COMMENCED PRIOR TO 1st DAY OF APRIL, 2020)

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

   The object of CSR Policy of the Company is to continue to contribute towards social welfare projects focusing on providing education, vocational training, promoting health care facilities to economically weaker and underprivileged section of the Society and to do such other activities as may be permissible under Section 135 of the Companies Act, 2013('the Act') and the Companies (Corporate Social Responsibility Policy) Rules, 2014('the Rules'). The Company's CSR policy is available on website of the Company: https://bit.ly/3hgGqyW

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

2. The Composition of the CSR Committee:

Name of the Member	Category
Mr. Umesh Revankar - Chairman	Vice Chairman & Managing Director
Mr. S. Lakshminarayanan	Non Executive-Independent Director
Mr. Pradeep Kumar Panja	Non Executive-Independent Director
(*)Mrs. Kishori Udeshi	Non Executive-Independent Director
(**)Mr. Puneet Bhatia	Non Executive- Non-Independent Director

   (*) Ceased to be member of the committee with effect from March 25, 2021.

   (**)Ceased to be director of the Company with effect from August 19, 2020

3. Average net profit of the company for last three financial years:- **Rs.3145.51 crores**
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): **Rs.62.91 crores**
5. Details of CSR spent during the financial year 2020-21
   (a) Total amount spent in the financial year:- Rs.64.96 crores
   (b) Amount unspent, if any:-Nil

(c) Manner in which the amount spent during the financial year is detailed below :-

Sr. No	Nature of Project	CSR project or activity identified.	Sector in which the Project is covered	Projects or programs (1)Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or Programs Wise (Rs.in crores)	Amount spent on the projects or Programs Sub heads: (1) Direct expenditure on projects or programs. (2) Overheads: (Rs.in crores)	Cumulative expenditure upto the reporting period (Rs.in crores)	Amount spent: Direct or through implementing agency*
1	**Ongoing Project**	**Education**						
	Ongoing Project	Promoting Primary & Secondary	Education	Pan India	28.0	28.0	28.0	Implementing Agency
	Ongoing Project	School Scholarship Scheme	Education	Pan India	8.90	8.94	8.94	Direct
	Ongoing Project	Higher Education Scholarship Scheme	Education	Pan India	2.75	2.78	2.78	Implementing Agency

ANNEXURE - I
(Contd.)

PART-1 (Contd.)

Sr. No	Nature of Project	CSR project or activity identified.	Sector in which the Project is covered	Projects or programs (1)Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or Programs Wise (Rs.in crores)	Amount spent on the projects or Programs Sub heads: (1) Direct expenditure on projects or programs. (2) Overheads: (Rs.in crores)	Cumulative expenditure upto the reporting period (Rs.in crores)	Amount spent: Direct or through implementing agency*
	Ongoing Project	Promoting research in mathematics and computer science	Education	Tamilnadu, Chennai	5.00	5.00	5.00	Direct
	Ongoing Project	Single Teacher School	Education	Tamilnadu, Chennai	1.00	1.00	1.00	Direct
2	**Ongoing Project**	**Training & Skill Development**						
	Ongoing Project	Drivers' Training Program	Training and skill development	Maharashtra, Madhya Pradesh, TamilNadu, Chhattisgarh and Odisha Mumbai, Osmanabad, Indore, Madurai, Raipur and Berhampur	3.50	3.55	3.55	Implementing Agency
3	**Ongoing Project**	**Preventive Health Care**						
	Ongoing Project	Mobile Medical Unit & Health Clinic	Preventive Health Care	Karnataka, Odisha, Tamil Nadu, Rajasthan, Maharashtra, Andhra Pradesh, Gujarat, Jharkhand, Assam, West Bengal & Bihar Bangalore, Bhubaneshwar, Chennai, Jaipur, Mumbai, Nagpur, Visakhapatnam, Vapi, Ranchi, Silchar, Guwahati, Hooghly, Kolkata & Patna	8.25	8.28	8.28	Implementing Agency
	Ongoing Project	Blood donation -Indian Red Cross Society	Preventive Health Care	Maharashtra, Mumbai	0.20	0.20	0.20	Direct
	Ongoing Project	Covid-19	Preventive Health Care	Pan India	3.50	3.56	3.56	Direct
4	**Ongoing Project**	**Promotion & development of traditional arts**						
	Ongoing Project	Promotion of art & culture - The South India Club	Preservation of art,culture and heritage	New Delhi	2.00	2.00	2.00	Direct
	Other project	**Any Other Projects Permissable under CSR Rules**						

PART-1 (Contd.)

Sr. No	Nature of Project	CSR project or activity identified.	Sector in which the Project is covered	Projects or programs (1)Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or Programs Wise (Rs.in crores)	Amount spent on the projects or Programs Sub heads: (1) Direct expenditure on projects or programs. (2) Overheads: (Rs.in crores)	Cumulative expenditure upto the reporting period (Rs.in crores)	Amount spent: Direct or through implementing agency*
5	**Other project**	Miscellaneous expenses	Vocational training, educational awareness program, preventive health care, preservation of art & culture etc.	Pan India	0.14	0.83	0.83	Direct
		Total			63.24	64.14	64.14	
		Overhead expenses			0.71	0.82	0.82	
		Grand Total			**63.95**	**64.96**	**64.96**	

*Shriram Seva Sankalp Foundation, Buddy4study, Terna Public Charitable Trust, DB Skills Foundation, Piramal Swasthya Management and Research Institute were implementing agencies involved in the above projects.

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

   Not Applicable since the Company has spent Rs. 64.96 crores during the financial year 2020 -21 as against the prescribed CSR expenditure of Rs. 62.91 crores as per item 4 of this report.

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

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

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

Mumbai
April 29, 2021

ANNEXURE - I

PART-2

REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2020 – 21

(BOARD'S REPORT FOR FINANCIAL YEAR COMMENCING ON OR AFTER 1st DAY OF APRIL, 2020)

1. Brief outline on CSR Policy of the Company.

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

2. Composition of CSR Committee:

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

(*) Ceased to be member of the committee with effect from March 25, 2021.

(#)Ceased to be director of the Company with effect from August 19, 2020

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

   The Composition of CSR committee, Company's CSR policy and CSR projects are available on website of the Company

   Composition of CSR committee: https://bit.ly/3tKOomd,
   Company's CSR policy: https://bit.ly/3hgGqyW and
   CSR projects: https://bit.ly/3fbjkqx

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

   Not Applicable

PART-2 (Contd.)

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 (Rs. in crores)	Amount required to be setoff for the financial year, if any (Rs. in crores)
1	2019-20	0.34	Nil
2	2018-19	0.55	Nil
	Total	0.89	

6. Average net profit of the company as per section 135(5) :- **Rs.3145.51 crores**

7. (a) Two percent of average net profit of the company as per section 135(5) :- **Rs.62.91 crores**

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

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

   (d) Total CSR obligation for the financial year (7a+7b-7c) :- **Rs.62.91 crores**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (Rs.in crores)	Amount Unspent (Rs.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
64.96	Nil	Not Applicable	Not Applicable	Nil	Not Applicable

PART-2 (Contd.)

8. (b) Details of CSR amount spent against ongoing projects for the financial year 2020-21

Sr. No	Type of the Project	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the Project		Project duration	Amount allocated for the project (Rs.in crores)	Amount spent in the current financial year (Rs.in crores)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (Rs.in crores)	Mode of Implementa tion - Direct (Yes/No)	Mode of Implementation -Through Implementing agency	
					State	District						Name	CSR Registration Number
1	Ongoing project	Promoting Primary & Secondary education	Education	No	Pan India		3 years	28.00	28.00	Not Applicable	No	Shriram Seva Sankalp Foundation	CSR00001315
2	Ongoing project	School Scholarship Scheme	Education	No	Pan India		3 years	8.90	8.94	Not Applicable	Yes	Direct	Not Applicable
3	Ongoing project	Higher Education Scholarship Scheme	Education	No	Pan India		4 years	2.75	2.78	Not Applicable	No	Buddy4Study Foundation	CSR00000121
4	Ongoing project	Promoting research in mathematics and computer science	Education	Yes	Tamilnadu	Chennai	3 years	5.00	5.00	Not Applicable	Yes	Direct	Not Applicable
5	Ongoing Project	Single Teacher School	Education	Yes	Tamilnadu	Chennai	3 years	1.00	1.00	Not Applicable	Yes	Direct	Not Applicable
6	Ongoing project	Drivers' Training Program	Training and skill development	Yes	Maharashtra, Madhya Pradesh, TamilNadu, Chhattisgarh and Odisha,	Mumbai, Osmanabad, Indore, Madurai, Raipur and Berhampur	3 years	3.50	3.55	Not Applicable	No	Terna Public Charitable Trust & DB Skills Foundation	CSR00001159
7	Ongoing project	Mobile Medical Unit & Health Clinic	Preventive Health Care	No	Karnataka, Odisha, Tamil Nadu, Rajasthan, Maharashtra, Andhra Pradesh, Gujarat, Jharkhand, Assam, West Bengal & Bihar	Bangalore, Bhubaneshwar, Chennai, Jaipur, Mumbai, Nagpur, Visakhapatnam, Vapi, Ranchi, Silchar, Guwahati, Hooghly, Kolkata & Patna	4 years	8.25	8.28	Not Applicable	No	Piramal Swasthya Management & Research Institute	CSR00000217
8	Ongoing project	Blood donation -Indian Red Cross Society	Preventive Health Care	No	Maharashtra	Mumbai	3 years	0.20	0.20	Not Applicable	Yes	Direct	Not Applicable
9	Ongoing project	Covid-19	Preventive Health Care	No	Pan India			3.50	3.56	Not Applicable	Yes	Direct	Not Applicable
10	Ongoing project	Promotion of art & culture - The South India Club	Preservation of art,culture and heritage	No	New Delhi		3 years	2.00	2.00	Not Applicable	Yes	Direct	Not Applicable
	Total (b)							**63.10**	**63.31**				

PART-2 (Contd.)

8. (c) Details of CSR amount spent against other than ongoing projects for the financial year 2020-21

Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project		Amount spent for the project (Rs.in crores)	Mode of Implementation Direct (Yes/No)	Mode of Implementation -Through Implementing agency	
				State	District			Name	CSR Registration Number
1	Miscellaneous expenses	Any Other Projects Permissable under CSR Rules	Yes	Tamilnadu	Chennai	0.04	Yes	Direct	Not Applicable
i	Bhumika Foundation	Vocational training to disabled persons	No	Maharashtra	Mumbai	0.01	Yes	Direct	Not Applicable
ii	Lions Club	Educational awareness program	No	Maharashtra	Mumbai	0.01	Yes	Direct	Not Applicable
iii	Rehabilitation of mentally challenge/ disabled people	Preventive Health Care	No	Karnataka	Belagavi	0.25	Yes	Direct	Not Applicable
iv	Distribution of food supply for transport community	Eradicating hunger	No	Pan India		0.19	Yes	Direct	Not Applicable
v	Donations	Livelihood at rural areas	Yes	Tamilnadu	Chennai	0.01	Yes	Direct	Not Applicable
vi	Sri Shanmukhananda Fine Arts & Sangeetha Sabha	Preservation of art & culture	No	Maharashtra	Mumbai	0.14	Yes	Direct	Not Applicable
vii	Project Mumbai	Donation for data cards to students	No	Maharashtra	Mumbai	0.02	Yes	Direct	Not Applicable
viii	Mobile Medical Unit	Preventive Health Care	No	Uttar Pradesh	Prayagraj	0.16	Yes	Direct	Not Applicable
	Total (c)					**0.83**			

(d) Amount spent in Administrative Overheads — Rs.0.82crores

(e) Amount spent on Impact Assessment, if applicable — Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) — Rs. 64.96crores

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (Rs. in crores)
i)	Two percent of average net profit of the company as per Section 135(5)	62.91
ii)	Total amount spent for the Financial Year	64.96
iii)	Excess amount spent for the financial year [(ii)-(i)]	2.05
iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	2.05

PART-2 (Contd.)

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

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (Rs.in crores)	Amount spent in the reporting Financial Year (Rs. in crores)	Amount transferred to any fund specified under Schedule VII as per section 135(6) , if any			Amount remaining to be spent in succeeding financial years (Rs. in crores)
				Name of the fund	Amount (Rs. in crores)	Date of transfer	
1	2019 - 20	Nil	53.16	Not Applicable	Nil	Not Applicable	Nil
2	2018 - 19	Nil	40.05	Not Applicable	Nil	Not Applicable	Nil
3	2017 - 18	Not Applicable	18.81	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Total		112.02				

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

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

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details). **Not Applicable.**

 (a) Date of creation or acquisition of the capital asset(s).
 (b) Amount of CSR spent for creation or acquisition of capital asset.
 (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
 (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)

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

 Not Applicable since the Company has spent Rs.64.96 crores during the financial year 2020 -21 as against the prescribed CSR expenditure of Rs.62.91 crores.

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

Mumbai
April 29, 2021

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

(i) **(a) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company and the percentage increase in remuneration of each Director for the Financial year 2020-21:-**

Name of Independent Directors	Category	*Remuneration for FY 2019-20 (Rs. in crs)	*Remuneration for FY 2020-21 (Rs. in crs)	% Increase in Remuneration in FY 2020-21	Ratio of Remuneration of each Director to Median Remuneration of Employees
(i)	(ii)	(iii)	(iv)	(v)= (iv)- (iii)	(vi)
Mr. S. Lakshminarayanan Chairman	Non-Executive	0.08	0.10	33.33	3.41x
Mrs. Kishori Udeshi	Non-Executive	0.08	0.10	33.33	3.41x
Mr. S. Sridhar	Non-Executive	0.08	0.10	33.33	3.41x
Mr. Pradeep Kumar Panja	Non-Executive	0.08	0.10	33.33	3.41x

*Excludes Sitting fees. The Independent directors are entitled to Sitting fees and commission as per the statutory provisions and within the limit approved by the Shareholders. The Non-executive Non-Independent Directors did not receive any remuneration from the Company.

(b) The percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and Company Secretary in the Financial year 2020-21:-

Name of Key Managerial Personnel	Category	Remuneration for FY 2019-20 (Rs. in crs)	*Remuneration for FY 2020-21 (Rs. in crs)	% Increase in Remuneration in FY 2020-21	Ratio of Remuneration of each Director to Median Remuneration of Employees
*Mr. Umesh Revankar	Managing Director & CEO	1.10	0.97	(12.08)	32.92
Mr. Parag Sharma	Chief Financial Officer	0.63	0.57	(9.83)	Not Applicable
Mr. Vivek Achwal	Company Secretary	0.50	0.48	(2.68)	Not Applicable

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

I. In the Financial year 2020-21, there was a drop of 2.83 % in the median remuneration of the employees

II. There were 24452 permanent employees on the role of Company as on March 31, 2021.

III. For employees other than Managerial Personnel who were in employment for whole of the Financial Year 2019-20 and Financial Year 2020-21, the average increase in the remuneration was 5.87 %. The average decrease in remuneration for Managerial Personnel in Financial year 2020-21 was 1.04 %, due to voluntary salary cut taken by certain senior employees, from 1st April, 2020 in order to promote cost consciousness in the wake of COVID -19.

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

FORM NO.MR-3

SECRETARIAL AUDIT REPORT

FINANCIAL YEAR ENDED 31ST MARCH, 2021

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

To

The Members

Shriram Transport Finance Company Limited

CIN: L65191TN1979PLC007874

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

Industrial Estate, Guindy,

Chennai 600032

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

Based on my verification of Company's books, papers, minute books, forms, statutory registers and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31st March 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2021 according to the provisions of:

1) The Companies Act, 2013 (the Act) and the rules made there under;
2) The Securities Contracts(Regulation) Act, 1956 ('SCRA') and the rules made there under;
3) The Depositories Act, 1996 and the Regulations and Bye-laws framed;
4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings;
5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
    a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
    d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
    e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
    g) The Securities and Exchange Board of India(Buy-Back of Securities) Regulations, 2018;

6) Reserve Bank of India Act, 1934;

7) Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

8) Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016

9) Master Direction - External Commercial Borrowings, Trade Credit, Borrowing and Lending in Foreign Currency by Authorised Dealers and Persons other than Authorised Dealers as amended.

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

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

12) Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

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

I further report that

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

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

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

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

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

(i) Issuance of Equity Shares for an aggregate amount of Rs. 1492.19 Crores by way of Rights Issue.

(ii) The Company had received an Order from Directorate of Enforcement, Southern Regional Office Chennai in accordance with the Provisions of the Foreign Exchange Management Act 1999 vide Order no SDE/SRO/CEZO-I/02/2020(SK) dated March 4, 2020 imposing a penalty of Rs. 50,000,000 (Five Crores) for the Company and has also levied a penalty of Rs. 5,000,000, each on the then three directors of the erstwhile Shriram Holdings (Madras) Private Limited, which includes a non-independent director of the Company. In this regard as on date of this report following are the further developments.

ANNEXURE - III

(Contd.)

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

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

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

P. Sriram
Place: Chennai **P. Sriram & Associates**
Date: April 29, 2021 FCS No. 4862/C P No: 3310
UDIN: F004862C000211959
PEER REVIEW NO: S2011TN155200

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

Annexure A

To
The Members
Shriram Transport Finance Company Limited

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

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

P. Sriram
P. Sriram & Associates
FCS No. 4862/C P No: 3310
UDIN: F004862C000211959
PEER REVIEW NO: S2011TN155200

Place: Chennai
Date: April 29, 2021

ANNEXURE - IV

Pijush Gupta & Co.
Chartered Accountants
GF – 17 Augusta Point , Golf Course Road, Sector – 53
Gurugram – 122002

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

To
The Members
Shriram Transport Finance Company Limited

1. This Certificate is issued in accordance with the terms of our engagement letter dated 29th September, 2020.
2. We have examined the compliance of conditions of Corporate Governance by Shriram Transport Finance Company Limited ('the Company'), for the year ended March 31, 2021, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Management's Responsibility

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

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We conducted our examination in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by ICAI.

Opinion

8. Based on our examination, as above, and to the best of the information and explanations given to us and representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2021.
9. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on Use

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

For Pijush Gupta & Co.
Chartered Accountants
ICAI Firm Registration No.309015E

Pijush Kumar Gupta
Partner
Membership No. 015139
UDIN: 21015139AAAAAW1457

Place: Gurugram
Date: April 29, 2021

Report on Corporate Governance

The Report for the financial year ended March 31, 2021 on compliance by the Company with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is given below.

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

BOARD OF DIRECTORS

The Company has put in place an internal governance structure. The Board of Directors of the Company consists of professionals from varied disciplines. The day to day management of the affairs of the Company is entrusted with the senior management personnel, headed by the Vice Chairman and Managing Director, who functions under the overall supervision, direction and control of the Board of Directors ("the Board") of the Company. The Board meets regularly to discuss, review and decide upon the matters such as policy formulation, setting up of goals, appraisal of performances with the goals and control functions, etc. In order to facilitate the day-to-day operations, the Board constitutes from time to time various committees and delegated necessary powers to the Committees. The Board has also delegated certain powers of day-to-day management of affairs of the Company to the Vice Chairman and Managing Director relating to operational matters. The Board thus exercises close control over the overall functioning of the Company with a view to enhance the stakeholders value.

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

BOARD MEETING AND PROCEDURES

1. The notes on Agenda setting out the business to be transacted at the Board Meeting, were sent to each Director seven days before the date of the Board Meeting. The financial results were generally tabled at the Board meeting held as and when necessary. In view of COVID-19 pandemic and to adhere to the lockdown and social distancing norms, all the Board Meetings and 41st Annual General Meeting of the Company were held during the financial year through video conferencing ("VC") or other audio-visual means ("OAVM"). During the financial year the Board of Directors also passed some resolutions by circulation on September 7, 2020.

In case of Committee meetings majority meetings, were held through VC/OAVM except Banking and Finance Committee and Securities Transfer Committee meetings. The yearly calendar of the meetings is finalized before the beginning of the year.

During the year under review, nine meetings of the Board of Directors were held on April 20, 2020, June 10, 2020, June 15, 2020, August 13, 2020, August 19, 2020, October 08, 2020, October 29, 2020, January 28, 2021 and March 25, 2021. The necessary quorum was present for all the meetings.

The maximum gap between any two meetings was not more than one hundred and twenty days. As mandated by proviso under Regulation 17A(1) of the Listing Regulations as of March 31, 2021, none of the Independent Directors of the Company served as an Independent Director in more than seven listed entities and as per Regulation 26 of Listing Regulations none of Directors is a member of more than ten Committees or acting as Chairperson of more than five Committees of the companies in which he/she is a Director. The necessary disclosures regarding Committee positions have been made by the Directors. The names and categories of Directors, their attendance at Board Meetings held during the Financial Year and at the last Annual General Meeting (AGM), number of Memberships/Chairmanships of Directors in other Boards and Committees of Board, Category of directorship and names of listed entities where person is a director are as follows:

COMPOSITION OF BOARD

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

Name of the Director and Category of Directorship	No. of Board Meetings attended during the F.Y. 2021	Whether attended the last AGM held on August 19, 2020	Total no. of Directorships	Member-ships in Audit / Stakeholders Relationship Committee	Chairmanships in Audit / Stakeholders Relationship Committee	Category of directorship and Names of listed entities where person is a director.
Mr. S Lakshminarayanan Chairman Non-Executive Independent Director DIN: 02808698	9	Yes	3	1	1	Nil
Mr. Umesh Revankar Executive, Vice Chairman and Managing Director DIN: 00141189	9	Yes	5	3	0	Nil
(#)Mr. Puneet Bhatia Non-Executive Non-Independent Director DIN: 00143973	5	Yes	#	#	#	#
Mrs. Kishori Jayendra Udeshi Non-Executive Independent Director DIN: 01344073	9	Yes	7	4	2	Non-executive Independent Director (i) ION Exchange (India) Limited; (ii) HALDYN Glass Limited; (iii) Thomas Cook (India) Limited; (iv) ELANTAS Beck India Limited; and (v) Kalyan Jewellers India Limited.

Name of the Director and Category of Directorship	No. of Board Meetings attended during the F.Y. 2021	Whether attended the last AGM held on August 19, 2020	Total no. of Directorships	Member-ships in Audit / Stakeholders Relationship Committee	Chairmanships in Audit / Stakeholders Relationship Committee	Category of directorship and Names of listed entities where person is a director.
Mr. Ignatius Michael Viljoen Non-Executive and Non-Independent Director DIN: 08452443	9	Yes	1	0	0	Non-executive Non Independent Director Shriram City Union Finance Company Limited.
Mr. Sridhar Srinivasan Non-Executive Independent Director DIN: 00004272	9	Yes	7	1	4	Non-executive Independent director i) Jubilant Pharmova Limited ii) Strides Pharma Science Limited
Mr. D. V. Ravi Non-Executive Non-Independent Director DIN:00171603	9	Yes	3	1	0	Nil
Mr. Pradeep Kumar Panja Non-Executive Independent Director DIN: 03614568	9	Yes	4	5	3	Non-executive Independent director i) Trigyn Technologies Limited ii) Brigade Enterprises Limited iii) The Karnataka Bank Limited

Notes:

1. In the above table, the total number of Directorships of a Director excludes his/her Directorships in the Company, Section 8 Company, Private Limited Companies and Foreign Companies.
2. The Memberships and Chairmanships of Directors in Committees do not include their Memberships and Chairmanships in the Company.
3. None of the above Directors are related inter- se.
4. Non-Executive Directors of the Company do not hold any shares and convertible instruments in the Company.
5. (#)Mr. Puneet Bhatia, Non-Executive Non-Independent Director, ceased to be Director of the Company on expiry of his tenure on August 19, 2020.

The Board evaluates its composition to ensure that the Board has the appropriate mix of skills, expertise, experience and knowledge for its continued effectiveness and serving the Company's governance and strategic needs. The Directors possess necessary experience, skills and ability relevant to the Company's business and affairs.

The following Table give details of the skills/expertise/competence identified by the Board of Directors pursuant to Regulation 34(3) read with Schedule V Part (C) (2)(h)(ii) of Listing Regulations and currently available with the Board.

Name of Director	Skills / Expertise / Competence of Directors						
	Leadership knowledge of Financial Service and Banking Industry	Strategic & Business Planning	Governance, Ethics & Regulatory Oversight	Audit & Risk Management	Sustainability	Human Resource	Information Technology knowledge
Mr. S Lakshminarayanan Chairman, Independent Director	✓	✓	✓	✓	✓	✓	✓
Mr. Umesh Revankar Vice Chairman & Managing Director	✓	✓	✓	✓	✓	✓	✓
Mrs. Kishori Jayendra Udeshi Independent Director	✓	✓	✓	✓	✓	✓	
Mr. Sridhar Srinivasan Independent Director	✓	✓	✓	✓	✓	✓	✓
Mr. Pradeep Kumar Panja Independent Director	✓	✓	✓	✓		✓	✓
Mr. D. V. Ravi Non-Executive and Non-Independent Director	✓	✓	✓	✓	✓	✓	✓
Mr. Ignatius Michael Viljoen Non-Executive and Non-Independent	✓	✓		✓	✓		

The brief profiles of Directors are also available on the website of the Company https://bit.ly/3hq1Sl6

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

MEETING OF INDEPENDENT DIRECTORS

The Company's Independent Directors met on January 29, 2021 without the presence of Executive Directors or members of management. The meeting was attended by all the Independent Directors. In the meeting, the Independent Directors reviewed performance of Non-Independent Directors, Board as a whole, Chairman and every Independent Directors. The Directors were evaluated on parameters such as functioning of the Board, frequency of meetings of the board and committees of directors, level of participation of directors at the board and committee meetings, independence of judgments, performance of duties and obligations by directors, implementation of good corporate governance, safeguarding the interest of all other stakeholders. They assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board. The Independent Directors were satisfied with the overall functioning of the Board, its various Committees and with the performance of other Executive and Non-Executive directors. They placed on record appreciation of the outstanding and exemplary performance of the Managing Director in cutting costs, ensuring collections and team building in spite of the unhealthy and stressful background of lockdown due to COVID-19 pandemic.

FAMILIARIZATION PROGRAMME

Pursuant to Regulation 25(7) of the Listing Regulations, the Company has put in place a system to familiarize its Independent Directors about the Company, its financial products, the industry and business model of the Company. During the Financial Year 2020-21, the independent directors were updated from time to time on continuous basis on the significant changes in the regulations including those pertaining to corporate social responsibility, decriminalization of certain offences, duties and responsibilities of Independent Directors under the Companies Act 2013, SEBI regulations including prohibition of insider trading regulations, RBI directions and packages to mitigate impact of COVID-19 on small borrowers, business continuity plan etc. The external experts were invited to give presentation and updates on Indian economy and impact of COVID-19 on businesses in general and NBFC sector in particular. The Company conducted 11 programs/meetings during the financial year 2020-21 and the time spent by Independent Directors was in the range of 10-11 hours. The cumulative programs / meetings conducted till date were 44 and the time spent by Independent Directors was in the range of 37-40 hours. Pursuant to Regulation 46 of Listing Regulations the details of Familiarization Programme is uploaded on the Company's website at the web link: https://bit.ly/3vYD7jQ

POLICY FOR PROHIBITION OF INSIDER TRADING

Pursuant to SEBI (Prohibition of Insider Trading) Regulations 2015, as amended, the Company has adopted Prohibition of Insider Trading Code and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. The Code also provides for pre-clearance of transactions by designated persons.

COMMITTEES OF DIRECTORS

AUDIT COMMITTEE

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

Terms of reference

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

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

During the year, the Audit Committee was re-constituted and Mr. S Lakshminarayanan, Non- Executive Independent Director, was co-opted as member of the Audit Committee with effect from January 28, 2021.

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

During the year under review, seven meetings were held on June 10, 2020, August 13, 2020, October 08, 2020, October 29, 2020, November 27, 2020, January 28, 2021 and March 30, 2021. The maximum gap between any two meetings was not more than one hundred and twenty days. The necessary quorum was present for all the meetings.

Composition

Name of the Member	Status	No. of Meetings Attended
Mr. S. Sridhar	Chairman	7
Mrs. Kishori Udeshi	Member	7
Mr. Pradeep Kumar Panja	Member	7
(#)Mr. S Lakshminarayanan	Member	1
(*)Mr. Puneet Bhatia	Member	2

(#) Mr. S Lakshminarayanan, Non-Executive Independent Director, has been appointed as a Member of the Committee with effect from January 28, 2021.

(*)Mr. Puneet Bhatia, Non-Executive Non-Independent Director, ceased to be Director of the Company on expiry of his tenure on August 19, 2020.

The Company Secretary acts as the Secretary for the Audit Committee. The Statutory Auditors, Internal Auditor, the Vice Chairman & Managing Director, Heads of Finance and Accounts Department are also invited to attend the meeting.

On March 25, 2021, the Committee held separate one-to-one meeting with the Joint Statutory Auditor but without the presence of the Managing Director and other management representatives.

NOMINATION AND REMUNERATION COMMITTEE

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

Terms of reference

The terms of reference of the NRC, is uploaded on the Company's website at the weblink https://bit.ly/3fhTD90.

During the year, the Committee met four times on April 29, 2020, August 19, 2020, January 09, 2021 and March 25, 2021. The necessary quorum was present for all the meetings.

Composition

Name of the Member	Status	No. of Meetings Attended
Mrs. Kishori Udeshi	Chairperson	4
Mr. S. Lakshminarayanan	Member	4
Mr. Pradeep Kumar Panja	Member	4
(*)Mr. Puneet Bhatia	Member	1

*Mr. Puneet Bhatia, Non-Executive Non-Independent Director, ceased to be Director of the Company on expiry of his tenure on August 19, 2020.

CRITERIA FOR PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS

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

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

REMUNERATION OF INDEPENDENT DIRECTORS

Independent Directors of the Company were paid sitting fees Rs. 50,000/- for every meeting of Board, Rs. 25,000/- for every Committee meeting and Rs. 15,000/- for every meeting of Independent Directors attended by them.

The Company is being benefited from the expertise, advice and inputs provided by the Independent Directors. The Independent Directors devote their valuable time in deliberating on the strategic and critical issues in the course of the Board and Committee meetings of the Company and give their valuable advice, suggestion and guidance to the management of the Company from time to time. With effect from January 28, 2021, the Board had approved following sitting fees to be paid to Independent Directors:–

Sitting fees Rs. 1,00,000/- for every meeting of Board, Rs. 50,000/-for every Audit Committee meeting, Rs. 35,000/- for every Committee meeting and Rs. 35,000/- for every meeting of Independent Directors attended by them.

No sitting fees are paid to Non-Independent Directors. Equal commission is being paid to all Independent Directors. The shareholders of the Company in their 38th Annual General Meeting held on June 29, 2017 have approved payment of commission to Independent Directors subject to the statutory limits. The Board on January 28, 2021 had approved Rs 10,00,000/- (Rupees Ten lacs only) as commission to be paid to each Independent Directors financial year ended March 31, 2021.

REMUNERATION OF VICE CHAIRMAN & MANAGING DIRECTOR:

Refer Remuneration Policy uploaded on the Company's website https://bit.ly/3fhTD90.

The details of sitting fees/remuneration paid to the Directors during the year 2020- 2021 are as under:

Sr. No.	Name of the Director	Sitting Fees for attending Meetings (Rs.)	Salary, Perquisites & ESOS (Rs.)	Commission (to be paid) (Rs.)	Total (Rs.)
1	Mr. S. Lakshminarayanan (Chairman)	8,55,000	-	10,00,000	**18,55,000**
2	(#)Mr. Umesh Revankar (Vice Chairman & Managing Director)	-	96,59,634	-	**96,59,634**
3	(*)Mr. Puneet Bhatia	-	-	-	-
4	Mrs. Kishori Udeshi	10,90,000	-	10,00,000	**20,90,000**
5	Mr. Pradeep Kumar Panja	10,30,000	-	10,00,000	**20,30,000**
6	Mr. Ignatius Michael Viljoen	-	-	-	-
7	Mr. Sridhar Srinivasan	9,20,000	-	10,00,000	**19,20,000**
8	Mr. D. V. Ravi	-	-	-	-
GST on sitting fees paid to the Directors		3,50,550		-	**3,50,550**

Notes:

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

(*)Mr. Puneet Bhatia, Non-Executive Non-Independent Director, ceased to be Director of the Company on expiry of his tenure on August 19, 2020.

Mr. Umesh Revankar, Vice Chairman & Managing Director is appointed for a period of 5 years with effect from October 26, 2019. His remuneration includes salary of Rs.83,39,634/-, contribution to Provident Fund and NPS is Rs. 7,20,000/- and Rs. 6,00,000/- respectively. The appointment may be terminated by giving three months' notice in writing or salary in lieu thereof. No severance fees are payable on termination of employment.

The annual increment of the Managing Director is decided by the NRC Committee and the Board of Directors based on the performance evaluation of the Managing Director. The NRC Committee, in its meeting held on January 9, 2021, appreciated the initiative and leadership demonstrated by the Managing Director and his performance for financial year ended March 31, 2021 as satisfactory. The NRC Committee recommended to the Board rewarding the Company's employees by way of payment of one-time ex-gratia amount as a gesture of appreciation of their commitment in discharging their duties sincerely during tough conditions of COVID- 19 pandemic. The Board accepted the same and the Company paid the one-time ex-gratia payment involving Rs. 21.91 crore to employees of the Company. The NRC Committee in its meeting held on March 25, 2021 recommended to the Board elevation and re-designation of Mr. Umesh Revankar as Vice Chairman and Managing Director with effect from April 01,2021. The Board accepted this recommendation of the NRC Committee.

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

Terms of reference

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

The Committee in particular looks into:

1. To oversee and reviews redressal of shareholder and investor grievances, on matters relating to transfer / transmission of securities, non-receipt of annual report, non-receipt of declared dividends/interests.
2. To issue duplicate share/debenture certificate(s) reported lost, defaced or destroyed as per the laid down procedure and to resolve the grievances of security holders of the Company.
3. Attending to complaints of security holders routed by SEBI (SCORES)/Stock Exchanges/RBI or any other Regulatory Authorities.
4. Taking decision on waiver of requirement of obtaining the Succession Certificate/Probate of Will on case to case basis within the parameters set out by the Board of Directors.
5. To monitor transfer of the amounts/shares transferable to Investor Education and Protection Fund.
6. To list the securities of the Company on Stock Exchanges.

7. Review of measures taken for effective exercise of voting rights by shareholders.
8. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent.
9. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholder of the Company.
10. Any other matters that can facilitate better investor services and relations.

During the year, the Committee met two times on December 01, 2020 and March 30, 2021. The necessary quorum was present for the meetings.

Composition

Name of the Member	Status	No. of Meetings Attended
Mr. S. Lakshminarayanan	Chairman	2
Mr. Umesh Revankar	Member	2
Mr. Pradeep Kumar Panja	Member	2
(*)Mrs. Kishori Udeshi	Member	1

(*)Mrs. Kishori Udeshi, Non-Executive Independent Director, has been appointed as a member of the Committee with effect from March 25, 2021.

Note: Mr. Vivek Achwal, Company Secretary also acts as the Compliance Officer of the Company.

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

SECURITY HOLDERS COMPLAINTS:

Particulars	No. of Complaints		
	Equity shares	Fixed Deposit	Non-Convertible Debentures
Complaints pending as on April 1, 2020	Nil	Nil	Nil
Complaints received during the period April 01, 2020 to March 31,2021.	18	2	5
Complaints identified and reported under Regulation 13(3) of SEBI (LODR) Reg. 2015.	18	2	5
Complaints disposed of during the year ended March 31, 2021.	18	2	5
Complaints unresolved as of March 31, 2021.	Nil	Nil	Nil

All the complaints received from investors were attended within 30 days. Continuous efforts are made to ensure that grievances are more expeditiously redressed. SEBI Complaints Redress System (SCORES) SEBI administers a centralised web-based complaints redress system (SCORES). It enables investors to lodge and follow up complaints and track the status of online redressal. All the activities starting from lodging of a complaint till its disposal are carried online in an automated environment and the status of every complaint can be viewed online at any time. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status. The Company has registered itself on SCORES and endeavours to resolve all investor complaints received through SCORES within the stipulated period of receipt of the complaint. During the year, the Company received 17 investor complaints through SCORES, all of which were resolved within 30 days of their receipt.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

Terms of reference

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

1. Formulating and recommending to the Board of Directors the CSR Policy and monitoring the same from time to time.
2. The Committee will review and evaluate the sustainability agenda, suggest modifications, discuss and recommend action plan to take the CSR activities forward.
3. CSR Committee will monitor the spend on CSR activities by the Company as well as ensure that the Company spends at least the minimum sum as may be prescribed from time to time pursuant to the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014 or such higher sum as may be decided by the Board of Directors of the Company.

During the year under review, the Committee met two times on June 10, 2020 and December 30, 2020. During the financial year the CSR committee also passed some resolutions by circulation on January 6, 2021 and March 20, 2021. The necessary quorum was present for all the meetings.

Composition

Name of the Member	Status	No. of Meetings Attended
Mr. Umesh Revankar	Chairman	2
Mr. S. Lakshminarayanan	Member	2
(*)Mrs. Kishori Udeshi	Member	2
(#)Mr. Puneet Bhatia	Member	1
Mr. Pradeep Kumar Panja	Member	2

(*)Mrs. Kishori Udeshi, Non-Executive Independent Director ceased to be member of the committee with effect from March 25, 2021.

(#)Mr. Puneet Bhatia, Non-executive Non-independent director, ceased to be director of the Company on expiry of his tenure on August 19, 2020

RISK MANAGEMENT COMMITTEE

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

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

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

During the year under review, the Committee met three times on July 20, 2020, October 27, 2020 and February 11, 2021. The necessary quorum was present for all the meetings.

Composition

Name of the Member	Status	No. of Meetings Attended
Mr. Umesh Revankar	Chairman	3
Mr. S. Sridhar	Member	2
Mr. D. V. Ravi	Member	3
Mr. S. Sunder	Member	3

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

ASSET LIABILITY MANAGEMENT COMMITTEE

Terms of reference

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

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

1. Liquidity risk management.
2. Management of market risks.
3. Funding and capital planning.
4. Profit planning and growth projection.
5. Forecasting and analysing future business, environment and preparation of contingency plans.

During the year under review, the Committee met four times on April 22, 2020, August 20, 2020, October 30, 2020 and January 29, 2021. The necessary quorum was present for all the meetings.

Composition

Name of the Member	Status	No. of Meetings Attended
Mr. Umesh Revankar	Chairman	4
Mrs. Kishori Udeshi	Member	3
(*)Mr. S. Lakshminarayanan	Member	0
Mr. Parag Sharma	Member	4

(*)Mr. S. Lakshminarayanan, Non-Executive Independent Director has been appointed as a Member of the Committee with effect from March 25, 2021.

BANKING AND FINANCE COMMITTEE

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

Terms of reference

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

1. Opening, operating and closing of Bank Accounts.
2. Issuance of Non-Convertible Debentures/Subordinated Debentures on Private Placement basis.
3. Issuance of Commercial Paper.
4. Borrowing of money from Bank, Financial Institutions etc. and proving Bank Guarantee.
5. Securitization of receivables by way of sell down through PTC/ Direct Assignment.
6. Availing and giving Inter Corporate Deposit.
7. Availing Foreign Currency Term Loan, FCNR (B).
8. Investment of Surplus funds in Fixed Deposit for Short Term/ Mutual Funds etc.
9. Monitoring asset coverage of the loan and issuance of NOC and release of security.
10. Give confirmation to Bank in respect of loans availed through Acknowledgement of Debt.
11. Apply for any license/Affiliation for business purpose.
12. Entering into Service Provider Agreement for Electronic Toll collection programme.
13. To authorise official of the Company to appear on behalf of the Company before various regulatory and law enforcing authorities/government department/local administration or authority/market intermediaries under applicable laws, rules and regulations and submit documents undertaking, affidavits, papers etc.
14. To authorize official of the Company to sign various agreements in connection with purchase/sale registration of property etc.
15. Fixing Record Date for payment of monthly, half yearly and annual Interest and redemption of Debentures/ Bonds/ Notes.
16. Revision in Terms and Conditions including interest rates of Fixed Deposit Scheme;
17. Availing 'Corporate Internet Banking', Payment & Collection Services, online viewing facility, E-commerce –payment gateway Merchant Account from Banks.
18. Authorization to procure Digital Signature Certificates from e Mudhra Limited/NSEIT Limited.
19. Authorization to create the Login ID with CERSAI (Central Registry of Securitisation Asset Reconstruction and Security Interest of India).
20. To give approval/authorization for the matters required for day to day management of the affairs of the Company.
21. To borrow for the purpose of the business of Company from time to time on such terms and conditions as the Committee may deem fit.
22. To take all steps and exercise power to issue the notes/ bonds and to implement the same.
23. To approve the buy-back of Non-Convertible Debentures.

The Committee meets regularly to discharge its functions. During the year under review, the Committee met 81 times. During the financial year the B & F Committee also passed some resolutions by circulation on April 28, 2020 & May 02, 2020. The necessary quorum was present for all the meetings

Composition

Name of the Member	Status	No. of Meetings Attended
Mr. Umesh Revankar	Chairman	80
Mr. Parag Sharma	Member	81
Mr. S. Sunder	Member	81

IT Strategy Committee

Terms of reference

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

1. Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;
2. Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
3. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
4. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
5. Ensuring proper balance of IT investments for sustaining NBFC's growth and becoming aware about exposure towards IT risks and controls,
6. Any other role and responsibility as per the directions of RBI issued from time to time.

During the year under review, the Committee met two times on June 30, 2020 and December 24, 2020 . The necessary quorum was present for the meeting.

Composition

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

ESG COMMITTEE

The Board of Directors in its meeting held on March 25, 2021 had constituted ESG Committee.

Composition of ESG Committee

Name of the Member	Status
Mr. S. Lakshminarayanan	Chairman
Mrs. Kishori Udeshi	Member
Mr. Umesh Revankar	Member
Mr. Parag Sharma	Member
Mr. S.Sunder	Member (co-opted on April 29, 2021)

Terms of Reference:

The terms of Reference of the ESG Committee comprises of:

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

The First Meeting of ESG Committee was held on April 28, 2021.

GENERAL BODY MEETING

(i) Annual General Meeting (AGM):

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

Year	AGM	Location	Date & Time	Details of Special Resolutions passed
2017-18	39th AGM	Narada Gana Sabha (Main Hall), No.314, TTK Road, Alwarpet, Chennai - 600 018	July 26, 2018 at 11.00 A.M	There were no Special Resolutions passed at the 39th AGM.
2018-19	40th AGM	Narada Gana Sabha (Main Hall), No.314, TTK Road, Alwarpet, Chennai - 600 018	June 27, 2019 at 10.30 A.M	(i) To re-appoint Mr. S. Lakshminarayanan (DIN 02808698) as an Independent Director of the Company for a second term of five consecutive years commencing from January 24, 2020 to January 23, 2025 and (ii) To re-appoint Mr. S. Sridhar (DIN 00004272) as an Independent Director of the Company for a second term of five consecutive years commencing from October 20, 2019 to October 19, 2024.
2019-20	41st AGM	The Company conducted the AGM through video conferencing(VC)/ other audio visual means(OAVM) pursuant to the MCA circular.	August 19, 2020 at 3.30 P.M	(i) To enhance the limit to sell/ assign/ securitize receivables, (ii) To approve conversion of loan into equity or other capital of the Company in case of Event of Default and (iii) To authorize capital raising through issuance of Equity Shares and/or other Eligible Securities.

At the ensuing 42nd AGM to be held on June 24, 2021 a special resolution is proposed namely:- To renew authorization for raising capital through issuance of Equity Shares and/or other Eligible Securities with an enhanced limit upto Rs.4,000 crores .

Postal Ballot

1. The Company had passed a special resolution through postal ballot notice dated April 20, 2020 namely: Renewal of limit to issue debentures on private placement basis by the Board pursuant to Section 42, Section 71 and other applicable provisions of the Companies Act, 2013. The Board of Directors on April 20, 2020 had appointed Mr. P. Sriram (Membership No. FCS 4862), a Practicing Company Secretary (PCS No. 3310), Chennai as the scrutinizer to scrutinize the E-voting/Postal Ballot process in a fair and transparent manner. The postal ballot results were declared on May 28, 2020.

   The details of voting pattern of the Special Resolution passed through Postal Ballot - Renewal of limit to issue debentures on private placement basis by the Board

Particulars	Total No. of Valid Votes	Votes Assenting the Resolution	% of Votes Cast	Votes Dissenting the Resolution	% of Votes Cast
Votes cast through Electronic Mode	189445207	187116202	98.77	2329005	1.23
Votes cast through Physical Mode	0	0	0	0	0
Total	**189445207**	**187116202**	**98.77**	**2329005**	**1.23**

   Special Resolution was passed by shareholders with requisite majority.

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

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

   The details of voting pattern of the Special Resolution passed through Postal Ballot - Renewal of limit to issue debentures on private placement basis by the Board

Particulars	Total No. of Valid Votes	Votes Assenting the Resolution	% of Votes Cast	Votes Dissenting the Resolution	% of Votes Cast
Votes cast through Electronic Mode	21,28,63,046	20,97,77,724	98.55	30,85,322	1.45
Votes cast through Physical Mode	0	0	0	0	0
Total	**21,28,63,046**	**20,97,77,724**	**98.55**	**30,85,322**	**1.45**

   Special Resolution was passed by shareholders with requisite majority.

SHARE CAPITAL AUDIT

The Share Capital Audit as required under Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018, read with SEBI Circular No. D&CC/FITTC/Cir-16/2002 dated December 31, 2002 and SEBI Circular No. CIR/MRD/DP/30/2010, a Qualified Practicing Company Secretary carries out Capital Audit to reconcile the total admitted equity capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity capital. This audit is carried out every quarter and the reconciliation of share capital audit report thereon is submitted to the Stock Exchanges and to the Board of Directors.

CERTIFICATION BY VICE CHAIRMAN & MANAGING DIRECTOR AND JOINT MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER

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

MEANS OF COMMUNICATION

The Board recognizes the importance of two-way communication with shareholders and giving a report of results and progress and responding to questions and issues raised in a timely and consistent manner. The Company follows a robust process of communicating with its investors the Audited financial results, the quarterly results and half yearly results of the Company are published in English (Business Standard, Financial Express) and Tamil newspaper (Makkal Kural). Press release is also given in the leading newspapers upto date financial results, press releases, quarterly investor updates/

presentations made to institutional investors, investors/earning conference calls or to the analysts, official news releases and other general information about the Company are also available on the Company's website https://bit.ly/39mGsPO The aforesaid financial results are disseminated to the Stock Exchanges within thirty minutes from the close of the Board meetings at which these are considered and approved. Shareholders have been provided with an opportunity to provide their email id for receiving correspondence and annual report in electronic form. The annual report and quarterly financial results has been sent in electronic form to shareholders, who have registered their email ids. In view of the prevailing COVID-19 situation and consequent lockdown across the country, the Ministry of Corporate Affairs (MCA) has exempted companies from circulation of physical copies of Annual Report for year ended March 31, 2021. Our Company does online filing with National Stock Exchange of India Ltd (NSE) and BSE Limited (BSE) through web based application: NEAPS (NSE Electronic Application Processing System) and BSE Listing Centre.

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

The Board of Directors has approved a policy for determining materiality of events and a team comprising of Senior Managerial Personnel for the purpose of determining materiality of an event or information and making disclosures to Stock Exchanges.

GENERAL SHAREHOLDER INFORMATION

42nd Annual General Meeting

Particulars		As on March 31, 2021
a.	Day and Date	Thursday, June 24, 2021
b.	Time	2.00 PM (IST)
c.	Venue	The Company is conducting meeting through video conferencing (VC)/other audio visual means(OAVM)pursuant to the MCA circular. For details please refer to the Notice of 42nd AGM.
d.	Financial Year	2020-2021
e.	Dividend Payment Date	An Interim Equity Dividend of 60% was declared by the Board of Directors at its meeting held on October 29, 2020 and the payments thereof were effected on November 26,2020. Second Interim Equity Dividend of 60% was declared by the Board of Directors at its meeting held on March 25, 2021 and the payments thereof were effected on April 16, 2021. The final dividend will be paid on or after July 7, 2021 subject to the approval of members.
f.	The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s)	**BSE Limited** P J Towers, Dalal Street, Mumbai – 400 001. **National Stock Exchange of India Limited** Exchange Plaza, 5th Floor, Plot no. C/1, G Block, Bandra- Kurla Complex, Bandra (East), Mumbai – 400 051 The Company has paid the annual listing and custodian fees for the financial year 2021 – 2022 to the Stock Exchanges and Depositories.
g.	Stock Code	
	BSE Limited	511218
	National Stock Exchange of India Limited	SRTRANSFIN
	Singapore Exchange Securities Trading Limited	USD Bonds - XS1953982086 (Regulation S), US825547AA08 (Rule 144A), USY7758EEC13 (Regulation S), Social Bonds - US825547AC63 (Rule 144A), USY7758EEF44 (Regulation S) US825547AD47 (Rule 144A) USY7758EEG27 (Regulation S)
	Demat ISIN in NSDL & CDSL	INE721A01013

The Company's Non-Convertible Debentures (NCDs) offered for subscription to public under the Shelf Prospectus & Tranche I Prospectus both dated June 24, 2014, Shelf Prospectus dated June 22, 2018 in tranches vide Tranche I Prospectus dated June 25, 2018, Tranche II Prospectus dated October 8, 2018 Tranche III Prospectus dated December 27, 2018, Shelf Prospectus dated July 09, 2019 & Tranche I Prospectus dated July 12, 2019 and Tranche II Prospectus dated December 26, 2019 are listed on NSE and BSE. The ISIN details for these NCDs are as under:

Security Description	ISIN	Codes in Stock Exchanges	Coupon (%) p.a.	Coupon Duration and Interest Payable	Date of Allotment	Maturity Dates
NCDs 7 - June 2014						
Secured NCDs (Series III)	INE721A07HJ6	BSE – 935132 NSE – Y9	(**) (@@) (~~) 10.15% p.a.	ANNUAL	15/07/2014	15/07/2021
Secured NCDs (Series V)	INE721A07HL2	BSE – 935136 NSE – YB	(**) (&&&) ($$$) (^^^) 9.71% p.a.	MONTHLY	15/07/2014	15/07/2021
Secured NCDs (Series VIII)	INE721A07HO6	BSE – 935142 NSE – YG	NA	(@###)	15/07/2014	15/07/2021
NCD 8 - Tranche 1 (June 2018)						
Secured NCDs (Series I)	INE721A07NT3	BSE - 936228 NSE – YH	(**) (AI##) 8.93% p. a.	MONTHLY	12/07/2018	12/07/2023
Secured NCDs (Series II)	INE721A07NU1	BSE - 936230 NSE – YI	(**) (AI##) 9.03% p. a.	MONTHLY	12/07/2018	12/07/2028
Secured NCDs (Series III)	INE721A07NV9	BSE - 936232 NSE – YJ	(**) (AI##) 9.10% p. a.	ANNUAL	12/07/2018	12/07/2021
Secured NCDs (Series IV)	INE721A07NW7	BSE - 936234 NSE – YK	(**) (AI##) 9.30% p. a.	ANNUAL	12/07/2018	12/07/2023
Secured NCDs (Series V)	INE721A07NX5	BSE - 936236 NSE – YL	(**) (AI##) 9.40% p. a.	ANNUAL	12/07/2018	12/07/2028
Secured NCDs (Series VI)	INE721A07NY3	BSE - 936238 NSE – YM	NA Cumulative	(*@#)	12/07/2018	12/07/2021
Secured NCDs (Series VII)	INE721A07NZ0	BSE - 936240 NSE – YN	NA Cumulative	(*@##)	12/07/2018	12/07/2023
NCD 8 - Tranche 2 (October 2018)						
Secured NCDs (Series I)	INE721A07OB9	BSE - 936324 NSE - YO	(**) 9.12% p. a.	MONTHLY	02/11/2018	02/11/2023
Secured NCDs (Series II)	INE721A07OC7	BSE - 936326 NSE - YP	(**) 9.30% p. a	MONTHLY	02/11/2018	02/11/2028
Secured NCDs (Series III)	INE721A07OD5	BSE - 936328 NSE - YQ	(**) 9.40% p. a	ANNUAL	02/11/2018	02/11/2021
Secured NCDs (Series IV)	INE721A07OE3	BSE - 936330 NSE - YR	(**) 9.50% p. a	ANNUAL	02/11/2018	02/11/2023
Secured NCDs (Series V)	INE721A07OF0	BSE - 936332 NSE - YS	(**) 9.70% p. a	ANNUAL	02/11/2018	02/11/2028
Secured NCDs (Series VI)	INE721A07OG8	BSE - 936334 NSE - YT	NA Cumulative	(RM##) (SC****)	02/11/2018	02/11/2021
Secured NCDs (Series VII)	INE721A07OH6	BSE - 936336 NSE - YU	NA Cumulative	(RM##) (SC****)	02/11/2018	02/11/2023
NCD 8 - Tranche 3 (December 2018)						
Secured NCDs (Series I)	INE721A07OM6	BSE - 936452 NSE – YV	(**) 9.12% p.a.	MONTHLY	06/02/2019	06/02/2024
Secured NCDs (Series II)	INE721A07ON4	BSE - 936454 NSE – YW	(**) 9.30% p.a.	MONTHLY	06/02/2019	06/02/2029

Security Description	ISIN	Codes in Stock Exchanges	Coupon (%) p.a.	Coupon Duration and Interest Payable	Date of Allotment	Maturity Dates
Secured NCDs (Series III)	INE721A07OO2	BSE - 936456 NSE – YX	(**) 9.40% p. a.	ANNUAL	06/02/2019	06/02/2022
Secured NCDs (Series IV)	INE721A07OP9	BSE - 936458 NSE – YY	(**) 9.50% p. a.	ANNUAL	06/02/2019	06/02/2024
Secured NCDs (Series V)	INE721A07OQ7	BSE - 936460 NSE – YZ	(**) 9.70% p. a.	ANNUAL	06/02/2019	06/02/2029
Secured NCDs (Series VI)	INE721A07OR5	BSE - 936462 NSE - Z1	NA Cumulative	(RM##) (SC****)	06/02/2019	06/02/2022
Secured NCDs (Series VII)	INE721A07OS3	BSE - 936464 NSE - Z2	NA Cumulative	(RM##) (SC****)	06/02/2019	06/02/2024
NCD 9 - Tranche 1 (July 2019)						
Secured NCDs (Series I)	INE721A07OY1	BSE – 936780 NSE - Z3	(**) 9.12% p. a.	MONTHLY	22/08/2019	22/02/2023
Secured NCDs (Series II)	INE721A07OZ8	BSE – 936782 NSE – Z4	(**) 9.22% p.a.	MONTHLY	22/08/2019	22/08/2024
Secured NCDs (Series III)	INE721A07PA8	BSE – 936784 NSE – Z5	(**) 9.31% p.a.	MONTHLY	22/08/2019	22/08/2026
Secured NCDs (Series IV)	INE721A07PB6	BSE – 936786 NSE – Z6	(**) 9.30% p.a.	ANNUAL	22/08/2019	22/02/2022
Secured NCDs (Series V)	INE721A07PC4	BSE – 936788 NSE – Z7	(**) 9.50% p.a.	ANNUAL	22/08/2019	22/02/2023
Secured NCDs (Series VI)	INE721A07PD2	BSE – 936790 NSE – Z8	(**) 9.60% p.a.	ANNUAL	22/08/2019	22/08/2024
Secured NCDs (Series VII)	INE721A07PE0	BSE - 936792 NSE – Z9	(**)9.70% p.a.	ANNUAL	22/08/2019	22/08/2026
Secured NCDs (Series VIII)	INE721A07PF7	BSE - 936794 NSE - ZA	NA Cumulative	(RM%) (SC%)	22/08/2019	22/02/2023
Secured NCDs (Series IX)	INE721A07PG5	BSE – 936796 NSE – ZB	NA Cumulative	(RM%) (SC%)	22/08/2019	22/08/2024
Secured NCDs (Series X)	INE721A07PH3	BSE – 936798 NSE – ZC	NA Cumulative	(RM%) (SC%)	22/08/2019	22/08/2026
NCD 9 - Tranche 2 (December 2019)						
Secured NCDs (Series I)	INE721A07PI1	BSE – 937061 NSE – ZD	(**) 8.52% p. a.	MONTHLY	28/01/2020	28/01/2023
Secured NCDs (Series II)	INE721A07PJ9	BSE – 937063 NSE – ZE	(**) 8.66% p.a.	MONTHLY	28/01/2020	28/01/2025
Secured NCDs (Series III)	INE721A07PK7	BSE – 937065 NSE – ZF	(**) 8.75% p.a.	MONTHLY	28/01/2020	28/01/2027
Secured NCDs (Series IV)	INE721A07PL5	BSE – 937067 NSE – ZG	(**) 8.85% p.a.	ANNUAL	28/01/2020	28/01/2023
Secured NCDs (Series V)	INE721A07PM3	BSE – 937069 NSE – ZH	(**) 9.00% p.a.	ANNUAL	28/01/2020	28/01/2025
Secured NCDs (Series VI)	INE721A07PN1	BSE – 937071 NSE – ZI	(**) 9.10% p.a.	ANNUAL	28/01/2020	28/01/2027
Secured NCDs (Series VII)	INE721A07PO9	BSE – 937073 NSE – ZJ	NA Cumulative	(RM%%) (SC%%)	28/01/2020	28/01/2023
Secured NCDs (Series VIII)	INE721A07PP6	BSE – 937075 NSE – ZK	NA Cumulative	(RM%%) (SC%%)	28/01/2020	28/01/2025

Note:

1. (~~) - NCD Holders who are Individuals shall be eligible for the additional incentive on coupon @ 1.35% per annum for NCDs held on any Record Date for the amount outstanding.
2. (^^^) - NCD Holders who are Individuals shall be eligible for the additional incentive on coupon @ 1.23% per annum for NCDs held on any Record Date for the amount outstanding and NCD Holders who are Non- Individuals on any Record Date the interest will be calculated on coupon @ 9.71% per annum for the amount outstanding.
3. (**) - Senior Citizens (only First Allottee) shall be entitled to an additional yield at the rate of 0.25 % per annum.
4. (@@) – subject to applicable tax deducted at source, if any.
5. (&&&) – For Series V, Senior citizens (only First Allottee) will get a coupon of 11.17% per annum payable monthly.
6. ($$$) – Monthly Option shall be available only to Individuals applying for Allotment of NCDs in demat form only.
7. (@###) - Subject to applicability of tax deducted at source the NCD Holders who are Individuals will be redeemed for an amount of Rs. 2,143.79 per NCDs, the NCD Holders who are Non-Individuals will be redeemed for an amount of Rs. 1,968.44 per NCDs and the NCD Holders who are Senior Citizens (only First Allottee) will be redeemed for an amount of Rs. 2,177.70 per NCDs at the end of the 84 months from the Date of Allotment.
8. (AI##) - Additional incentive of 0.10% available to Category III and IV investors provided the NCDs issued under the Tranche - 1 Issue are continued to be held by such investors under Category III and Category IV on the relevant Record Date applicable for payment of coupon.
9. (*@#) - For NCD Holders who fall under Category-I and / or Category II on the record date the amount payable on redemption for NCDs will be Rs.1,298.91 per NCD. For NCD holders who fall under Category III and / or Category IV on the record date the amount payable on redemption for NCDs will be Rs.1,302.49 per NCD.
10. (*@##) - For NCD Holders who fall under Category I and/or Category II on the record date the amount payable on redemption for NCDs will be Rs.1,560.30 per NCD. For NCD holders who fall under Category III and/or Category IV on the record date the amount payable on redemption for NCDs will be Rs. 1567.45 per NCD.
11. (SC****) - The amount payable on redemption to such Senior Citizens for NCDs under Series VI and Series VII is Rs. 1,318.67 and Rs. 1,592.70 per NCD respectively provided the NCDs issued under the NCD 8 Tranche 2 & Tranche 3 are continued to be held by such investors under Category III and Category IV on the relevant Record Date for the relevant Redemption Payment date for Series VI and Series VII.
12. (RM##) - The amount payable on redemption for NCDs under Series - VI and Series - VII are Rs. 1309.66 per NCD and Rs.1,574.63 per NCD respectively on the relevant Record Date for the relevant Redemption Payment date for Series VI and Series VII.
13. (RM%) - The amount payable on redemption for NCDs under Series - VIII , Series IX and Series X are Rs. 1,374.75 per NCD, Rs. 1,582.25 per NCD and Rs. 1,912.80 per NCD respectively on the relevant Record Date for the relevant Redemption Payment date for Series VIII, Series IX and Series X.
14. (SC%) - The amount payable on redemption to such Senior Citizens for NCDs under Series VIII, Series IX and Series X is Rs. 1,385.80 per NCD, Rs. 1,600.40 per NCD and Rs. 1,943.55 per NCD respectively provided the NCDs issued under the NCD 9 Tranche 1 Issue are continued to be held by such investors under Category III and Category IV on the relevant Record Date for the relevant Redemption Date for the Series VIII, Series IX and Series X.
15. (RM%%) - The amount payable on redemption for NCDs under Series – VII and Series VIII are Rs. 1289.99 per NCD and Rs. 1,539.35 per NCD respectively on the relevant Record Date for the relevant Redemption Payment date for Series VII and Series VIII.
16. (SC%%) - The amount payable on redemption to such Senior Citizens for NCDs under Series VII and Series VIII is Rs. 1,298.91 and Rs. 1,557.11 per NCD respectively provided the NCDs issued under the NCD 9 Tranche 2 Issue are continued to be held by such investors under Category III and Category IV on the relevant Record Date for the relevant Redemption Date for the Series VII and Series VIII.

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

RIGHTS ISSUE OF EQUITY SHARES

The Company issued and allotted 261,78,777 Equity Shares under rights issue of face value of Rs. 10/- each (Rights Equity Shares) to the eligible equity shareholders at an issue price of Rs. 570/- per Equity Share (including premium of Rs. 560/- per Equity Share). The Issue opened on July 16, 2020 and closed on July 30, 2020. The Rights Equity Shares were allotted on August 06, 2020. The entire proceeds of the Rights Issue have been utilised as per the objects stated in the offer document for the Rights issue. The fresh allotment of equity shares through Rights Issue has resulted in an increase of equity share capital by Rs. 26.18 crores.

The Eligible shareholder holding shares of the Company in physical form and applying for the Rights shares was required to furnish details of his/her/its demat account to the Registrar(s) to the Issue or the Company not later than two Working Days prior to the Issue Closing Date. In case such details are not available on the date of Allotment of the Rights shares, the Company was required to keep the said shares in a separate demat account "STFC Rights Allotment Demat Suspense Account". As on March 31, 2021, 134 Eligible shareholders holding 5607 Rights shares in aggregate, have not furnished the demat details to the Registrars to the Issue / the Company.

As per the newspaper advertisement published on April 01, 2021in Financial Express (English Newspaper); Jansatta (Hindi Newspaper); and Makkal-Kural (Tamil Newspaper), in the interest of such shareholders and considering the difficulties faced due to the COVID-19 pandemic conditions prevailing in the country, the Securities Issuance Committee of Company has decided to grant extension upto June 30, 2021 to such shareholders to submit their demat account details. In case the above details are not provided on or before June 30, 2021 such Rights Equity Shares lying to the credit of the "STFC RIGHTS ALLOTMENT DEMAT SUSPENSE ACCOUNT" shall be sold on the floor of the stock exchanges. The proceeds of such sale (net of brokerage, applicable taxes, administrative and incidental charges) shall be remitted to the bank account of the respective shareholders as per terms of Letter of Offer or as per the details available with the Company or Registrar. In the event of any failure to update your records with the Company or Registrar or depository participants, the Company, Registrar or any other party shall not be liable for any losses suffered. Please note that any amounts that cannot be remitted back to the shareholders for any reason shall be dealt with in accordance with applicable law.

DIVIDEND DISTRIBUTION POLICY

The dividend distribution policy of the Company is enclosed. The same is also available on the website. For details click on the link for **https://bit.ly/2NLsKzu**

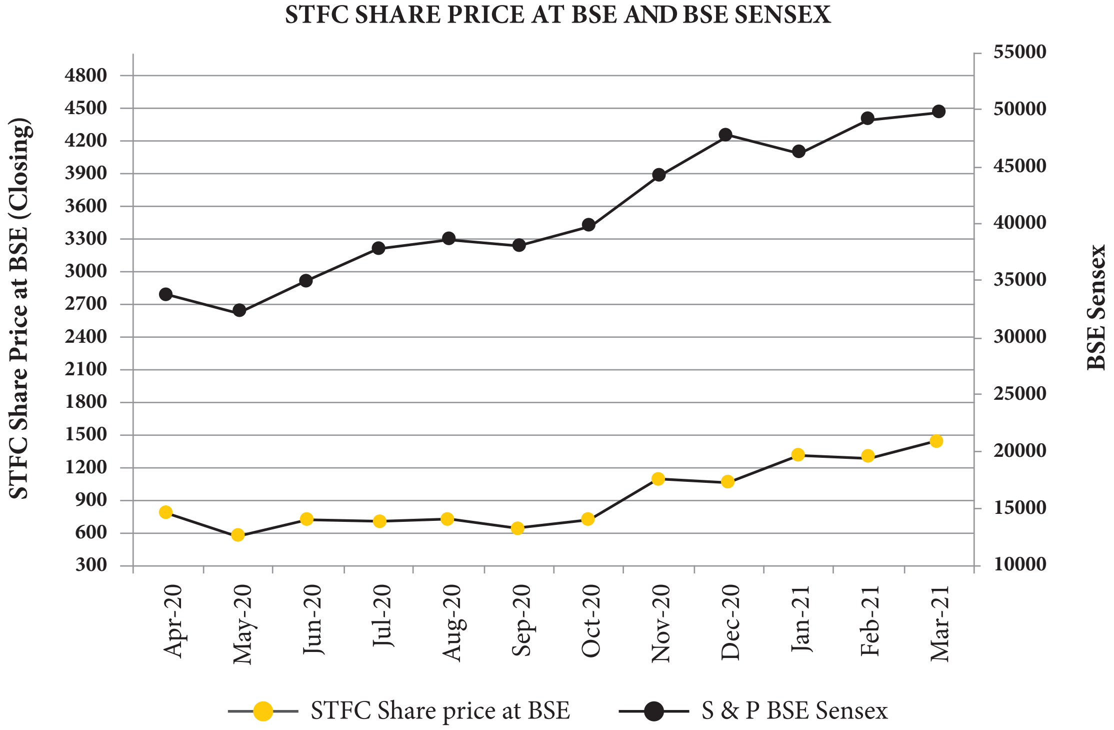
GENERAL SHAREHOLDER INFORMATION

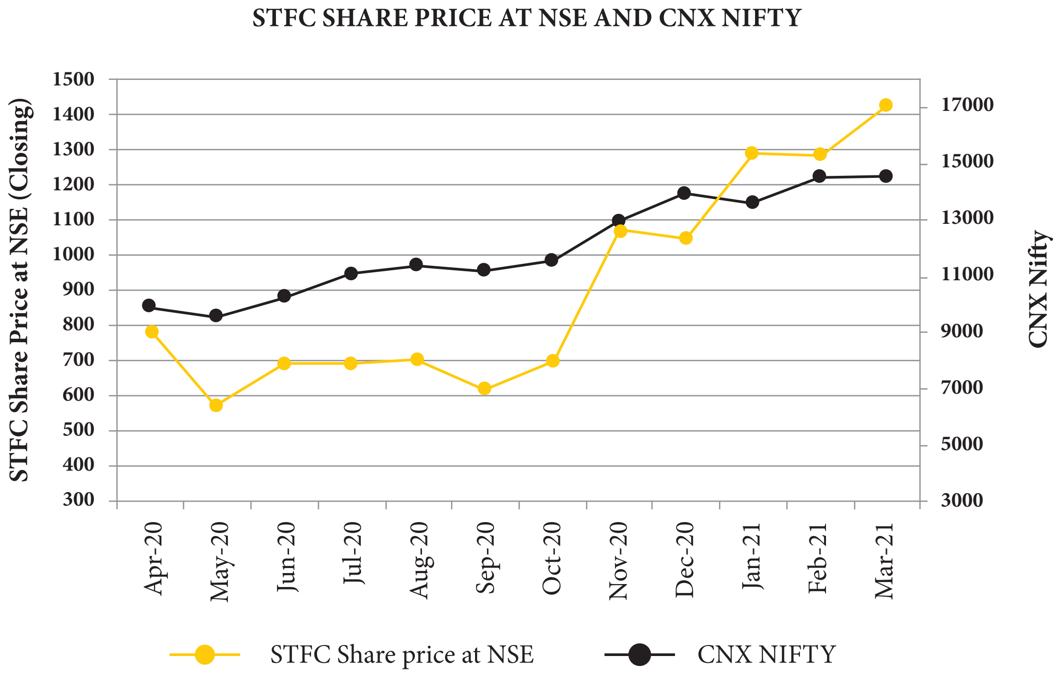
h. Stock Market

The high and low market price and volume of shares traded during each month of the financial year ended March 31, 2021 are given below:

Months	BSE Limited			National Stock Exchange of India Ltd.		
	Share Prices		Volume (No. of Shares)	Share Prices		Volume (No. of Shares)
	High (Rs.)	Low (Rs.)		High (Rs.)	Low (Rs.)	
April 2020	820.80	500.00	4210352	823.00	500.10	102926592
May 2020	806.70	528.10	4878593	807.00	527.75	119657110
June 2020	733.75	563.35	8170596	734.00	563.05	168822450
July 2020	783.90	644.75	4507111	784.35	644.50	103068230
August 2020	792.75	636.40	5868189	792.90	636.10	108276736
September 2020	719.60	555.90	3387019	720.00	555.55	90498396
October 2020	748.50	621.00	3343034	748.80	625.15	85861278
November 2020	1091.00	696.35	6784484	1091.90	693.90	129206808
December 2020	1108.90	917.95	4429829	1108.00	918.10	85634304
January 2021	1316.85	1047.50	5363739	1319.00	1046.50	105216127
February 2021	1534.90	1266.95	3101762	1534.95	1266.25	64984120
March 2021	1471.00	1238.10	2580222	1471.50	1238.15	51924628

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





i. No equity shares are suspended from trading during the Financial Year 2020 - 2021.

j. Registrar to an issue and Share Transfer Agents

The Registrar and Share Transfer Agents of the Company are:

Integrated Registry Management Services Private Limited

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

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

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

k. Note Trustee for Masala Bonds

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

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

l. Share Transfer System:

The authority to approve share transfers has been delegated by the Board of Directors to the Securities Transfer Committee (STC). Shares sent for transfer in physical form are registered and returned by our Registrar & Share Transfer Agent in fifteen days of receipt of documents, provided the documents are found to be in order. The STC considers the transfer proposals generally on a weekly basis.

m. Distribution of shareholding as on March 31, 2021

Sr. No	No. of Equity Shares	No of Shareholders	% of Shareholders	No of Shares held	% of Shareholding
1	1 – 500	75175	92.84	4682330	1.85
2	501 – 1000	3166	3.91	2302422	0.91
3	1001 – 2000	1216	1.50	1703041	0.67
4	2001 – 3000	322	0.40	781949	0.31
5	3001 – 4000	128	0.16	445329	0.18
6	4001 – 5000	93	0.11	425124	0.17
7	5001 – 10000	199	0.25	1410592	0.56
8	10001 and above	678	0.84	241310726	95.36
	Total	**80977**	**100**	**253061513**	**100**

n. Categories of shareholders as on March 31, 2021

Sr. No.	Category	Total	
		No.of Shares held	% of shareholding
1	Promoter and Promoter Group	67021853	26.48%
2	Foreign Portfolio Investor 1&2	154396688	61.01%
3	Resident Indian	11670784	4.61%
4	Insurance Company	11170377	4.41%
5	Mutual Fund	5129130	2.03%
6	IEPF Authority	1007353	0.40%
7	Alternative Investment Fund	851986	0.34%
8	Bodies Corporate	478638	0.19%
9	NRI	350859	0.14%
10	Clearing Member	348623	0.14%
11	Trusts	276181	0.11%
12	FI-Others	222591	0.09%
13	Unclaimed Securities Suspense Account	68233	0.03%
14	Limited Liability Partnership	47589	0.02%
15	NBFC's	10409	0.00%
16	Rights Allotment Demat Suspense Account	5607	0.00%
17	Bank	4610	0.00%
18	Firms/AOP	2	0.00%
	Grand Total	**253061513**	**100.00%**

o. Dematerialization of shares and liquidity

The Company's scrip forms part of the compulsory Demat segment for all investors effective from July 24, 2000. To facilitate the investors in having an easy access to the demat system, the Company has signed up with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The connectivity has been established through Integrated Registry Management Services Private Limited. As on March 31, 2021, the total of 25,07,21,011 equity shares constituting 99.08% of the paid up capital, have been dematerialized.

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

q. Commodity price risk or foreign exchange risk and hedging activities: Commodity price risk : Not Applicable. The Company has fully hedged its foreign exchange risks associated with External Commercial Borrowings through issue of senior secured notes / bonds in the offshore market under GMTN Program and Loans through various derivatives/hedging products.

r. Locations

List of branches are mentioned in the "Our Reach" Section on page no. 07 in the Annual Report.

s. Address for correspondence & Registered Office:

Registered Office: During the financial year ended March 31, 2021, the Company had shifted its registered office premises from Mookambika Complex, 3rd Floor, No.4, Lady Desika Road, Mylapore, Chennai – 600 004 to the new premises Sri Towers, Plot No. 14A, South Phase, Industrial Estate, Guindy, Chennai – 600 032, Tamil Nadu. Phone: 91- 44- 48524666 Fax: +91 44 4852 5666.

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

Email ID for Investor Grievance:

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

- For Equity Shares related queries/complaints: secretarial@stfc.in
- For Public Issue of Non-Convertible Debentures 2014- Prospectus related queries/complaints: stfcncd7comp@stfc.in
- For Public Issue of Non-Convertible Debentures 2018 Shelf and Tranche 1 Prospectus - related queries/complaints: stfcncd8comp@stfc.in
- For Public Issue of Non-Convertible Debentures 2018 Tranche II Prospectus - related queries/complaints: stfcncd8t2comp@stfc.in
- For Public Issue of Non-Convertible Debentures 2018 Tranche III Prospectus - related queries/complaints: stfcncd8t3comp@stfc.in
- For Public Issue of Non-Convertible Debentures 2019 Tranche I Prospectus - related queries/complaints: stfcncd9t1comp@stfc.in
- For Public Issue of Non-Convertible Debentures 2019 Tranche II Prospectus - related queries/complaints: stfcncd9t2comp@stfc.in

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

t. The list of all credit ratings for all debt instruments, fixed deposit, masala bonds, U.S. Dollar senior secured notes for details refer page no. 21 in the Directors' Report.

u. Other Disclosures

A. There are no materially significant Related Party Transactions (RPTs) with the Company's Promoters, Directors, Key Managerial Personnel or their relatives, which may have potential conflict with the interests of the Company at large. Disclosures on transactions with related parties, as required under the Indian Accounting Standard 24, have been incorporated in the Notes to the Accounts. The statement of RPTs is placed before the Audit Committee and the Board on quarterly basis.

Omnibus approval was obtained for the transactions of repetitive nature. The Policy on Materiality of RPTs and dealing with RPTs as approved by the Board is uploaded on the Company's website at the web link : **https://bit.ly/2CIhkGS**. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company save and except the payment of sitting fees and commission to Independent Directors. The details of the transactions with Related Party are provided in the notes to the Financial Statements.

B. There were no instances of non-compliance by the Company for which any penalties or strictures were imposed on the Company by the Stock Exchanges and SEBI, or any statutory authority on any matter related to capital markets during the last three years.

C. The Company has adopted the Whistle Blower Policy and has established the necessary mechanism in line with the Stock Exchanges, for employees to report concerns about unethical behavior. No person has been denied access to the Audit Committee. The Vigil Mechanism as per Regulation 22 of Listing Regulations ensures standards of professionalism, honesty, integrity and ethical behavior. The Whistle Blower Policy/Vigil Mechanism is uploaded on the Company's website at the web link of https://bit.ly/3eH0jde .

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

1. The Company has complied with all the applicable mandatory requirements of the Listing Regulations.
2. The Company has also adopted the non-mandatory requirement as specified in the Listing Regulations regarding –
   - The Board - The Company does not maintain a separate office for the Non–executive Chairman. The independent directors have requisite qualification and experience to act as a Director on the Board.
   - Shareholders' Rights: The quarterly/half /yearly financial results are published in the newspapers of wide circulation and sent to individual shareholders through email to those shareholders registered their email ids with the Company Financial Results are also available on the website of the Company (https://bit.ly/3fRN2RX), BSE Limited and National Stock Exchange of India Ltd.
   - Unmodified Financial Statements and Reporting of Internal Auditor.

E. The Company does not have any material listed/ unlisted subsidiary companies as defined in Regulation 24 (1) of Listing Regulations. However, the Company has framed the Policy on Material Subsidiaries and the same is uploaded on the Company's website at the web link: https://bit.ly/2WAS5xo

F. The policy on dealing with related party disclosures is uploaded on the Company's website at the web link of https://bit.ly/2ZG5g20

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

H. In the 41st AGM, the Company has passed a special resolution authorising to raise capital through issuance of Equity Shares and/or other Eligible Securities defined under Regulation 171(a) of SEBI ICDR Regulations, including Foreign Currency Convertible Bonds (FCCBs), fully convertible debentures/partly convertible debentures, non-convertible debentures with warrants convertible into Equity Shares, preference shares convertible into Equity Shares, and/or any other financial instruments convertible into Equity Shares (including warrants, or otherwise, in registered or bearer form) and/or any security convertible into Equity Shares and/or securities linked to Equity Shares and/or securities with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to Equity Shares (other "Eligible Securities) however, the Company has not raised funds through preferential allotment or qualified institutions placement under Regulation 32(7A).

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

J. In the financial year 2020 - 2021 the board has accepted all recommendations of its committees.

K. The Company has paid all fees on a consolidated basis for all services rendered by statutory auditor.

The details of total fees for all services paid by the Company to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditors is a part, are as follows -

Particulars	Amount (Rs. in crores)
Statutory Audit Fees	0.93
Tax Audit Fees	0.09
Others	0.71
Total	**1.73**

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

M. The Company has complied all the requirement of corporate governance report as contained in Clause C (2) to (10) of Schedule V read with Regulation 34(3) of Listing Regulations.

N. The Company has adopted Code of Conduct ('Code') for the Members of the Board and Senior Management Personnel as required under Regulation 17(5) of the Listing Regulations. All the Board Members and the Senior Management Personnel have affirmed compliance of the Code. The Annual Report of the Company contains a declaration to this effect signed by the Vice Chairman & Managing Director. Further, the Code of Conduct of the Company applicable to the Board and Senior Management Personnel is also uploaded on the Company's website at the web link of https://bit.ly/32Ay3qD

v. Equity Shares in the Suspense Account

As required under Schedule V of Listing Regulations, the Company has opened "STFC- Unclaimed Securities Suspense Account" with the Depository Participants for the purpose of transferring unclaimed equity shares held in physical form. The Company will transfer the shares lying unclaimed to the eligible shareholders as and when the request for the same has been received after proper verification. As on March 31, 2021 there were 68233 unclaimed equity shares in the Unclaimed Suspense Account. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Particulars	No. of Shareholders	No. of Shares
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on April 01, 2020.	244	76690
Number of Shareholders / legal heirs who approached the Company for transfer of shares from the Unclaimed Suspense Account, for the period from April 01, 2020 to March 31, 2021.	8	3125
Number of Shareholders / legal heirs to whom the shares were transferred from the Unclaimed Suspense Account upon receipt and verification of necessary documents, for the period from April 01, 2020 to March 31, 2021.	8	3125
Number of Shareholders / legal heirs of whom the shares were transferred from the Unclaimed Suspense Account to Investor Education and Protection Fund Authority pursuant to the Government of India Gazette notification No. REGD. NO. D. L.-33004/99 dated February 28, 2017 issued by Ministry of Corporate Affairs (MCA), April 01, 2020 to March 31, 2021.	23	5332
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on March 31, 2021.	213	68233

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

DIVIDEND DISTRIBUTION POLICY

Preamble

Dividend is the payment made by a Company to its shareholders, usually in the form of distribution of its profits. The profits earned by the Company can either be retained in business and used for acquisitions, expansion or diversification, or it can be distributed to the shareholders. The Company may choose to retain a part of its profits and distribute the balance among its shareholders as dividend. This Policy aims to reconcile between all these needs. The objective of this policy is to ensure a regular dividend income for the shareholders and long term capital appreciation for all shareholders of the Company. The Company would ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. The Board of Directors (Board) will refer to the policy while declaring/ recommending dividends. Through this policy, the Company would endeavour fairness, consistency and sustainability while distributing profits to the shareholders. This policy also stipulates the process for recommendation/ declaration of dividend and its pay-out by the Company in accordance with the provisions of the Companies Act,2013 (the Companies Act) and other rules, regulations etc. as applicable to the Company.

Class of Shares :

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

Category of Dividends :

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

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

Recommendation / Declaration of Dividend :

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

i) Current financial year's profit:

   a) after providing for depreciation in accordance with law;

   b) after transferring to reserves such amount as may be prescribed under the Companies Act or applicable law, regulations, norms or as may be otherwise considered appropriate by the Board at its discretion.

ii) The profits for any previous financial year(s): a) after providing for depreciation in accordance with law; b) remaining undistributed; or

iii) out of i) & ii) both.

iv) out of free reserves in the manner permissible under the Companies Act.

Factors to be considered while declaring Dividend :

The decision regarding dividend is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. The Board will endeavour to take a decision with an objective to enhance shareholders wealth and market value of the shares. However, the decision regarding dividend is subject to several factors and hence any optimal policy in this regard may be far from obvious. The Board considers a stable dividend to constitute an important element of the Company's investment attractiveness and shareholder return. As a leading Asset Financing 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 Company continually seeks ways to create shareholder value through both commercial and financial strategies, which may include both organic and inorganic development as well as the Company's capital management practices.

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

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

External Factors:-

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

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

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

Internal Factors:-

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

i) Profits earned during the year;

ii) Present and future capital requirements of the existing businesses; / capital expenditures and the Company's debt position

iii) Business Acquisitions opportunities;

iv) Expansion/ Modernization of existing businesses; / growth opportunities available to the Company

v) Additional investments in subsidiaries/associates of the Company;

vi) Fresh investments into external businesses;

vii) Cash flow from operations

viii) Cost of raising funds

ix) Providing for unforeseen events and contingencies with financial implication.

x) Any other factor as deemed fit by the Board.

Process for approval of Payment of Interim and Final Dividend

- The Company will give prior intimation of 2 working days to Stock Exchanges (excluding the date of intimation and the date of the Board meeting) of date of Board Meeting in which the declaration / recommendation of dividend will be considered.
- The Company will inform about the decision taken by Board regarding dividend to Stock Exchange within 30 minutes of the closure of the Board Meeting.
- The Company will fix Record date for the purpose of determination for list of shareholders eligible to receive dividend.
- The Company shall recommend or declare dividend at least 5 working days (excluding the date of intimation and the record date) before the record date is fixed for the purpose.
- The intimation for fixing Record date shall be given to exchange at least seven working days in advance (excluding the date of intimation and the record date).

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

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

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

Utilisation of Retained Earnings

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

The Board will ensure judicious balancing of these factors in the interest of the Company and its stakeholders.

Dividend Pay-out Range

The Company stands committed to deliver sustainable value to all its stakeholders. The Company will strive to distribute an optimal and appropriate level of the profits earned by it in business with the shareholders' funds in the form of dividend. As explained in the earlier part of this Policy, determining the dividend pay-out is dependent upon several factors, both internal to a business and external to it. Taking into consideration the aforementioned factors, the Board may consider maintaining a Dividend Pay-out ratio in the range of 20-25% of the profits after tax (PAT), subject to applicable regulations. However, the Board may amend the pay-out range, whenever considered appropriate by it, keeping in mind the aforesaid factors having a bearing on the dividend pay-out decision.

Review

This policy is in accordance with SEBI Circular No. SEBI/ LAD-NRO/GN/2016-17/008 dated 08th July, 2016. The same will be reviewed by the Board periodically for additions, deletions, changes or alterations in the parameters, process of recommendation/ declaration/ pay-out of dividend considered in the policy and in line with changes in regulations as applicable to the Company.

ANNEXURE - A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March 2021 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 in Company
1	Lakshminarayanan Subramanian	02808698	22/09/2009
2	Umesh Govind Revankar	00141189	25/10/2016
3	Kishori Jayendra Udeshi	01344073	30/10/2012
4	Srinivasan Sridhar	00004272	20/10/2014
5	Ravi Devaki Venkataraman	00171603	18/06/2015
6	Panja Pradeep Kumar	03614568	25/10/2018
7	Ignatius Michael Viljoen	08452443	14/05/2019*

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

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

For SPNP & Associates

Nithya Pasupathy
F.C.S. No. **10601**
C.P. No.**22562**
UDIN: F010601C000212121

Place : Chennai
Date : April 29, 2021

CEO/CFO CERTIFICATION

To,

The Board of Directors of Shriram Transport Finance Company Limited

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

A. We have reviewed financial statements and the cash flow statements for the year ended March 31, 2021 and that to the best of our knowledge and belief;

   1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

   2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have disclosed, based on our evaluation wherever applicable to the Auditors and the Audit Committee that;

1) there were no significant changes in internal controls over financial reporting during the year;

2) there are no significant changes in accounting policies during the year, and

3) there were no instances of significant fraud of which we are become aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

UMESH REVANKAR
Vice Chairman & Managing Director

PARAG SHARMA
Joint Managing Director & CFO

Mumbai
April 29, 2021

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

The Board of Directors of Shriram Transport Finance Company Limited at its Meeting held on January 29, 2005 adopted Code of Conduct as amended on October 27, 2010 to be followed by all Members of the Board and Senior Management Personnel of the Company respectively in compliance with the Regulation 17(5) of Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations,2015 with the Stock Exchanges where the shares of the Company are listed.

As per Regulation 17(5) and Regulation 26(3) of Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations,2015 executed with the Stock Exchanges, all Board Members and Senior Management Personnel have affirmed Compliance with the Code of Conduct for the year ended March 31, 2021.

UMESH REVANKAR
Vice Chairman & Managing Director

Mumbai
April 29, 2021

BUSINESS RESPONSIBILITY REPORT (BRR)

FY 2020-21

Preface

As mandated by the Securities and Exchange Board of India (SEBI), India's top 1000 listed entities based on market capitalisation on the BSE and NSE, are required to submit a 'Business Responsibility Report' (BRR) along with their Annual Report for FY 2020-21. This report is required to be in line with 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' (NVGs), as released by the Ministry of Corporate Affairs in July 2011.

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

Section A	General information about the Company	
1	Corporate identification number	L65191TN1979PLC007874
2	Name of the Company	Shriram Transport Finance Company Limited ("the Company")
3	Registered address	Sri Towers, Plot No.14A, South Phase, Industrial Estate, Guindy, Chennai, Tamil Nadu – 600 032
4	Website	www.stfc.in
5	Email address	secretarial@stfc.in
6	Financial year reported	1 April 2020 – 31 March 2021
7	Sector(s) that the Company is engaged in	Financial Services (64920 – Other Credit Granting)
8	Three key products/services manufactured/ provided by the Company	The Company is engaged in Pre-owned and new commercial, passenger vehicles, tractors, 3 wheelers, multi-utility vehicles, etc. and ancillary services (finance for working capital, engine replacement, small business finance loans, tyre-loans and fuel loans as holistic financing support)
9	Total number of locations where business activity is undertaken by the Company	(i) International: Nil (ii) National: 1817 Branches
10	Markets served by the Company	India

Section B	Financial details of the Company	
1	Paid up capital (INR)	253.06 Crores
2	Total turnover (INR)	17,436.40 Crores
3	Total profit after tax (INR)	2,487.26 Crores
4	Total spending on CSR as percentage of profit after tax (%)	2.61 %
5	List of the activities in which expenditure in 4 above has been incurred	Refer Pages from 31 to 38 of our Annual Report for FY 2020-21 for a detailed disclosure of our CSR activities.

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

Section D	BR information	
1a	Details of Director(s) responsible for BR	
	DIN	00141189
	Name	Mr. Umesh Revankar
	Designation	Vice Chairman & Managing Director
1b	Details of BR Head	
	Name	Mr. S. Sunder
	Designation	Joint Managing Director
	Telephone Number	+91-022-40959595
	Email.id	secretarial@stfc.in
2	Principle-wise BR policy/policies	Included in this report
3	Governance related to BR	Included in this report

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

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

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

Sr. No	Questions	Ethics, Transparency & Accountability P 1	Sustainable Products and Services P 2	Wellness of Employees P 3	Stakeholder Engagement P 4	Human Rights P 5	Environment Policy P 6	Public & Regulatory Policy P 7	Inclusive Growth P 8	Value to Customers & Consumers P 9
1	Do you have 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	Y	N	Y	N	Y	Y
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	**Indicate the link for the policy to be viewed online?**	i. The Code of Conduct of the Company - **https://bit.ly/3i1dknk** ii. The Whistle Blower Policy / Vigil Mechanism - **https://bit.ly/2RUnYBQ** iii. The Fair Practice Code of the Company is available at - **https://bit.ly/3vxDbY0** iv. Corporate Social Responsibility Policy - **https://bit.ly/3hgGqyW** v. Business Responsibility Policy – **https://bit.ly/3tJdn9M** vi. Note: The remaining policies of the Company are internal documents and are not accessible to the public.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	N	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	N	N	N	N	N	N	N	N

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

Sr. No	Questions	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 the next 1 year	--	--	--	--	--	--	--	--	--
6	Any other reason (please specify)	--	--	--	--	--	--	--	--	--

2) Governance related to BR

The Business Responsibility Performance is being monitored by the Board of Directors of the Company. The Company has been publishing the Business Responsibility (BR) Report annually.

SECTION E

Principle - Wise Performance

Ethics of the Company

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

We are committed to adhering to the highest standards of corporate governance practices. Trust, Integrity and Credibility form the foundational pillars of our business and Transparency, Accountability and Ethics are our core values. In order to uphold the values across all the levels within the organization, we have introduced a set of guidelines and policies including our Internal Code of Conduct which covers an extensive list of concerns such as anti-bribery, anti-corruption, the prevention of sexual harassment at the workplace, etc. which do not correspond with the Company's core values.

We adhere to a Fair Practices Code (FPC), issued by the Reserve Bank of India, which is applicable for all Non-Banking Financial Companies. This guideline, inter alia, covers disclosures on the terms and conditions of a loan and mentions adoption of a non-coercive recovery method. As part of the FPC, we also have a Grievances Redressal Mechanism and a Whistle Blower Policy/Vigil Mechanism. While Grievances Redressal Mechanism is aimed at ensuring excellent customer service, Whistle Blower Policy/Vigil Mechanism gives liberty to our employees to raise concerns, via mobile application, regarding any violations of the values and Code of Conduct. With respect to this there were no code of conduct violations reported during FY 2020-21.

Our Company also complies with Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI). Concerned employees are covered by this Code of conduct for regulation of trades by designated persons, pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2019. These policies are reviewed periodically and updated as required. Any non-compliance with these policies is viewed seriously by the Boards and actions commensurate with proven violations are initiated as required. No stakeholder complaints linked to adherence of Code of Conduct were received by the Company in the reporting year.

It is mandatory for all our employees to adhere to the Company guidelines and policies in order to promote integrity within the organisation and a healthy work environment.

In addition to these we also have a set of guidelines specifically applicable for Board Members and Senior Management. These guidelines cover Terms & Conditions for Independent Directors, Code for Independent Directors and Remuneration Policy. The guidelines and policies also cover the composition of the Board, their roles and responsibilities, duties, and powers pertaining to decision making. The guidelines are designed to endorse the highest standards of ethical conduct and integrity and all Directors and Senior Management personnel have affirmed compliance with this Code of Conduct. The Annual Report contains a declaration to this effect that is signed by the Vice Chairman & Managing Director.

All the guidelines and policies are regularly reviewed, updated and upgraded to comply with all the applicable local, national and international laws and modifications within the Company.

Contribution to Sustainability

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

We do not procure any raw material or natural resources and do not manufacture any physical goods for our business operations. We are primarily engaged in the business of financing pre-owned (up to 12 years old) and new commercial vehicles. In case of pre-owned vehicles, we have an eligibility checklist which includes checking authorizations/ certificates for safety and fitness of the vehicle along with the emissions generated. Our product offerings are value-added, simple to understand and responsive to the needs of the customers and has a wide reach in providing financing service in rural as well as urban areas. We predominantly provide services to the unorganized sector and economically weaker classes, which are otherwise deprived of the benefits of financial inclusion. About 70-75% of our operations are based in the rural areas of the country.

The products have been designed to ensure that the customers can meet their financial goals and are able to achieve financial independence. We believe trust is the key towards building a healthy relationship with our customers for a fruitful engagement. To this end, we have adopted a system where front-line executives are trained and given responsibility of managing the complete cycle of engaging with customers i.e. from on-boarding till the account has been closed.

Our product portfolio promotes the UN SDG 9 – Industry, Innovation, & Infrastructure, and comprises of a range of offerings for its customers covering all aspects of the road transportation business, apart from financing pre-owned and new commercial vehicles, other financing solutions for working capitals, vehicle tyre and engine parts replacement expenses, toll expenses, etc. at affordable rates which leads to livelihood generation and alleviation of poverty.

Employee Well-Being

Principle 3: Business should promote wellbeing of all employees

We are committed to the well-being and all-round development of all our employees. Employees are an essential part of our success and we invest in their long-term growth and development. We provide equal opportunities to all. Our employees belong to all parts of the country and they are recruited based on their willingness to learn and grow.

Our workforce consists of 24,452 employees. There are 1200 permanent women employees and 23 permanent employees with disabilities. Our Board of Directors has one woman Director while there are three women in key management roles. All our employees covered by health insurance, accident insurance, Maternity benefits, Paternity benefits, Day care facilities.

We regularly engage with our employees and conduct learning and development programmes to provide them with opportunities to gain wider professional exposure. This includes the Mycoach E-Learning Platform which covers all our products and processes along with the Mybook and Quiz Platforms acting as additional tools to upgrade the knowledge.

Furthermore, we also focus on the continual education of our employees and provide opportunities for their academic and professional development through the Management Education Scheme under which the employees can pursue a distance MBA course designed to be at par with the courses offered by other management institutes of the country for our front-line executives. Employees who have availed the benefits of this scheme and successfully completed the program act as a mentor during on the job trainings and provide guidance as and when required to their colleagues.

We provide Group Medical (covering employee, spouse and two children), Accident and Life Insurance policy to all employees. Additionally, we organize free medical check-ups and yoga sessions to promote health consciousness. Also, employees have free access to the leadership team to share opinions and feedback. Keeping this in mind we have "Shri Guru" a chatbot facility used to raise queries pertaining to products and processes.

Our Company's monthly newsletter "ShriConnect" is used for internal communication with employees about initiatives and updates. We have Employee Rewards Program designed to highlight contributions of individual employees and formally appreciate their efforts. Reward points are added to each employee's account based on some pre-determined criteria.

We endorse a high-performance culture and periodically organize training programmes for enhancement of skills of employees. During the COVID-19 lockdown, refresher trainings were organised to educate them on safety and hygiene related precautions. Safety and emergency equipment like fire alarm systems and fire extinguishers are installed in our offices and employees are trained to operate the same.

In light of the COVID-19 pandemic, we have taken several steps to minimize its impact on our operations and ensure the well-being of our people. These include distribution of PPE kits, daily sanitization of offices by professional agency, online attendance system, installation of motion sensor water taps in bathrooms and installation of sanitizer/handwash dispensers in the premises. Employees residing in the Mumbai and Navi Mumbai/MMR region have the facility to avail transportation facilities and the vehicles are regularly cleaned and sanitized. To uphold the COVID-19 precautions, vendors and service providers, who are not a part of our Company but are essential for smooth functioning, can only visit the premises during weekends so that there is minimal COVID-19 infection risk for all. Drinking water facility is provided for all employees in office and regular testing of the water is carried out to maintain its quality.

Our Company prohibits discrimination on the basis of race, caste, religion, colour, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin or disability, harassment, whether sexual, verbal, physical or psychological against any employee.

In order to prevent any kind of discrimination and to propagate SDG 5 – Gender Equality, we have adopted various policies and procedures within the Company. Our business model and field level operations are mainly male dominated however, as a policy we are constantly trying to increase the women workforce in support functions of the organisation.

The Policy on Prevention of Sexual Harassment at Workplace (POSH)ensures the safety and security of female employees. Each complaint of sexual harassment is investigated by an independent Committee chaired by women employee and consisting of various internal and external female members, providing full anonymity to the complainant and in cases where evidence of harassment is found, strict disciplinary action is initiated. All sexual harassment cases are reviewed and followed up by the Audit Committees. The premises are also equipped with CCTV cameras for security monitoring to ensure employees have a safe place to work. The Company also conducted an exhaustive video-based learning module for all employees for an awareness and compliance perspective on POSH.

Our Company forbids child labour and did not receive any complaints relating to child labour, forced labour or involuntary labour in FY 2020-21. One sexual harassment case was reported during the reporting year which was resolved immediately.

Stakeholder Engagement

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

We are an equal opportunity employer and our remuneration practices are based on merit, irrespective of the person's ethnic background, gender or other personal considerations. Remuneration is periodically assessed and updated to be in line with the market benchmarks. In addition, we ensure there is no discrimination of any type against the disadvantaged sections at the workplace.

To further support the disadvantaged sections of the society, we have adopted initiatives focussed on the commercial driver community where we have the resources and reach to make a significant positive impact. Training programs in association with the Logistics Sector Skill Counsel (LSC) are organised for new and experienced drivers. The 280 hours long training program for new drivers includes driving basics, classroom sessions and on road practice, safety precautions, sanitation and hygiene aspects along with soft skill development initiatives such as English language classes, daily Yoga sessions, grooming etiquettes and regular health check-ups. The refresher trainings for experienced drivers are more focused on safety, sanitation & hygiene, grooming etiquettes and soft skills. Subsequent to the completion of trainings, all the participants are given a certificate from LSC, equivalent to a Vocational Training Diploma Certificate and we also sponsor the license fee for the successful candidates.

This initiative has generated livelihood opportunities for the unemployed youth of the country and majority of the individuals are able to secure a job in logistics and transportation divisions of leading corporates across the country. It is a matter of great pride for us that women candidates trained as part of this initiative have been given employment opportunity as bus drivers by the Tamil Nadu State Transport and that the Municipal Corporation of Indore City in Madhya Pradesh state has made it mandatory for its drivers involved in the waste collection activities, to be trained under this program.

This employability initiative is our humble contribution to the Skill India campaign of the Indian government to make the youth of the country skilled and earn a better livelihood.

HUMAN RIGHTS

Principle 5: Businesses should respect and promote human rights

It is our constant endeavour to uphold human rights of all our employees as manifested in the Constitution of India. Our Company values integrity of all regulations and ensures compliance with all applicable laws in this regard. We pay fair wages to all the employees without any discrimination and treat everyone with dignity. Employees are given opportunities based on their merit and equal benefits are provided to all. Our employees have freedom to raise concerns and provide feedback to the management.

We did not receive any complaint pertaining to violation of human rights in FY 2020-21.

ENVIRONMENTAL PROTECTION

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

We do not have any manufacturing units that produce toxic wastes and effluents which harm the environment. As a result, our business operations do not have any direct, significant negative environmental impacts. However, we acknowledge the important of environmental protection and strive to identify opportunities to be environmentally friendly in all our activities.

As a step towards further reducing the environmental impact in our offices, a significant extent of our processes which were earlier paper based are now digital. Initial loan applications and the agreement are still required to be in hardcopy; however, we are making progress to move those to digital mode as well. We have appealed to our shareholders to opt for soft copies of annual reports and other relevant documents to reduce the consumption of paper. Facility for direct dividend credit to their bank accounts as an alternative of physical dividend warrants is also available and encouraged. For other payments such as payment of interest, dividend, maturity amount of debentures and fixed deposits etc. also we use electronic mediums (like NECS, NEFT, RTGS) to ensure paperless, faster, safer and secure fund transfer. These initiatives are in line with the Company's aim of being a paperless office.

We have also taken initiatives to ensure energy efficiency at our offices. Obsolete technology and outdated gadgets are regularly replaced with more efficient alternatives, conversion of incandescent lightening fixtures to LED is being done in a phase wise manner, optimized usage of lights is promoted and only 5 star rated air conditioning equipment are permitted under new purchases at our offices. We have stopped the use of DG Sets in our offices and have shifted to inverters in most of the offices. To maintain the efficiency, regular electricity audits are conducted for all major offices. Apart from this, to reduce employee travel, video conferencing facilities have been installed in all corporate and zonal offices, leading to lower energy use and carbon footprint. Eco-friendly paint is used for office interiors to reduce the adverse impacts of lead containing toxic fumes from paint.

Our endeavour to create a positive impact on the environment is manifest in our financing, as we only finance vehicles which are tested for compliance on Government prescribed emission limits. We encourage our customers to replace their old vehicles with better, more efficient models and thus contributing towards to the overall environmental quality. In the process of loan disbursement, fitness certificate of the financed vehicle for safe driving is mandatory along with the insurance policy which has to be renewed regularly.

In order to maintain the efficiency of vehicles and in turn ensure minimal adverse impacts on environment, we provide financial assistance to our customers for replacement of tyres and engine parts. Awareness campaigns are also organized on how to obtain a proper PUC certificate for vehicles and its periodic renewal. We also ensure that all the financed vehicles receive regular maintenance and drivers are aware of all the environmental aspects related to their vehicles and encourage usage of vehicles running on cleaner fuels.

Furthermore, we have adopted an Environment Policy to create awareness about environmental protection among our employees and customers. Our Loan Disbursement Policy is aligned with the Environment Policy in terms of institutionalizing environmental aspects during the loan disbursement as described above.

RESPONSIBLE ADVOCACY

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

We are a member of the Finance Industry Development Council (FIDC), Confederation of Indian Industries (CII) and Federation of Indian Chambers of Commerce and Industry (FICCI) along with various other state/ city level associations. Through these industry associations we actively engage in policy advocacy and proactively contribute to the discussions and resolutions on various industry issues within the scope of the above-mentioned associations.

We routinely put forward our views on formulation of new industry standards and regulatory developments pertaining to non-banking finance and in the best interest of the commercial vehicle financing segment of the industry and small road transport operators which include aspects such as governance, administration, economic reforms and inclusive development policies, among others. We consistently attempt to balance the interests of various stakeholders while making any recommendations in this regard.

INCLUSIVE GROWTH

Principle 8: Businesses should support inclusive growth and equitable development

Inclusive growth and equitable development are at the core of our business philosophy and this is evident in the market segments served by our Company. Our business model revolves around the concept of financial inclusion and provides financing solutions at affordable interest rates and favourable repayment terms to the Small Road Transport Operators (SRTOs) and First Time Buyers (FTBs) primarily from the unorganised weaker sections of the society.

Our aim is to propagate financial advancements by helping unemployed individuals in setting up their own road transportation business in areas where there is a lack of financial services such as the rural areas and social-economically disadvantaged sections of the country.

We strongly believe in giving back to the society and this is the guiding principle around which all the Corporate Social Responsibility (CSR) activities are undertaken. Our aim is to improve the quality of life of the trucking community which includes the truck drivers as well as their families. During FY 2020-21, we contributed INR 64.96 Crores towards CSR activities and the initiatives are mainly segregated into three categories mainly viz. Preventive Healthcare, Education and Skill Development. For the implementation of these projects, we have partnered with various agencies such as Shriram Seva Sankalp Foundation, Buddy4study, Terna Public Charitable Trust, DB Skills Foundation, Piramal Swasthya Management & Research Institute.

Additionally, we have also contributed INR 3.46 Crores as financial support for projects such as construction of toilets cum bathroom, desilting of temple tanks in the Southern parts of India and preservation of arts, culture & heritage. Our consistent efforts and outreach initiatives for the betterment of the society over the last 15 years has helped a total of 7,25,143 number of individuals in gaining health and sanitation awareness, provided holistic education to 1,50,921 number of students and generated livelihood for 10,762 number of families.

Details of the financial support provided during FY 2020-21: please refer to Annexure I of Directors' Report.

Following are the highlights of key CSR projects undertaken by us in FY 2020-21:

Preventive Healthcare

The initiative endorses the National Health Mission's (NHM) vision of quality and affordable health services for all. We have partnerships with various NGOs, Government and Private Parking Associations and a third-party contractor, where Mobile Medical Units (MMUs) are stationed near the truck parking areas. These MMUs are well equipped to provide free-of-cost medical check-ups, conduct preliminary laboratory tests and prescribe basic medicines to the truck drivers as these individuals are often isolated from the conventional healthcare services owing to the constant travelling. The MMUs have provisions for screening, diagnosis and treatment of non-communicable, communicable diseases, along with minor ailments and via these 46,172 laboratory tests have been conducted as on 31st of March 2021.

The programs also address concerns such as appropriate hygiene maintenance, upkeep pertaining to sanitation and COVID-19 precautions along with relevant safety aspects to be kept in mind. Health camps and Counselling services focusing on the importance of good mental health essential for preventing accidents and to ensure a safe driving experience for all and discussions on perils of tobacco consumption are also organised.

At present the program is live across 15 locations 11 states in India and so far, 1,12,138 people, majority from the trucking community, have availed the benefits of the initiative via 3210 health camps. The financial support of INR 12.29 Crores has been provided till 31st of March 2021.

Education

We provide merit-based scholarships to the children of trucking community and contributes towards SDG 4 – Quality Education. The initiative is divided into two categories – Secondary Education (for Students studying in Classes 8th to 12th) and Higher Education (for ITI/Diploma/Graduation or Engineering). Students are selected through state/district level transport associations along with various NGO tie-ups.

The scholarships are aimed at providing inclusive and quality education for all and apart from scholarships, we also support 200 single teacher schools in Tamil Nadu's Tiruvallur and Kancheepuram districts.

We have provided financial support of INR 45.73 Crores for this project and have covered 1,605 students under the Buddy4Study program for Higher education and 28,191 students under the School Scholarship Scheme, grants provided to the Chennai Mathematical Institute, Swami Vivekananda Rural Development Society for Single Teacher Schools from all over the country as on 31st of March 2021.

Skill Development

India is amongst the youngest and most populous nations in the world. The median age of the country is 28 years old as per the UN World Population Prospects 2019 (Population Division, Dept. of Economic & Social Affairs). We consider this to be a great opportunity and source of strength for our country's growth.

In order to be a part of the Skill India mission launched by the Government of India and ensure the demographic advantage of the country is promoted for the advancement of the society, we have initiated various skill development programs which also contribute towards SDG 1 – No Poverty, SDG – 8 Decent Work & Economic Growth, SDG 9 Industry, Innovation, & Infrastructure, and Goal 10 - Reduced Inequalities.

Our objective is to transform the driver community from an unorganized sector to a well-managed professionally empowered skill segment. To this end, we organize training programs related to the driving of light motor vehicles (LMVs) and heavy motor vehicles (HMVs) for skilling, re-skilling and up-skilling of commercial vehicle drivers.

The target population for these trainings are primarily unemployed/low income youths from rural and urban areas. The training programs cover all the aspects essential for a road transport business and driving, including etiquettes & soft skills, defensive driving, digital and financial literacy among others. A preventive health check-up and final evaluation along with a certificate from Automotive Skills Development Council (ASDC) are provided upon completion of the advanced driver training program. Through this initiative we have covered 5006 candidates, and majority of the trainees have got employment in the logistics industry. For this initiative financial support of INR 3.55 Crores have been provided till 31st of March 2021.

RESPONSIBILITY TOWARDS CUSTOMERS

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

We have a proven track record of excellent customer service and have consistently maintained one of the lowest complaints' ratio in terms of the number of complaints to the number of loans granted.

We have a track record of loyal customers who were able to achieve financial independence through the long-term relationship with our Company. We are committed to creating value for our customers by providing products and services and building long-lasting relationships with them.

Our effective implementation of the Fair Practice Code for redressal of customer grievances ensure that settlement of insurance claims, renewal of insurance policy, obtaining of permits from RTOs and refurbishments of vehicles via partner service centres are hassle-free processes and the customers are well informed and attended to in a cordial, efficient and effective manner. We also sponsor various welfare programs for our customers and their families to ensure their well-being and promote a good relationship.

We consider customers to be a part of the Shriram Family, so to ensure excellent customer service for all, a system has been introduced wherein dedicated front-line executives assigned to all customers who are responsible for the interactions and addressing customer needs. The executive is responsible for the entire cycle of customer engagement, including onboarding, loan application processing, loan repayment and interest collections. We also have a provision where after a loan account is closed, the customer data is stored for a period of three years, so if any customer needs another loan, they can easily connect with their assigned executive and share the details of loan required without any extra formalities as the background details are already available in our database.

BUSINESS RESPONSIBILTY PARAMETER INDEX

Principle-Wise Performance

	Principle 1	
1)	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?	Yes, the policy covers only the Company
2)	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	Nil
	Principle 2	
1)	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	The Company provides financing solutions for pre-owned and new commercial vehicles.
2)	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional): a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Not Applicable
3)	Does the company have procedures in place for sustainable sourcing (including transportation)? a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	Not Applicable
4)	Has the company taken any steps to procure goods and services from local & small producers (including communities surrounding their place of Work)? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	The Company gives preference to local recruitment as the services relating to vehicle financing and operated through its branches and rural service centres.
5)	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so	Not Applicable
	Principle 3	
1)	Please indicate the Total number of employees.	24,452
2)	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	Nil
3)	Please indicate the Number of permanent women employees	1,200
4)	Please indicate the Number of permanent employees with disabilities	23
5)	Do you have an employee association that is recognized by management	Not Applicable
6)	What percentage of your permanent employees are members of this recognized employee association?	Not Applicable

7)	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	
	a) Child labour/forced labour/involuntary labour	a) Nil
	b) Sexual harassment	b) One
	c) Discriminatory employment	c) Nil
8)	What percentage of your, under mentioned, employees were given safety & skill up-gradation training in the last year?	50% employees were given safety and skill training programmes in the last year
a)	Permanent Employees	a) 47.25%
b)	Permanent Women Employees	b) 2.75%
c)	Casual/Temporary/Contractual Employees	c) Nil
d)	Employees with Disabilities	d) Nil
	Principle 4	
1)	Has the company mapped its internal and external stakeholders? Yes/No	Yes
2)	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?	Yes
3)	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	Yes, please refer to the Principle 4 of the Report
	Principle 5	
1)	Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?	Yes, the policy extends only to the Company
2)	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	No complaint was received for human rights violation during the last financial year.
	Principle 6	
1)	Does the policy, related to Principle 6, cover only the company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others.	Yes, the policy extends only to the Company
2)	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Yes, we have environment policy in place. We have undertaken the initiative of transforming into a paperless office.
3)	Does the company identify and assess potential environmental risks? Y/N	No
4)	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	No
5)	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	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.	Not Applicable

Principle 7

1)	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Yes, we are member of Finance Industry Development Council (FIDC), Confederation of Indian Industries (CII) and Federation of Indian Chambers of Commerce and Industry (FICCI) and various other state/ city level associations.
2)	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes, Governance and Administration

Principle 8

1)	Does the company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes, please refer to the Principle 8 of the Report
2)	Are the programmes/projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organization?	Yes, the projects are undertaken in consultation with the in-house team and external NGOs.
3)	Have you done any impact assessment of your initiative	No
4)	What is your Company's Direct contribution to community development projects - Amount in INR and the details of the projects undertaken?	Yes, please refer to the Section B of the Report
5)	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so	Yes, we encourage our stakeholders to participate in initiatives.

Principle 9

1)	What percentages of customer complaints/ consumer cases are pending as on the end of financial year?	3.60%
2)	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/ N.A. /Remarks (additional information)	Not Applicable
3)	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so	No
4)	Did your company carry out any consumer survey/ consumer satisfaction trends?	No

SECRETARIAL COMPLIANCE REPORT OF SHRIRAM TRANSPORT FINANCE COMPANY LIMITED FOR THE YEAR ENDED 31ST MARCH, 2021

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

(a) All the documents and records made available to us and explanation provided by Shriram Transport Finance Company Limited ("the listed entity"),

(b) The filings/ submissions made by the listed entity to the stock exchanges,

(c) Website of the listed entity,

(d) Any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31st March, 2021 ("Review Period") in respect of compliance with the provisions of:

 (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

 (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, including:-

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended

(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018,

(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 *(Not Applicable to the company during the review period)*

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

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

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

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

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

(j) Securities and Exchange Board of India(Depositories and Participant) Regulations,2018; and circulars guidelines issued thereunder; and based on the above examination, I hereby report that, during the Review Period:

 (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

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

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

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

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

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

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

For P. Sriram & Associates

P. Sriram
FCS No.: 4862
C P No.: 3310
UDIN: F004862C000211992
PEER REVIEW NO: S2011TN155200

Place: Chennai
Date: April 29, 2021

SHRIRAM
Transport Finance Company Limited
A WINNING RELATIONSHIP

FINANCIAL SECTION

To the Members of
Shriram Transport Finance Company Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of Shriram Transport Finance Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

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 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the state of affairs of the Company as at March 31, 2021, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 63 to the standalone financial statements which describes the staging of accounts to whom moratorium benefit was extended and uncertainty caused by COVID-19 pandemic with respect to the Company's estimates of Impairment of loans to customers. Further, the extent to which the COVID-19 pandemic will impact the Company's financial performance is dependent on future developments, which are highly uncertain. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

<u>Impairment Loss Allowance of loans and advances</u>

Impairment loss allowance of loans and advances ("Impairment loss allowance") is a Key Audit Matter as the Company has significant credit risk exposure considering the large loan portfolio across a wide geographical range. The value of loans and advances on the balance sheet is significant and there is a high degree of complexity and judgment involved in estimating individual and collective credit impairment provisions, write-offs against these loans and to additionally determine the potential impact of unprecedented COVID 19 pandemic on asset quality and provision of the Company. The Company's model to calculate expected credit loss ("ECL") is inherently complex and judgment is applied in determining the correct construction of the three-stage impairment model ("ECL Model") including the selection and input of forward looking information. ECL provision calculation require the use of large volumes of data. The completeness and reliability of data can significantly impact accuracy of the modelled impairment provisions. The accuracy of data flows and the implementation of related controls are critical for the integrity of the estimated impairment provisions.

Audit Procedures included but were not limited to the following:

We have started our audit procedures with understanding of the internal control environment related to Impairment loss allowance. Our procedures over internal controls focused on recognition and measurement of impairment loss allowance. We assessed the design and tested the operating effectiveness of the selected key controls implemented by the Company.

We also assessed whether the impairment methodology used by the Company is in accordance with the assumptions and methodology approved by the Board of Directors of the Company which is based on and in compliance with

Ind AS 109 "Financial Instruments". Particularly we assessed the approach of the Company regarding definition of Default, Probability of Default, Loss Given Default and incorporation of forward-looking information for the calculation of ECL.

For loans and advances which are assessed for impairment on a portfolio basis we performed particularly the following procedures:

- We tested the reliability of key data inputs and related management controls;
- We checked the stage classification as at the balance sheet date as per the definition of Default of the Company;
- We validated the ECL Model and its calculation by involving our Information Technology Expert;
- We have checked on sample basis that the stage classification for the borrowers has been given in accordance with the Resolution Framework issued by Reserve Bank of India (the 'RBI') and the Board approved policy for ECL provisioning and stage classification with respect to such accounts;
- We have verified whether the ECL provision is made in accordance with the Board Approved Policy in this regard;
- We have also calculated the ECL provision manually for selected samples;
- We have assessed the assumptions made by the Company in making accelerated provision considering forward looking information and based on an event in a particular geographical range;
- We have reviewed the process of the Company to grant moratorium to the borrowers as per the Regulatory Package announced by the RBI. Further, we have relied on the assumption of the management that there will be no significant increase in the credit risk in the cases where moratorium is given and that the staging based on the days past due (DPD) will be considered as per the RBI COVID-19 Regulatory Package. We have tested on samples basis the DPD freeze for cases where moratorium is provided and not provided in accordance with RBI COVID-19 Regulatory Package;
- With respect to additional provision made by the Company on account of the impact of COVID-19 pandemic, we broadly reviewed the underlying assumptions and estimates used by the management for the same but as the extent of impact is dependent on future developments which are highly uncertain, we have primarily relied on those assumptions and estimates. These assumptions and estimates are a subject matter of periodic review by the Company; and
- We have checked the provision on Loan Assets as per IRACP norms as required under RBI circular dated March 13, 2020. We have checked the DPD and provision in accordance with the RBI regulations in that regard further considering the Regulatory Packages issued by RBI dated March 27, 2020 and May 23, 2020 and RBI circular dated April 17, 2020.

For loans and advances which are written off during the year under audit, we read and understood the methodology and policy laid down and implemented by the Company in this regards along with its compliance on sample basis.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Director's Report and Corporate Governance Report, but does not include the standalone financial statements, consolidated financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these 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 Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this standalone 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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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 auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(2) 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 Statement of Cash Flows 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, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2";

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

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

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 standalone financial statements – Refer Note 49 on Contingent Liabilities to the standalone 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 including derivative contracts – Refer Note 10 to the standalone financial statements;

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

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No : 103523W/W100048

Sumant Sakhardande
Partner
Membership Number: 034828
UDIN: 21034828AAAACL9851

Place: Mumbai
Date: April 29, 2021

For **Pijush Gupta & Co.**
Chartered Accountants
ICAI Firm Registration No: 309015E

Pijush Kumar Gupta
Partner
Membership Number: 015139
UDIN: 21015139AAAAAT4693

Place: Gurugram
Date: April 29, 2021

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of Shriram Transport Finance Company Limited on the standalone Ind AS financial statements for the year ended March 31, 2021]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone Ind AS financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) During the year, the fixed assets of the Company have been physically verified by the management and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) Based on the examination of the registered sale deed/transfer deed and other relevant records evidencing title / possession provided to us, we report that, the title deeds of all the immovable properties comprising of land and buildings which are freehold other than self - constructed assets included in Property, Plant and Equipment, are held in the name of the Company as at the balance sheet date.

(ii) The Company is in the business of providing services and does not have any inventory. Accordingly, clause 3(ii) of the Order is not applicable.

(iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, clause 3(iii) of the Order is not applicable to the Company.

(iv) The Company has complied with the provisions of sections 185 and 186(1) of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable. Further, the provisions of Section 186, except for Section 186(1), of the Act are not applicable to the Company as it is engaged in the business of financing.

(v) In our opinion, the Company has complied with the directives issued by Reserve Bank of India, the provisions of sections 73 to 76 of the Act and the rules framed there under with regard to the acceptance of deposits. Further, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.

(vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of section 148 of the Act and the rules framed there under.

(vii) (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax (GST), cess and any other material statutory dues applicable to it. During the year 2017-18, sales tax, value added tax, service tax and duty of excise subsumed in GST and are accordingly reported under GST.

No undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, GST, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) As informed, the provisions of customs duty and excise duty is not applicable to the Company. The dues outstanding with respect to, income tax, sales tax, service tax, value added tax and GST on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount* (Rs. In crores)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act,1961	Income Tax demands	13.44	A.Y. 2017-18	Assessing Officer
Income Tax Act,1961	Income Tax demands	26.10	A.Y. 2016-17	Assessing Officer
Income Tax Act,1961	Income Tax demands	5.46	A.Y. 2014-15	Madras High Court
Income Tax Act,1961	Income Tax demands	5.79	A.Y. 2014-15	Assessing Officer
Income Tax Act,1961	Income Tax demands	1.80	A.Y. 2014-15	CIT (Appeals)
Income Tax Act,1961	Income Tax demands	1.53	A.Y. 2013-14	Madras High Court
Income Tax Act,1961	Income Tax demands	5.02	A.Y. 2013-14	Assessing Officer

Name of the statute	Nature of dues	Amount* (Rs. In crores)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act,1961	Income Tax demands	0.47	A.Y. 2012-13	Madras High Court
Income Tax Act,1961	Income Tax demands	5.27	A.Y. 2012-13	Assessing Officer
Income Tax Act,1961	Income Tax demands	10.00	A.Y. 2011-12	Assessing Officer
Income Tax Act,1961	Income Tax demands	9.21	A.Y. 2010-11	Assessing Officer
Income Tax Act,1961	Income Tax demands	10.26	A.Y. 2009-10	Madras High Court
Income Tax Act,1961	Income Tax demands	1.84	A.Y. 2008-09	Madras High Court
Income Tax Act,1961	Income Tax demands	0.27	A.Y. 2007-08	Madras High Court
Income Tax Act,1961	Income Tax demands	0.08	A.Y. 2006-07	Assessing Officer
Finance Act, 1994 (Service tax)	Service tax on hire purchase and lease transaction	204.89	1st April 2003 to 28th February 2006	Commissioner of CGST & Central Excise
Finance Act, 1994 (Service tax)	Service tax on hire purchase and lease transaction	5.72	1st March 2006 to 31st March 2010	Supreme Court
Finance Act, 1994 (Service tax)	Service tax demand on securitisation collection commission	192.88	F.Y. 2008-09 to 2014-2015	CESTAT (Custom, Excise and Service tax appellate tribunal)
Finance Act, 1994 (Service tax)	Service tax on interest on hypothecation loans	1,392.72	F.Y. 2005-06 to 2015-16	Mumbai High Court
Finance Act, 1994 (Service tax)	Service tax on interest on hypothecation loans	375.94	F.Y. 2016-17 and April 01, 2017 to June 30, 2017	The Company is in the process of filing an appeal with Mumbai High Court.
Maharashtra Value Added Tax	Value added tax	0.00#	F.Y. 2005-06	Maharashtra Sales Tax Tribunal
Maharashtra Value Added Tax	Value added tax	0.00#	F.Y. 2006-07	Deputy Commissioner of Sales Tax - Appeals – Mumbai
Maharashtra Value Added Tax	Value added tax	5.40	F.Y. 2007-08 to 2013-14	Maharashtra Sales Tax Tribunal
Maharashtra Value Added Tax	Value added tax	0.79	F.Y. 2014-15	Joint Commissioner of Sales tax
Maharashtra Value Added Tax	Value added tax	0.21	F.Y. 2012-13 to 2013-14	Deputy Commissioner of Sales Tax - Appeals - Mumbai
Maharashtra Value Added Tax	Value added tax	0.01	F.Y. 2014-15	Joint Commissioner of Sales tax
Maharashtra Value Added Tax	Value added tax	0.02	F.Y. 2015-16	Joint Commissioner of Sales tax
Maharashtra Value Added Tax	Value added tax	0.29	F.Y. 2016-17	Joint Commissioner of Sales tax

Name of the statute	Nature of dues	Amount* (Rs. In crores)	Period to which the amount relates	Forum where dispute is pending
Andhra Pradesh Value Added Tax	Value added tax	3.48	F.Y. 2005-06 to 2008-09	High court of Telangana
Andhra Pradesh Value Added Tax	Value added tax	3.27	F.Y 2009-10 to 2010-11 and 1st April 2011 to 31st August 2012	High court of Telangana
Andhra Pradesh Value Added Tax	Value added tax	0.12	F.Y. 2010-11 to 2012-13	High court of Telangana
Rajasthan Value Added Tax	Value added tax	1.16	F.Y. 2006-07 to 2011-12	High Court of Rajasthan
Rajasthan Value Added Tax	Value added tax	1.59	F.Y. 2012-13 to 2015-16 And 1st April, 2016 to 4th Nov 2016	Rajasthan Tax Tribunal, Ajmer
Karnataka Value Added Tax	Value added tax	8.07	F.Y. 2010-11 to 2016-17	High court of Karnataka
Orissa Value Added Tax	Value added tax	0.09	F.Y. 2008-09 to 2012-13	Orissa Tax Tribunal
Telangana Value Added Tax	Value added tax	9.81	F.Y. 2013-14 to 2016-17 and April 17 to June 17	High Court of Telangana

*Above amounts are net of amount paid under protest, wherever paid.

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores

(viii) During the year, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks or dues to debenture holders. The Company has not taken any loan or borrowing from government.

(ix) The Company has prima facie utilized the moneys raised by way of further public offer (Rights issue) for the purpose for which they were raised. In our opinion, monies raised by the Company by way of debt instruments and term loans were applied for the purposes for which those were obtained, though idle/surplus funds which were not required for immediate utilisation were gainfully invested in liquid assets payable on demand.

(x) 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, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.

(xi) Managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, clause 3(xii) of the Order is not applicable to the Company.

(xiii) All transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of Act, where applicable, and the details have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, clause 3(xiv) of the Order is not applicable to the Company.

(xv) The Company has not entered into any non-cash transactions with directors or persons connected with them during the year and hence provisions of section 192 of the Act are not applicable.

(xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the registration has been obtained by the Company.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No : 103523W/W100048

Sumant Sakhardande
Partner
Membership Number: 034828
UDIN: 21034828AAAACL9851

Place: Mumbai
Date: April 29, 2021

For **Pijush Gupta & Co.**
Chartered Accountants
ICAI Firm Registration No: 309015E

Pijush Kumar Gupta
Partner
Membership Number: 015139
UDIN: 21015139AAAAAT4693

Place: Gurugram
Date: April 29, 2021

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Shriram Transport Finance Company Limited on the standalone financial statements for the year ended March 31, 2021]

Report on the Internal Financial Controls with reference to Financial Statements 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 financial statements of Shriram Transport Finance Company Limited ("the Company") as of March 31, 2021 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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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 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 controls based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No : 103523W/W100048

Sumant Sakhardande
Partner
Membership Number: 034828
UDIN: 21034828AAAACL9851

Place: Mumbai
Date: April 29, 2021

For **Pijush Gupta & Co.**
Chartered Accountants
ICAI Firm Registration No: 309015E

Pijush Kumar Gupta
Partner
Membership Number: 015139
UDIN: 21015139AAAAAT4693

Place: Gurugram
Date: April 29, 2021

BALANCE SHEET

AS AT MARCH 31, 2021

(Rs. in crores)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	8	11,050.93	3,088.99
(b) Bank balance other than (a) above	9	5,390.89	4,225.93
(c) Derivative financial instruments	10	169.25	758.73
(d) Receivables	11		
(I) Trade receivables		8.92	10.50
(II) Other receivables		49.90	5.64
(e) Loans	12	108,303.04	102,231.63
(f) Investments	13	3,197.85	2,798.48
(g) Other financial assets	14	49.03	38.70
Total financial assets		**128,219.81**	**113,158.60**
(2) Non-financial assets			
(a) Current tax assets (net)	15	171.73	249.10
(b) Deferred tax assets (net)	43	639.14	62.50
(c) Investment property	16	2.00	2.03
(d) Property, plant and equipment	17	124.44	149.88
(e) Right-of-use assets	18	308.51	334.29
(f) Other intangible assets	19	2.39	2.67
(g) Other non-financial assets	20	210.84	169.57
Total non-financial assets		**1,459.05**	**970.04**
Total assets		**129,678.86**	**114,128.64**
LIABILITIES AND EQUITY			
Liabilities			
(1) Financial liabilities			
(a) Payables			
(I) Trade payables	21		
(i) total outstanding dues of micro enterprises and small enterprises		-	0.40
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		255.51	143.44
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		0.37	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		0.54	1.13
(b) Debt securities	22	40,061.87	34,266.96
(c) Borrowings (other than debt securities)	23	45,281.37	42,474.60
(d) Deposits	24	16,232.41	11,960.12
(e) Subordinated liabilities	25	4,620.76	5,670.07
(f) Lease liabilities	18	349.49	362.81
(g) Other financial liabilities	26	964.35	912.32
Total financial liabilities		**107,766.67**	**95,791.85**
(2) Non-financial liabilities			
(a) Current tax liabilities (net)	27	102.02	102.02
(b) Provisions	28	142.54	146.33
(c) Other non-financial liabilities	29	99.26	83.28
Total non-financial liabilities		**343.82**	**331.63**
Total liabilities		**108,110.49**	**96,123.48**
(3) Equity			
(a) Equity share capital	30	253.06	226.88
(b) Other equity	31	21,315.31	17,778.28
Total equity		**21,568.37**	**18,005.16**
Total liabilities and equity		**129,678.86**	**114,128.64**

See accompanying notes to the financial statements

As per our report of even date
For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai
April 29, 2021

For **Pijush Gupta & Co.**
Chartered Accountants
ICAI Firm Registration No. 309015E

Pijush Kumar Gupta
Partner
Membership No. 015139
Gurugram
April 29, 2021

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

S. Lakshminarayanan
Chairman
DIN: 02808698
New Delhi
April 29, 2021

Umesh Revankar
Vice Chairman & Managing Director
DIN: 00141189
Mumbai
April 29, 2021

Parag Sharma
Joint Managing Director & CFO
Mumbai
April 29, 2021

Vivek M. Achwal
Company Secretary
Mumbai
April 29, 2021

(Rs. in crores)

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations			
(i) Interest income	32	17,128.14	16,267.46
(ii) Dividend income		-	0.19
(iii) Rental income		0.21	0.22
(iv) Fees and commission income	33	115.86	194.97
(v) Net gain on fair value changes	34	21.80	11.92
(vi) Net gain on derecognition of financial instruments under amortised cost category		58.85	-
(vii) Other operating income	35	95.59	80.73
(I) Total Revenue from operations		**17,420.45**	**16,555.49**
(II) Other income	36	15.95	20.27
(III) Total Income (I + II)		**17,436.40**	**16,575.76**
Expenses			
(i) Finance cost	37	9,054.26	8,270.26
(ii) Fees and commission expense	38	78.89	56.88
(iii) Impairment on financial instruments	39	3,118.40	2,794.88
(iv) Employee benefits expenses	40	906.25	1,010.82
(v) Depreciation, amortisation and impairment	41	137.36	141.05
(vi) Other expenses	42	863.23	863.20
(IV) Total expenses		**14,158.39**	**13,137.09**
(V) Profit before exceptional items and tax (III - IV)		**3,278.01**	**3,438.67**
(VI) Exceptional items		-	-
(VII) Profit before tax (V+ VI)		**3,278.01**	**3,438.67**
(VIII) Tax Expense:			
(1) Current tax	43	1,197.77	921.20
(2) Deferred tax	43	(545.36)	14.79
(3) Tax adjustment for earlier years	43	138.34	0.84
(IX) Profit for the year from continuing operations (VII - VIII)		**2,487.26**	**2,501.84**
(X) Profit for the year		**2,487.26**	**2,501.84**
(XI) Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) on defined benefit plan		-	(6.33)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	1.59
Subtotal (A)		**-**	**(4.74)**
B (i) Items that will be reclassified to profit or loss			
Cash flow hedge reserve			
Gain/(loss) on effective portion of hedging instruments in a cash flow hedge		(124.31)	-
(ii) Income tax relating to items that will be reclassified to profit or loss		31.29	-
Subtotal (B)		**(93.02)**	**-**
Other comprehensive income (A + B)		**(93.02)**	**(4.74)**
(XII) Total comprehensive income for the year (X + XI)		**2,394.24**	**2,497.10**
(XIII) Earnings per equity share (face value Rs. 10/- per equity share)			
Basic (Rs.)	44	100.97	107.44
Diluted (Rs.)	44	100.97	107.44

See accompanying notes to the financial statements

As per our report of even date
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Partner

Membership No. 034828
Mumbai
April 29, 2021

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Pijush Kumar Gupta
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For and on behalf of the Board of Directors of
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S. Lakshminarayanan
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DIN: 02808698
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Mumbai
April 29, 2021

Parag Sharma
Joint Managing Director & CFO
Mumbai
April 29, 2021

Vivek M. Achwal
Company Secretary
Mumbai
April 29, 2021

A. **Equity share capital**

Particulars	**Number of shares**	**(Rs. in crores)**
As at March 31, 2019	**226,882,736**	**226.90**
Changes during the year (refer note 30 Equity)	-	(0.02)
As at March 31, 2020	**226,882,736**	**226.88**
Changes during the year (refer note 30 Equity)	**26,178,777**	26.18
As at March 31, 2021	**253,061,513**	**253.06**

B. **Other equity**

(Rs. in crores)

Particulars	**Reserves and surplus**							**Other comprehensive income**		**Total**
	Statutory reserve	**Capital reserve**	**Securities premium**	**Debenture redemption reserve #**	**Capital redemption reserve**	**General reserve**	**Retained earnings**	**Remeasurement gain/(loss) on defined benefit plan**	**Effective portion of cash flow hedges**	
Balance as at April 01, 2019	**3,168.55**	**27.62**	**1,754.81**	**374.62**	**53.88**	**2,164.35**	**8,070.47**	**(4.92)**	-	**15,609.38**
Profit for the year	-	-	-	-	-	-	2,501.84	-	-	**2,501.84**
Other comprehensive income for the year	-	-	-	-	-	-	-	(4.74)	-	**(4.74)**
Total comprehensive income for the year	-	-	-	-	-	-	**2,501.84**	**(4.74)**	-	**2,497.10**
Transferred to/(from) (refer note 31 Other equity)	500.38	-	-	235.79	-	250.19	(986.36)	-	-	-
Transferred from share forfeiture account	-	0.02	-	-	-	-	-	-	-	**0.02**
Dividends (interim and final)	-	-	-	-	-	-	(272.26)	-	-	**(272.26)**
Tax on dividend (interim and final)	-	-	-	-	-	-	(55.96)	-	-	**(55.96)**
Balance as at March 31, 2020	**3,668.93**	**27.64**	**1,754.81**	**610.41**	**53.88**	**2,414.54**	**9,257.73**	**(9.66)**	-	**17,778.28**

(Rs. in crores)

Particulars	Reserves and surplus							Other comprehensive income		Total
	Statutory reserve	Capital reserve	Securities premium	Debenture redemption reserve #	Capital redemption reserve	General reserve	Retained earnings	Remeasurement gain/(loss) on defined benefit plan	Effective portion of cash flow hedges	
Balance as at April 01, 2020	**3,668.93**	**27.64**	**1,754.81**	**610.41**	**53.88**	**2,414.54**	**9,257.73**	**(9.66)**	**-**	**17,778.28**
Profit for the year	-	-	-	-	-	-	2,487.26	-	-	**2,487.26**
Other comprehensive income for the year	-	-	-	-	-	-	-	-	(93.02)	**(93.02)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**2,487.26**	**-**	**(93.02)**	**2,394.24**
Securities premium proceeds received on issue of equity shares (refer note 30 Equity and note 31 Other equity)	-	-	1,466.01	-	-	-	-	-	-	**1,466.01**
Rights issue expenses (refer note 30 Equity and note 31 Other equity)	-	-	(19.55)	-	-	-	-	-	-	**(19.55)**
Transferred to/(from) (refer note 31 Other equity)	497.46	-	-	311.00	-	248.73	(1,057.19)	-	-	-
Dividends (interim)	-	-	-	-	-	-	(303.67)	-	-	**(303.67)**
Balance as at March 31, 2021	**4,166.39**	**27.64**	**3,201.27**	**921.41**	**53.88**	**2,663.27**	**10,384.13**	**(9.66)**	**(93.02)**	**21,315.31**

Refer note 31 Other equity

See accompanying notes to the financial statements

As per our report of even date
For **Haribhakti & Co. LLP**
Chartered Accountants
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Sumant Sakhardande
Partner

Membership No. 034828
Mumbai
April 29, 2021

For **Pijush Gupta & Co.**
Chartered Accountants
ICAI Firm Registration No. 309015E

Pijush Kumar Gupta
Partner

Membership No. 015139
Gurugram
April 29, 2021

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

S. Lakshminarayanan
Chairman

DIN: 02808698
New Delhi
April 29, 2021

Umesh Revankar
Vice Chairman &
Managing Director
DIN: 00141189
Mumbai
April 29, 2021

Parag Sharma
Joint Managing Director & CFO
Mumbai
April 29, 2021

Vivek M. Achwal
Company Secretary
Mumbai
April 29, 2021

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	3,278.01	3,438.67
Depreciation, amortisation and impairment	137.36	141.05
Interest on income tax refund	-	(5.80)
Interest income	(16,611.31)	(15,690.72)
Finance costs	9,054.26	8,270.26
Loss/(profit) on sale of property plant and equipments (net)	0.65	(1.17)
Impairment on loans	3,128.29	2,748.87
Impairment on investments	(4.22)	42.22
Impairment on undrawn loan commitment	(5.45)	4.39
Impairment on other assets	(0.22)	(0.60)
Net (gain)/loss on fair value changes on investment	(2.85)	0.87
Net (gain)/loss on sale of mutual funds and certificate of deposits	(20.02)	(18.67)
Net (gain)/loss on fair value changes on direct assignment	1.07	-
Net (gain)/loss on fair value changes on derivatives	-	5.88
Net gain on derecognition of financial instruments under amortised cost category	47.05	-
Cash inflow from interest on loans	18,405.90	14,487.74
Cash outflow towards finance costs	(7,745.19)	(7,608.85)
Operating profit before working capital changes	**9,663.33**	**5,814.14**
Movements in working capital:		
Decrease/(increase) in loans	(10,994.29)	(7,026.05)
Decrease/(increase) in investments	(372.28)	1,176.17
Decrease/(increase) in receivables	(90.83)	12.28
Decrease/(increase) in bank deposits	(1,164.96)	(1,273.60)
Decrease/(increase) in other financial assets	(10.11)	(1.22)
Decrease/(increase) in other non-financial assets	(41.13)	(28.09)
Increase/(decrease) in payables	111.67	10.38
Increase/(decrease) in other financial liabilities	(99.05)	(104.04)
Increase/(decrease) in non-financial liabilities	15.98	13.79
Increase/(decrease) in other provision	1.66	7.69
Cash used in operations	**(2,980.01)**	**(1,398.55)**
Direct taxes paid (net of refunds)	(1,258.75)	(1,065.03)
Net cash flows from/(used in) operating activities (A)	**(4,238.76)**	**(2,463.58)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(25.82)	(57.80)
Proceeds from sale of property, plant and equipment and intangible assets	0.93	2.60
Net cash generated from/(used in) investing activities (B)	**(24.89)**	**(55.20)**

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital (including share premium and net of share issue expenses)	1,472.64	-
Proceeds/(repayment) on settlement of derivative contracts	589.48	(826.31)
Increase / (decrease) in fixed deposits (net)	4,206.86	1,661.62
Amount received from debt securities	10,636.15	17,215.18
Repayment of debt securities	(5,797.45)	(16,861.23)
Proceeds/(repayment) of subordinated debts	(1,069.27)	487.32
Amount received from borrowings other than debt securities	38,480.04	38,439.54
Repayment of borrowings other than debt securities	(36,032.94)	(35,112.77)
Payment of lease liabilities	(107.33)	(96.38)
Dividend paid	(152.59)	(272.38)
Tax on dividend	-	(55.96)
Net cash generated from/(used in) financing activities (C)	**12,225.59**	**4,578.63**
Net increase in cash and cash equivalents (A+B+C)	7,961.94	2,059.85
Cash and cash equivalents at the beginning of the year	3,088.99	1,029.14
Cash and cash equivalents at the end of the year	**11,050.93**	**3,088.99**

(Rs. in crores)

Components of cash and cash equivalents	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents at the end of the year		
i) Cash on hand	79.61	41.24
ii) Cheques on hand	6.16	2.38
iii) Balances with banks (of the nature of cash and cash equivalents)	5,014.78	1,810.59
iv) Call Money (CBLO)	2,498.85	-
v) Bank deposit with original maturity less than three months	3,451.53	1,234.78
Total	**11,050.93**	**3,088.99**

The above Cash flow statement has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.

See accompanying notes to the financial statements

As per our report of even date
For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Sumant Sakhardande
Partner

Membership No. 034828
Mumbai
April 29, 2021

For **Pijush Gupta & Co.**
Chartered Accountants
ICAI Firm Registration No. 309015E

Pijush Kumar Gupta
Partner

Membership No. 015139
Gurugram
April 29, 2021

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

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Chairman

DIN: 02808698
New Delhi
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Vice Chairman & Managing Director
DIN: 00141189
Mumbai
April 29, 2021

Parag Sharma
Joint Managing Director & CFO
Mumbai
April 29, 2021

Vivek M. Achwal
Company Secretary
Mumbai
April 29, 2021

1 CORPORATE INFORMATION

Shriram Transport Finance Company Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on BSE Limited and National Stock Exchange of India Limited. The Company is primarily engaged in the business of financing commercial vehicles. It also provides loans for equipment and other business purposes. The Company is registered with the Reserve Bank of India (RBI), Ministry of Corporate Affairs and Insurance Regulatory and Development Authority of India (IRDA). The registration details are as follows:

RBI	07-00459
Corporate Identity Number (CIN)	L65191TN1979PLC007874
IRDA	CA0197

The Company is an associate of Shriram Capital Limited.

The registered office of the Company is Sri Towers, 14A, South Phase, Industrial Estate, Guindy, Chennai, Tamil Nadu– 600 032. The principal place of business is Wockhardt Towers, West Wing, Level-3, C-2, G-Block, Bandra -Kurla Complex, Bandra (East), Mumbai, Maharashtra- 400 051.

The financial statements of the Company for the year ended March 31, 2021 were approved for issue in accordance with the resolution of the Board of Directors on April 29, 2021.

2 BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the 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). 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 except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use (refer note 6.1 (v)).

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Company are discussed in Note 7 - Significant accounting judgements, estimates and assumptions.

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

3 PRESENTATION OF FINANCIAL STATEMENT

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

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

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

4 STATEMENT OF COMPLIANCE

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

The Company has consistently applied accounting policies to all periods except for note 6.1 (v).

5 NEW ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2021.

6 SIGNIFICANT ACCOUNTING POLICIES

6.1 Financial instruments

(i) Classification of financial instruments

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

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

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

Business model assessment

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

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

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Solely Payments of Principal and Interest (SPPI) test

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

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

In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Company classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss 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

Debt instruments

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

Debt instruments are measured at amortised cost where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by holding to collect contractual cash flows.

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

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

Debt instruments

Investments in debt instruments are measured at fair value through other comprehensive income where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in the statement of profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of profit and loss. As at the reporting date, the Company does not have any financial instruments measured at fair value through other comprehensive income.

Equity instruments

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

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

(iv) Items at fair value through profit or loss

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;
- Items specifically designated as fair value through profit or loss on initial recognition; and
- debt instruments with contractual terms that do not represent solely payments of principal and interest. As at the reporting date, the Company does not have any 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.

Financial instruments held for trading

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

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

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

Upon initial recognition, financial instruments may be designated as measured at fair value through profit or loss. A financial asset may only be designated at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistencies (i.e. eliminates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on a different basis. As at the reporting date, the Company does not have any financial instruments designated as measured at fair value through profit or loss.

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

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

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Company's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income. As at the reporting date, the Company has not designated any financial 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 other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.
- The Company enters into derivative transactions with various counterparties to hedge its foreign currency risks and interest rate risks. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Company undertakes derivative transactions for hedging on-balance sheet liabilities.

Hedge accounting:

Till March 31, 2020, Derivatives were initially recognised at fair value at the date the derivative contracts are entered into and were subsequently measured at their fair value at the end of each reporting period. Such derivative instruments were presented as assets in case of a fair value gain and as liabilities in case of fair value loss. Changes in the fair value of derivatives were included in net gain on fair value changes.

Effective April 01, 2020, the Company has adopted hedge accounting. The Company makes use of derivative instruments to manage exposures to interest rate risk and foreign currency risk. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria. The Company has formally designated and documented the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

During the year ended March 31, 2021, hedges that meet the criteria for hedge accounting and qualify as cash flow hedges are accounted as follows:

Cash flow hedge: A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability and could affect the statement of profit and loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in other comprehensive income as cash flow hedge reserve. The ineffective portion of the gain or loss on the hedging instrument is recognised immediately as finance cost in the statement of profit and loss. When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

(vi) Embedded Derivatives

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract.

(vii) Debt securities and other borrowed funds

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

(viii) Financial guarantees

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

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

(ix) Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in 2019-20 and until the year ended March 31, 2021.

(x) Recognition and Derecognition of financial assets and liabilities

Recognition

a) Loans and Advances are initially recognised when the funds are transferred to the customers' account or delivery of assets by the dealer, whichever is earlier.

b) Investments are initially recognised on the settlement date.

c) Debt securities, deposits and borrowings are initially recognised when funds reach the Company.

d) Other Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace.

Derecognition of financial assets due to substantial modification of terms and conditions:

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be Purchased or Originated as Credit Impaired (POCI).

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Derecognition of financial assets other than due to substantial modification

a) Financial assets

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

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

i. The Company has transferred its contractual rights to receive cash flows from the financial asset, or

ii. It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement.

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

i. The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.

ii. The Company cannot sell or pledge the original asset other than as security to the eventual recipients.

iii. The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

i. The Company has transferred substantially all the risks and rewards of the asset, or

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

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

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

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss. Accordingly, gain or loss on sale or derecognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS 109. Also, the Company recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset. As per the guidelines of RBI, the Company is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ("MRR"). Therefore, it continues to recognise the portion retained by it as MRR.

b) Financial liabilities

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

(xi) Impairment of financial assets

Overview of the ECL principles

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

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

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

Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Company has grouped its loan portfolio into Business Loans, secured loans for new vehicles, secured loans for used vehicles and Equipment Finance Loans.

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

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

Stage 1

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

Stage 2

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

Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event (for e.g. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

Credit-impaired financial assets

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

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

a) Significant financial difficulty of the borrower or issuer;

b) A breach of contract such as a default or past due event;

c) The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;

d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

e) The disappearance of an active market for a security because of financial difficulties.

ECL on Investment in Government securities:

The Company has invested in Government of India loans. Investment in Government securities are classified under stage 1. No ECL has been applied on these investments as there is no history of delay in servicing of interest/repayments. The Company does not expect any delay in interest/redemption servicing in future.

Simplified approach for trade/other receivables and contract assets

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade/other receivables that do not contain a significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. It recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. At every reporting date, the historical observed default rates are updated for changes in the forward-looking estimates. For trade receivables that contain a significant financing component a general approach is followed.

Financial guarantee contracts

The Company's liability under financial guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss, and the ECL provision. For this purpose, the Company estimates ECLs by applying a credit conversion factor.

ECL on Debt instruments measured at fair value through OCI

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

The mechanics of ECL

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

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

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The concept of PD is further explained in Note 53.

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date. The concept of EAD is further explained in Note 53.

Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The concept of LGD is further explained in Note 53.

Forward looking information

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

Collateral Valuation

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

Collateral repossessed

In its normal course of business whenever default occurs, the Company may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. The Company generally does not use the assets repossessed for the internal operations. The underlying loans in respect of which collaterals have been repossessed and not sold for more than 12 months are considered as Stage 3 assets and fully provided for net of estimated realizable value or written off. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet as it does not meet the recognition criteria in other standards and consequently the Company also does not derecognise the underlying financial asset immediately on repossession.

(xii) Write-offs

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss. Write off in case of standard accounts is done by way of waiver of last one or two instalments in case the borrower pays all the EMIs as per the due dates mentioned in the agreement.

(xiii) Determination of fair value

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

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

i. In the principal market for the asset or liability, or

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

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

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

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

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

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

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

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

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

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

Difference between transaction price and fair value at initial recognition.

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

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

6.2 Revenue from operations

(i) Interest Income

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets 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.

Interest spread under par structure of direct assignment of loan receivables is recognised upfront. On derecognition of the loan receivables in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognised upfront in the statement of profit and loss.

(ii) Dividend Income

Dividend income is recognised when the right to receive the payment is established.

(iii) Rental Income

Rental income arising from operating leases is recognised on a straight-line basis over the lease term. In cases where the increase is in line with expected general inflation, rental income is recognised as per the contractual terms.

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

(iv) Fees & Commission Income

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

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

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

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

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

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

(v) Net gain/loss on fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss (refer Note 34), held by the Company on the balance sheet date is recognised as an unrealised gain/loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of profit and loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes. As at the reporting date, the Company does not have any financial instruments measured at FVTPL and debt instruments measured at FVOCI.

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

In case where transfer of a part of financial assets qualifies for de-recognition, any difference between the proceeds received on such sale and the carrying value of the transferred asset is recognised as gain or loss on derecognition of such financial asset previously carried under amortisation cost category is presented separately under the respective head in the statement of profit and loss. The resulting interest only strip initially is recognised at FVTPL under interest income.

6.3 Expenses

(i) Finance costs

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

The EIR in case of a financial liability is computed

a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows.

c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

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

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

(ii) Retirement and other employee benefits

Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

Post-employment employee benefits

a) Defined contribution schemes

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

b) Defined Benefit schemes

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each

Balance Sheet date, using the Projected Unit Credit Method, which recognises each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

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

The Company fully contributes all ascertained liabilities to The Trustees - Shriram Transport Finance Company Limited Employees Group Gratuity Assurance Scheme. Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Companies.

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

Other long-term employee benefits

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

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

(iii) Leases

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 01, 2019 (transition date). The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. For arrangements entered into prior to April 01, 2019, the Company has determined whether the arrangement contains a lease on the basis of facts and circumstances existing on the date of transition.

The Company's lease asset classes consist of leases for office premises.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate at the transition date in case of leases existing as on the date of transition date and in case of leases entered after transition date, incremental borrowing rate as on the date of lease commencement date. In case of existing leases, the said date would be the date of transition. It is remeasured when there is a change in future lease payments arising from a change in a rate, if the Company changes its assessment of whether it will exercise an extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

In case of a sub-lease, the Company accounts for its head lease and sub-lease separately.

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

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

Deferred tax

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

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

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

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

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

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

ii. When receivables and payables are stated with the amount of tax included.

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

6.4 Foreign currency translation

(i) Functional and presentational currency

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

(ii) Transactions and balances

Initial recognition

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

Conversion

Monetary assets and liabilities denominated in foreign currency, which are outstanding as at the reporting date, are translated at the reporting date at the closing exchange rate and the resultant exchange differences are recognised in the statement of profit and loss.

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

6.5 Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand, cheques on hand, balances with banks (of the nature of cash and cash equivalents) and short- term deposits, as defined above.

6.6 Property, plant and equipment

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

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, if it is probable that future economic benefit will flow to the Company from that expenditure and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation

Depreciation is calculated using the straight–line method to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013 except for Leasehold improvements which are amortised on a straight-line basis over the period of lease or estimated period of useful life of such improvement, subject to a maximum period of 60 months. Leasehold improvements include all expenditure incurred on the leasehold premises that have future economic benefits. Land is not depreciated.

The estimated useful lives are as follows:

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

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

Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. Depreciation on assets acquired/sold during the year is recognised on a pro-rata basis to the statement of profit and loss from / upto the date of acquisition/sale.

6.7 Intangible assets

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

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

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

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

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

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

6.8 Investment Property

Properties, held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs.

Depreciation is recognised using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013 or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the statement of profit and loss in the same period.

6.9 Provisions

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

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. As at reporting date, the Company does not have any such provisions where the effect of time value of money is material.

6.10 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.

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

7 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

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

7.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

7.2 Defined employee benefit assets and liabilities

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

7.3 Fair value measurement

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

7.4 Impairment of loans portfolio

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

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

The impairment loss on loans and advances is disclosed in more detail in Note 6.1(xi) Overview of ECL principles.

7.5 Contingent liabilities and provisions other than impairment on loan portfolio

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

7.6 Effective Interest Rate (EIR) method

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

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

7.7 Other estimates

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

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
8	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	79.61	41.24
	Balances with banks (of the nature of cash and cash equivalents)	5,014.78	1,810.59
	Cheques on hand	6.16	2.38
	Call money (CBLO)	2,498.85	-
	Bank deposit with original maturity less than three months	3,451.53	1,234.78
	Total	**11,050.93**	**3,088.99**

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

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
9	**BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS**		
	Balances with banks		
	Earmarked balances for interim dividend	151.84	-
	Unclaimed dividend accounts	9.81	10.57
	Bank deposit with original maturity for more than three months	351.50	364.16
	Balances with banks to the extent held as credit enhancement or security against the borrowings, guarantees, other commitments. *	4,877.74	3,851.20
	Total	**5,390.89**	**4,225.93**

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

*Includes deposits Rs. 4,642.90 crores (March 31, 2020: Rs. 3,701.14 crores) pledged with Banks as margin for credit enhancement, Rs. 34.36 crores (March 31, 2020: Rs. 146.83 crores) as margin for guarantees and Rs. 200.48 crores (March 31, 2020: Rs. 3.23 crores) pledged as lien against loans taken.

10 DERIVATIVE FINANCIAL INSTRUMENTS

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges. Since April 01, 2020, the Company has adopted hedge accounting.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

(Rs. in crores)

		As at March 31, 2021				As at March 31, 2020			
Particulars		Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities
Part I									
(i)	**Currency derivatives:**								
	- Spots and forwards	13,826.90	79.37	-	-	8,018.44	378.05	-	-
	- Currency swaps	2,320.38	(103.23)	-	-	1,769.50	11.50	-	-
	- Cross currency interest rate swaps	6,236.92	181.54	-	-	6,389.23	319.50	-	-
	Sub total (i)	**22,384.20**	**157.68**	**-**	**-**	**16,177.17**	**709.05**	**-**	**-**
(ii)	**Interest rate derivatives:**								
	- Interest rate swaps	14,047.48	9.72	-	-	8,744.63	45.77	-	-
	- Interest rate caps	-	1.85	-	-	-	3.91	-	-
	Sub total (ii)	**14,047.48**	**11.57**	**-**	**-**	**8,744.63**	**49.68**	**-**	**-**
(iii)	**Credit derivatives:**	-	-	-	-	-	-	-	-
(iv)	**Equity linked derivatives:**	-	-	-	-	-	-	-	-
(v)	**Other derivatives:**	-	-	-	-	-	-	-	-
Total Derivative financial instruments (i)+(ii)+(iii)+(iv)+(v)		**36,431.68**	**169.25**	**-**	**-**	**24,921.80**	**758.73**	**-**	**-**
Part II									
	Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:								
(i)	Fair value hedging:	-	-	-	-	-	-	-	-
(ii)	Cash flow hedging:	-	-	-	-	-	-	-	-
	- Currency derivatives	22,384.20	157.68	-	-	-	-	-	-
	- Interest rate derivatives	14,047.48	11.57	-	-	-	-	-	-
(iii)	Net investment hedging:	-	-	-	-	-	-	-	-
(iv)	Undesignated derivatives	-	-	-	-	24,921.80	758.73	-	-
Total Derivative financial instruments (i)+(ii)+(iii)+(iv)		**36,431.68**	**169.25**	**-**	**-**	**24,921.80**	**758.73**	**-**	**-**

10 DERIVATIVE FINANCIAL INSTRUMENTS (Contd.)

Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. The Company's risk management strategy and how it is applied to manage risk are explained in Note 53.

Derivatives designated as hedging instruments

The Company had not designated any derivatives as hedging instruments till March 31, 2020. Since April 01, 2020, the Company designates its derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates. At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other. There is an economic relationship between the hedged item and the hedging instrument as the terms of the cross currency swap contract match that of the foreign currency borrowing (notional amount, interest payment dates, principal repayment date etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the hedging instruments are identical to the hedged risk components. To test the hedge effectiveness, the Company uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised in the statement of profit and loss.

Derivatives not designated as hedging instruments

Till March 31, 2020, the Company used cross currency interest rate swaps, interest rate swaps, principal only swaps, forward contracts, interest rate caps to manage its interest rate risk and foreign currency risk arising from USD and EURO denominated External commercial borrowings and bonds. The derivative instruments were entered into for periods consistent with exposure of the underlying transactions. From April 01, 2020, there no undesignated derivatives.

Notes:

1) The interest rate risk and exchange rate risk on the borrowings of the Company are managed using various derivative instruments which are entered from time to time. The risk management strategy and the use of derivatives are explained in Note 53 - Risk Management and Note 80 - Derivatives.

2) The Company has designated the interest rate derivatives which were entered to mitigate interest rate risks on its external commercial bond and external commercial borrowings, as hedging instruments.

   The impact of the hedging instrument on the Balance sheet as at March 31, 2021 is as follows:

(Rs. in crores)

Hedged Instrument	Notional Amount	Carrying Amount	Line item in the Balance sheet	Change in fair value used for measuring ineffectiveness for the year
Currency derivatives/ Interest rate derivatives	36,431.68	169.25	Derivative Financial Instruments	124.31

10 DERIVATIVE FINANCIAL INSTRUMENTS (Contd.)

The impact of hedged items on the Balance sheet as at March 31, 2021 is as follows:

(Rs. in crores)

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

The effect of cash flow hedge in the statement of profit and loss and other comprehensive income during the year ended March 31, 2021 is as follows:

(Rs. in crores)

Hedged Item	Total hedging gain / (loss) recognised in OCI	Ineffectiveness recognised in the statement of profit and loss	Line item in the statement of profit and loss that include the hedge ineffectiveness	Amount reclassified from cash flow hedge reserve to the statement of profit and loss	Line item in the statement of profit and loss that includes the reclassification adjustment
External commercial bond and external commercial borrowings	(124.31)	-	NA	-	NA

11 RECEIVABLES

(I) Trade receivables

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables considered good-secured	-	-
Trade receivables considered good-unsecured	8.92	10.50
Trade receivables which have significant increase in credit risk	-	-
Trade receivables -credit impaired	-	-
Gross	**8.92**	**10.50**
Less: Allowances for impairment loss on credit impaired trade receivables	-	-
Net	**8.92**	**10.50**

(II) Other receivables

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Other receivables considered good-secured	-	-
Other receivables considered good-unsecured	49.90	5.64
Other receivables which have significant increase in credit risk	-	-
Other receivables - credit impaired	1.88	2.10
Gross	**51.78**	**7.74**
Less: Allowances for impairment loss on credit impaired other receivables	1.88	2.10
Net	**49.90**	**5.64**

There is no dues from directors or other officers of the Company or any firm or private company in which any director is a partner, a director or a member.
Trade receivables are non-interest bearing and are generally on terms of **30** days.

11 RECEIVABLES (Contd.)

(Rs. in crores)

Trade receivables days past due		Current	1-30 days past due	31-60 days past due	61-90 days past due	91-360 days past due	More than 360 days past due	Total
March 31, 2021	Estimated total gross carrying amount at default	-	8.84	0.08	-	-	-	**8.92**
	ECL-simplified approach	-	-	-	-	-	-	-
	Net carrying amount	-	**8.84**	**0.08**	-	-	-	**8.92**
March 31, 2020	Estimated total gross carrying amount at default	-	10.22	0.28	-	-	-	**10.50**
	ECL-simplified approach	-	-	-	-	-	-	-
	Net carrying amount	-	**10.22**	**0.28**	-	-	-	**10.50**

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

(Rs. in crores)

Other receivables days past due		Current	1-30 days past due	31-60 days past due	61-90 days past due	91-360 days past due	More than 360 days past due	Total
March 31, 2021	Estimated total gross carrying amount at default	46.82	2.58	0.43	0.19	0.19	1.57	**51.78**
	ECL-simplified approach	-	0.04	0.04	0.04	0.19	1.57	**1.88**
	Net carrying amount	**46.82**	**2.54**	**0.39**	**0.15**	-	-	**49.90**
March 31, 2020	Estimated total gross carrying amount at default	-	2.46	1.73	1.71	0.31	1.53	**7.74**
	ECL-simplified approach	-	0.18	0.04	0.04	0.31	1.53	**2.10**
	Net carrying amount	-	**2.28**	**1.69**	**1.67**	-	-	**5.64**

Reconciliation of impairment loss allowance on other receivables:

(Rs. in crores)

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as per April 01, 2019	**1.58**
Add: Addition during the year	0.53
(Less): Reduction during the year	(0.01)
Impairment allowance as per March 31, 2020	**2.10**
Add: Addition during the year	0.21
(Less): Reduction during the year	(0.43)
Impairment allowance as per March 31, 2021	**1.88**

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
12	**LOANS**		
	(A)		
	Loans (at amortised cost)		
	i) Term loans	113,424.31	105,073.08
	ii) Others -Unsecured loans	2,767.28	3,428.63
	Total (A) - Gross	**116,191.59**	**108,501.71**
	Less : Impairment loss allowance (refer note 63)	7,888.55	6,270.08
	Total (A) - Net	**108,303.04**	**102,231.63**
	(B)		
	i) Secured by tangible assets	113,415.53	105,061.35
	ii) Secured by deposits	8.78	11.73
	iii) Unsecured	2,767.28	3,428.63
	Total (B) - Gross	**116,191.59**	**108,501.71**
	Less : Impairment loss allowance (refer note 63)	7,888.55	6,270.08
	Total (B) - Net	**108,303.04**	**102,231.63**
	(C) Loans in India		
	i) Public sector	-	-
	ii) Others		
	Retail	115,654.09	107,959.44
	Corporates	537.50	542.27
	Total (C) - Gross	**116,191.59**	**108,501.71**
	Less : Impairment loss allowance (refer note 63)	7,888.55	6,270.08
	Total (C)- Net	**108,303.04**	**102,231.63**

Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in note 53.02 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in note 53.02.02.06.

(Rs. in crores)

Particulars	As at March 31, 2021				As at March 31, 2020			
	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	66,806.72	-	-	**66,806.72**	71,178.65	-	-	**71,178.65**
Standard grade	27,108.94	-	-	**27,108.94**	15,886.32	-	-	**15,886.32**
Sub-standard grade	-	6,570.01	-	**6,570.01**	-	10,002.10	-	**10,002.10**
Past due but not impaired	-	7,413.11	-	**7,413.11**	-	2,257.56	-	**2,257.56**
Non- performing	-	-	**8,292.81**	**8,292.81**	-	-	**9,177.08**	**9,177.08**
Total	**93,915.66**	**13,983.12**	**8,292.81**	**116,191.59**	**87,064.97**	**12,259.66**	**9,177.08**	**108,501.71**

12 LOANS (Contd.)

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

(Rs. in crores)

Particulars	Year ended March 31, 2021				Year ended March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**87,064.97**	**12,259.66**	**9,177.08**	**108,501.71**	**74,099.89**	**19,591.33**	**8,616.27**	**102,307.49**
New assets originated or purchased	32,100.42	4,062.47	1,318.50	**37,481.39**	43,005.82	7,356.58	1,113.47	**51,475.87**
Assets derecognised or repaid (excluding write offs and includes interest accruals adjusted)	(22,592.41)	(3,531.65)	(2,157.84)	**(28,281.90)**	(33,463.85)	(6,306.23)	(3,476.22)	**(43,246.30)**
Transfers to stage 1	9,958.65	(7,726.70)	(2,231.95)	-	15,378.35	(13,654.99)	(1,723.36)	-
Transfers to stage 2	(9,766.35)	10,722.93	(956.58)	-	(7,712.88)	8,683.45	(970.57)	-
Transfers to stage 3	(2,449.08)	(1,693.12)	4,142.20	-	(3,672.48)	(3,157.30)	6,829.78	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Amounts written off	(400.54)	(110.47)	(998.60)	**(1,509.61)**	(569.88)	(253.18)	(1,212.29)	**(2,035.35)**
Gross carrying amount closing balance	**93,915.66**	**13,983.12**	**8,292.81**	**116,191.59**	**87,064.97**	**12,259.66**	**9,177.08**	**108,501.71**

Reconciliation of ECL balance is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2021				Year ended March 31, 2020			
	General approach				General approach			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	2,156.05	928.08	3,185.95	**6,270.08**	1,472.80	1,113.46	2,969.74	**5,556.00**
New assets originated or purchased	1,010.13	402.20	556.65	**1,968.98**	887.83	489.55	382.72	**1,760.10**
Transfers to stage 1	1,381.13	(602.54)	(778.59)	-	1,408.32	(829.08)	(579.24)	-
Transfers to stage 2	(260.75)	598.96	(338.21)	-	(159.73)	477.65	(317.92)	-
Transfers to stage 3	(65.42)	(145.29)	210.71	-	(78.94)	(200.93)	297.87	-
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery	(774.25)	285.13	1,648.22	**1,159.10**	(804.35)	130.61	1,663.07	**989.33**
Amounts written off	(400.54)	(110.47)	(998.60)	**(1,509.61)**	(569.88)	(253.18)	(1,212.29)	**(2,035.35)**
ECL allowance - closing balance	**3,046.35**	**1,356.07**	**3,486.13**	**7,888.55**	**2,156.05**	**928.08**	**3,185.95**	**6,270.08**

The contractual amount outstanding on loans that have been written off during the financial year, but were still subject to enforcement activity was Rs. 1,080.81 crores (During previous year Rs. 1,447.19 crores).

13 INVESTMENTS

(Rs. in crores)

Particulars	As at March 31, 2021				As at March 31, 2020			
	Amortised Cost	At Fair value Through profit or loss *	Others (at cost)	Total	Amortised Cost	At Fair value Through profit or loss *	Others (at cost)	Total
i) Mutual funds *	-	-	-	-	-	3.02	-	**3.02**
ii) Government securities (refer note 65)	2,058.34	-	-	**2,058.34**	1,824.46	-	-	**1,824.46**
iii) Debt securities	-	-	-	-	52.67	-	-	**52.67**
iv) Equity instruments	-	6.74	-	**6.74**	-	3.36	-	**3.36**
v) Associates (at cost)	-	-	13.37	**13.37**	-	-	13.37	**13.37**
vi) Pass through certificates (unquoted)	1,155.87	-	-	**1,155.87**	942.79	-	-	**942.79**
vii) Others (venture capital fund)	-	1.54	-	**1.54**	-	1.04	-	**1.04**
Total Gross (A)	**3,214.21**	**8.28**	**13.37**	**3,235.86**	**2,819.92**	**7.42**	**13.37**	**2,840.71**
i) Investments outside India	-	-	-	-	-	-	-	-
ii) Investments in India	3,214.21	8.28	13.37	**3,235.86**	2,819.92	7.42	13.37	**2,840.71**
Total Gross (B)	**3,214.21**	**8.28**	**13.37**	**3,235.86**	**2,819.92**	**7.42**	**13.37**	**2,840.71**
Less : Allowance for impairment loss (C)	(38.01)	-	-	**(38.01)**	(42.23)	-	-	**(42.23)**
Total - Net D = (A) - (C)	**3,176.20**	**8.28**	**13.37**	**3,197.85**	**2,777.69**	**7.42**	**13.37**	**2,798.48**

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

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

* The Company received dividend of Rs. Nil (March 31, 2020: Rs. 0.19 crores) from its investments measured at fair value through profit or loss, recorded as dividend income.

Investments carried at amortised cost

The table below shows the credit quality and the maximum exposure to credit risk per based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system for investments carried at amortised cost are explained in note 53.02.

(Rs. in crores)

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1 individual	Stage 2 individual	Stage 3	Total	Stage 1 individual	Stage 2 individual	Stage 3	Total
Internal rating grade								
Performing								
High grade	3,214.21	-	-	**3,214.21**	2,767.25	-	-	**2,767.25**
Standard grade	-	-	-	-	-	-	-	-
Non-performing	-	-	-	-	-	-	-	-
Individually Impaired	-	-	-	-	-	52.67	-	**52.67**
Total	**3,214.21**	**-**	**-**	**3,214.21**	**2,767.25**	**52.67**	**-**	**2,819.92**

13 INVESTMENTS (Contd.)

An analysis of changes in gross carrying amount and the corresponding ECLs on investments carried at amortised cost which are subject to ECL is as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2021				Year ended March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount – opening balance	2,767.25	52.67	-	**2,819.92**	2,425.63	-	-	**2,425.63**
New assets originated or purchased	1,093.04	2.08	-	**1,095.12**	1,190.59	-	-	**1,190.59**
Assets derecognised or matured (excluding write-offs)	(646.08)	(54.75)	-	**(700.83)**	(796.51)	-	-	**(796.51)**
Change in fair value	-	-	-	-	0.21	-	-	**0.21**
Transfers to stage 2	-	-	-	-	(52.67)	52.67	-	-
Closing balance	**3,214.21**	-	-	**3,214.21**	**2,767.25**	**52.67**	-	**2,819.92**

Reconciliation of ECL balance is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2021				Year ended March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance in ECL	**23.79**	**18.44**	-	**42.23**	**0.01**	-	-	**0.01**
New assets originated or purchased	-	-	-	-	-	-	-	-
Transfers to stage 2			-	-	(0.01)	0.01	-	-
Unwinding of discount (recognised in interest income)	-	-	-	-	-	0.93	-	**0.93**
Changes to models and inputs used for ECL calculations	14.22	-	-	**14.22**	23.79	17.50	-	**41.29**
Recoveries	-	(18.44)	-	**(18.44)**	-	-	-	-
Closing balance in ECL	**38.01**	-	-	**38.01**	**23.79**	**18.44**	-	**42.23**

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
14 OTHER FINANCIAL ASSETS		
Security deposits *	46.96	38.70
Other financial assets	2.07	-
Total	**49.03**	**38.70**

* Net of allowance for impairment loss recognised on security deposit Rs. 0.51 crores (March 31, 2020: Rs. 0.60 crores).

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
15 CURRENT TAX ASSETS (NET)		
Advance income tax [net of provision for income tax Rs. 5,168.83 crores (March 31, 2020: Rs. 2,910.66 crores)]	171.73	249.10
Total	**171.73**	249.10

(Rs. in crores)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Freehold Land	Buildings	Total	Freehold Land	Buildings	Total
16 INVESTMENT PROPERTY						
Gross block at cost						
Opening balance	**0.70**	**1.45**	**2.15**	**0.70**	**1.45**	**2.15**
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Closing balance	**0.70**	**1.45**	**2.15**	**0.70**	**1.45**	**2.15**
Accumulated depreciation						
Opening balance	-	**0.12**	**0.12**	-	**0.09**	**0.09**
Depreciation charge for the year	-	0.03	**0.03**	-	0.03	**0.03**
Disposals	-	-	-	-	-	-
Closing balance	-	**0.15**	**0.15**	-	**0.12**	**0.12**
Net carrying amount	**0.70**	**1.30**	**2.00**	**0.70**	**1.33**	**2.03**

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

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rental income from investment property	0.21	0.22
Direct operating expenses arising from investment property that generated rental income during the year	0.02	0.06
Direct operating expenses arising from investment property that did not generate rental income during the year	-	-
Profit from investment property before depreciation	**0.19**	**0.16**
Depreciation charge for the year	0.03	0.03
Profit from investment property after depreciation	**0.16**	**0.13**

(ii) Contractual obligations

The Company has no contractual obligations to purchase, construct or develop investment property. However, the responsibility for its repairs, maintenance or enhancements is with the Company.

(iii) Fair value

The fair value of the investment property as at March 31, 2021 is Rs. 6.12 crores (March 31, 2020: Rs. 6.43 crores).

(iv) Pledged details

Investment property is not pledged.

(v) Estimation of fair value

The fair values of investment property is determined by guidance value given by the local government of the area where the investment properties are located.

(vi) Leasing arrangements

Investment properties are leased out to tenants. Agreements provide for cancellation by either party or contain clause for escalation and renewal of agreements. The non-cancellable operating lease agreement is for a period of 108 months.

17 PROPERTY, PLANT AND EQUIPMENT

(Rs. in crores)

Particulars	Freehold Land	Building	Plant and equipment	Computers	Office equipment	Furniture and fixtures	Vehicles	Leasehold improvement	Total
Gross block at cost									
As at April 01, 2019	**0.65**	**2.39**	**9.78**	**44.87**	**24.62**	**25.80**	**0.27**	**88.38**	**196.76**
Additions	-	-	1.53	17.66	9.12	5.38	-	22.74	**56.43**
Disposals	0.06	-	0.29	8.24	2.15	0.78	0.02	6.13	**17.67**
Adjustment*	-	-	0.07	-	-	0.29	-	(0.36)	-
As at March 31, 2020	**0.59**	**2.39**	**11.09**	**54.29**	**31.59**	**30.69**	**0.25**	**104.63**	**235.52**
Additions	-	-	0.70	10.03	2.61	1.58	-	9.49	**24.41**
Disposals	-	-	0.43	7.48	1.96	0.94	-	4.93	**15.74**
As at March 31, 2021	**0.59**	**2.39**	**11.36**	**56.84**	**32.24**	**31.33**	**0.25**	**109.19**	**244.19**
Accumulated depreciation and impairment losses									
As at April 01, 2019	-	**(0.08)**	**1.56**	**10.80**	**8.17**	**3.80**	**(0.15)**	**29.20**	**53.30**
Charge for the year	-	0.05	1.47	15.56	5.49	3.28	0.07	22.66	**48.58**
Disposals	-	-	0.23	7.44	1.98	0.66	0.01	5.92	**16.24**
Adjustment*	-	-	0.02	-	-	0.10	-	(0.12)	-
As at March 31, 2020	-	**(0.03)**	**2.82**	**18.92**	**11.68**	**6.52**	**(0.09)**	**45.82**	**85.64**
Charge for the year	-	0.05	1.54	15.50	5.67	3.48	0.08	21.94	**48.26**
Disposals	-	-	0.37	6.49	1.80	0.82	-	4.68	**14.16**
As at March 31, 2021	-	**0.02**	**3.99**	**27.93**	**15.55**	**9.18**	**(0.01)**	**63.08**	**119.74**
Net carrying amount as at March 31, 2020	**0.59**	**2.42**	**8.27**	**35.37**	**19.91**	**24.17**	**0.34**	**58.81**	**149.88**
Net carrying amount as at March 31, 2021	**0.59**	**2.37**	**7.37**	**28.91**	**16.69**	**22.15**	**0.26**	**46.11**	**124.45**

* Adjustment is on account of regrouping of property, plant and equipment and other intangible assets.

Carrying value of property, plant and equipment pledged as collateral for liabilities as at March 31, 2021 is Rs. 0.35 crores (March 31, 2020: Rs. 0.36 crores).

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18 LEASES

A] This note provides information for leases where the Company is a lessee.

(i) Amounts recognised in the balance sheet

The Balance sheet shows the following amounts relating to leases

Right-of-use assets

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Office premises		
Opening balance	**334.29**	-
Right-of-use assets on transition	-	**371.83**
Additions	62.80	71.36
Depreciation charge for the year	(87.73)	(91.17)
Deletions	(0.85)	(17.73)
Net carrying amount	**308.51**	**334.29**

Lease liabilities

Maturity analysis of lease liabilities

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Less than 1 year	74.29	80.97
1 to 2 years	68.40	74.50
2 to 3 years	57.31	61.40
3 to 4 years	46.24	47.99
4 to 5 years	28.32	35.80
More than 5 years	74.93	62.15
Total	**349.49**	**362.81**

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

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
(ii)	**Amounts recognised in the Statement of Profit and Loss**		
	Depreciation charge of right-of-use assets (included in depreciation, amortisation and impairment)	87.73	91.17
	Interest expense (included in finance costs)	32.06	33.73
	Expense relating to short-term leases (included in other expenses)	9.24	9.88
	Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other expenses)	2.13	2.78
	Expense relating to variable lease payments not included in lease liabilities (included in other expenses).	-	-
	The Company had remeasured lease liability in respect of certain leases during the year and income on such remeasurement of leases as per Ind AS 116 is included in other income	2.66	-
	Income from subleasing right-of-use assets (included in other income)	7.94	8.61
(iii)	**Gains or losses arising from sale and leaseback transactions**	-	-
(iv)	**The total cash outflow for leases during the year**	96.16	110.46

18 LEASES (Contd.)

The weighted average incremental borrowing rate of 9.09% has been applied to lease liabilities recognised in the balance sheet as at April 01, 2019 .

The difference between the operating lease commitments disclosed applying Ind AS 17 as of March 31, 2019 and the value of the lease liability arrived using the incremental borrowing rate as of April 01, 2019 is primarily on account of exclusion of short term leases in measuring the lease liability in accordance with Ind AS 116.

The Company does not face a significant liquidity risk with regard to its lease liabilities as the assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

B] **This note provides information for leases where the Company is a lessor.**

The Company had given office premises under lease. The income from lease recognised in the Statement of Profit and Loss are Rs. 0.21 crore (March 31, 2020: Rs. 0.22 crore). Agreements provide for cancellation by either party or contain clause for escalation and renewal of agreements. The non-cancellable operating lease agreement is for a period of 108 months.

Future minimum lease receivables under non-cancellable leases as at March 31, 2021 are as follows:

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Within one year	0.17	0.16
After one year but not more than five years	0.25	0.42
More than five years	-	-
Total	**0.42**	**0.58**

(Rs. in crores)

Particulars	Computer software
19 OTHER INTANGIBLE ASSETS #	
Gross block at cost	
As at April 01, 2019	**2.06**
Additions	1.96
Disposals	-
As at March 31, 2020	**4.02**
Additions	1.06
Disposals	-
As at March 31, 2021	**5.08**
Accumulated amortisation and impairment losses	
As at April 01, 2019	**0.09**
Charge for the year	1.26
Disposals	-
As at March 31, 2020	**1.35**
Charge for the year	1.34
Disposals	0.00
As at March 31, 2021	**2.69**
Net carrying amount as at March 31, 2020	**2.67**
Net carrying amount as at March 31, 2021	**2.39**

Other than internally generated

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

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
20	**OTHER NON-FINANCIAL ASSETS**		
	Goods and services tax credit (input) receivable	100.96	66.86
	Prepaid expenses	7.80	8.21
	Capital advances	1.00	0.86
	Duties paid under protest	96.40	86.40
	Other non-financial assets	4.68	7.24
	Total	**210.84**	**169.57**

21 PAYABLES

Trade payables

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) total outstanding dues of micro enterprises and small enterprises (refer note 54)	-	0.40
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises *	255.51	143.44
Total	**255.51**	**143.84**

*Includes payable to associate Rs. 1.23 crores (March 31, 2020: Rs. 0.41 crores).

Other payables

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) total outstanding dues of micro enterprises and small enterprises (refer note 54)	0.37	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	0.54	1.13
Total	**0.91**	**1.13**

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
22	**DEBT SECURITIES**		
	At amortised cost		
	Secured		
	Redeemable non-convertible debentures		
	- Public issue ¥	5,776.24	5,796.78
	- Privately placed ¥¥	15,153.29	14,204.14
	External commercial bond	17,779.55	12,607.01
	Senior secured notes	888.35	1,204.92
	Unsecured		
	Redeemable non-convertible debentures		
	- Privately placed	464.44	454.11
	Total	**40,061.87**	**34,266.96**
	Debt securities in India	21,393.97	20,455.03
	Debt securities outside India	18,667.90	13,811.93
	Total	**40,061.87**	**34,266.96**

¥ includes Rs. 69.20 crores (March 31, 2020 Rs. 40.50 crores) issued to related parties including Directors.

¥¥ includes Rs. 10.01 crores (March 31, 2020 Rs. Nil crores) issued to related parties.

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
23	**BORROWINGS (OTHER THAN DEBT SECURITIES)**		
	At amortised cost		
	Secured		
	Term loan from banks - INR	13,304.70	13,259.27
	Term loan from financial institutions/corporates - INR	3,783.20	1,446.29
	External commercial borrowing - FCNR	4,122.49	4,300.61
	Loans repayable on demand from banks (Cash credit from banks)	667.38	2,016.39
	Other loans - INR -Securitisation liabilities	23,403.60	21,452.04
	Total	**45,281.37**	**42,474.60**
	Borrowings in India	41,158.88	38,173.99
	Borrowings outside India	4,122.49	4,300.61
	Total	**45,281.37**	**42,474.60**

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
24	**DEPOSITS**		
	At amortised cost		
	Unsecured		
	Deposits		
	i. Public deposits (refer note 65) *	15,790.71	11,768.48
	ii. Deposits from corporates **	392.11	152.22
	iii. Inter-corporate deposits ***	49.59	39.42
	Total	**16,232.41**	**11,960.12**

* includes Rs. 1.89 crores (March 31, 2020 Rs. 1.58 crores) accepted from related parties including Director.

** includes Rs. 34.34 crores (March 31, 2020 Rs. 1.55 crores) accepted from related parties.

*** includes Rs. 49.59 crores (March 31, 2020 Rs. 39.42 crores) accepted from associate.

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
25	**SUBORDINATED LIABILITIES**		
	At amortised cost		
	Unsecured		
	Subordinated debts - Debentures #	4,620.76	5,138.00
	Subordinated debts - Bonds ##	-	532.07
	Total	**4,620.76**	**5,670.07**
	Subordinated debts in India	4,620.76	5,670.07
	Subordinated debts outside India	-	-
	Total	**4,620.76**	**5,670.07**

includes Rs. 495.36 crores (March 31, 2020 Rs. 422.19 crores) issued to related parties.

includes Rs. Nil (March 31, 2020 Rs. 3.17 crores) issued to related parties.

The Company has not defaulted in the repayment of dues to its lenders.

I DEBT SECURITIES

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

i) Public issue of redeemable non-convertible debentures of Rs. 1,000/- each-(2013)-2

Terms of repayment as on March 31, 2021

Outstanding as on March 31, 2021: Nil

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
12-24 months	-	104.94	-	**104.94**
Total	**-**	**104.94**	**-**	**104.94**

Nature of security

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

The Company had utilised the entire sum of Rs. 500.00 crores raised from public issue (net off expenses) towards asset financing activities as per the objects stated in the prospectus for the issue.

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company.

As per the terms of the issue NCD 2013 (2) Rs. 91.30 crores were redeemed on October 23, 2020.

As per the terms of the issue NCD 2013 (2) Rs. 114.68 crores were redeemed on October 23, 2018.

As per the terms of the issue Rs. 294.01 crores were redeemed on October 24, 2016.

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

Terms of repayment as on March 31, 2021

(Rs. in crores)

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

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
12-24 months	35.05	198.45	-	**233.50**
Total	**35.05**	**198.45**	**-**	**233.50**

Nature of security

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

The Company had utilised the entire sum of Rs. 1,974.85 crores raised from public issue (net off expenses) towards asset financing activities as per the objects stated in the prospectus for the issue.

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company.

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

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

I DEBT SECURITIES (Contd.)

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

Terms of repayment as on March 31, 2021

(Rs. in crores)

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

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	496.11	-	-	**496.11**
36-48 months	825.13	-	-	**825.13**
12-24 months	2,427.46	-	-	**2,427.46**
Total	**3,748.70**	-	-	**3,748.70**

Nature of security

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

The Company had utilised the entire sum of Rs. 3,648.52 crores raised from public issue (net off expenses) towards repayment of borrowings as per the objects stated in the prospectus for the issue.

As per the terms of the issue Rs. 107.40 crores were redeemed on December 26, 2019.

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

Terms of repayment as on March 31, 2021

(Rs. in crores)

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

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	71.51	-	-	**71.51**
36-48 months	262.12	-	-	**262.12**
12-24 months	-	295.02	-	**295.02**
Total	**333.63**	**295.02**	-	**628.65**

I DEBT SECURITIES (Contd.)

Nature of security

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

The Company had utilised the entire sum of Rs. 606.79 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

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

Terms of repayment as on March 31, 2021

(Rs. in crores)

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

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	59.87	-	-	**59.87**
36-48 months	232.06	-	-	**232.06**
12-24 months	-	253.76	-	**253.76**
Total	**291.93**	**253.76**	**-**	**545.69**

Nature of security

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

The Company had utilised the entire sum of Rs. 537.32 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

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

Terms of repayment as on March 31, 2021

(Rs. in crores)

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

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	20.48	41.75	-	**62.23**
48-60 months	33.47	66.95	-	**100.42**
24-36 months	41.21	86.90	-	**128.11**
12-24 months	-	54.98	-	**54.98**
Total	**95.16**	**250.58**	**-**	**345.74**

I DEBT SECURITIES (Contd.)

Nature of security

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

The Company has utilised the entire sum of Rs. 339.94 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

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

Terms of repayment as on March 31, 2021

(Rs. in crores)

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

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	26.19	-	-	**26.19**
48-60 months	64.80	-	-	**64.80**
24-36 months	78.09	20.48	-	**98.57**
Total	**169.08**	**20.48**	**-**	**189.56**

Nature of security

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

The Company has utilised the entire sum of Rs. 193.67 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

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

Terms of repayment as on March 31, 2021

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest				Total
	< 10% ^	>= 10% < 12% ^	>= 12% < 14%	>=14% <16%	
over 60 months	3,613.48	-	-	-	**3,613.48**
48-60 months	302.37	-	-	-	**302.37**
36-48 months	154.79	1,299.99	-	-	**1,454.78**
24-36 months ^	863.19	172.21	-	-	**1,035.40**
12-24 months^	1,970.82	1,086.19	151.27	45.73	**3,254.01**
upto 12 months ^	4,627.44	865.81	-	-	**5,493.25**
Total	**11,532.09**	**3,424.20**	**151.27**	**45.73**	**15,153.29**

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

I DEBT SECURITIES (Contd.)

Terms of repayment as on March 31, 2020 (Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest				Total
	< 10%* ¥^	>= 10% < 12% *^	>= 12% < 14%	>=14% <16%	
over 60 months	524.89	-	-	-	**524.89**
48-60 months	154.80	1,299.08	-	-	**1,453.88**
36-48 months	210.38	172.02	-	-	**382.40**
24-36 months	1,780.18	202.41	148.38	-	**2,130.97**
12-24 months ^	4,481.32	804.89	-	-	**5,286.21**
upto 12 months *¥^	4,045.92	379.87	-	-	**4,425.79**
Total	**11,197.49**	**2,858.27**	**148.38**	-	**14,204.14**

* Includes 1 NCD of Rs. 666.00 crores partly paid to the extent of Rs. 666,000/- (50% redeemed)

* Includes 1 NCD of Rs. 25.00 crores partly paid to the extent of Rs. 111,111.11

^NCD amounting to Rs. 1,867.30 crores issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

¥ Out of the above NCDs having put/call option are as under (Rs. in crores)

Sr No	Rate of interest	Amount	Put/Call option date
1	8.87%	110.00	August 7, 2020
Total		**110.00**	

Nature of security

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

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company.

(Rs. in crores)

Total non-convertible debentures- secured	**As at March 31, 2021**	**As at March 31, 2020**
Public issue (i+ii+iii+iv+v+vi+vii)	5,776.24	5,796.78
Privately placed (viii)	15,153.29	14,204.14
Total non-convertible debentures- secured	**20,929.53**	**20,000.92**

B) External commercial bond (ED) Secured

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

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

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

Terms of repayment as on March 31, 2020 (Rs. in crores)

Detail	< 10%	>= 10% < 12%	Total
36-48 months	3,808.17	-	**3,808.17**
24-36 months	5,772.26	-	**5,772.26**
12-24 months	-	3,026.58	**3,026.58**
Total	**9,580.43**	**3,026.58**	**12,607.01**

I DEBT SECURITIES (Contd.)

On March 31, 2021, the Company issued and allotted USD 225,000,000 4.40% senior secured notes due 2024 in offshore market (Social Bonds) for sum of Rs.1,630.35 crores to be consolidated and form a single series with the U.S.$500,000,000 4.40 per cent Senior Secured Notes due 2024 issued on January 13, 2021 under USD 3 Billion Global Medium Term Note Programme. The said Social Bonds were listed on Singapore Stock Exchange (SGX- ST) on April 01, 2021. The proceeds of the issue of the Social Bonds are being utilised as per the Company's Social Finance Framework, for onward lending and other activities as permitted by the RBI Master Direction — External Commercial Borrowings, Trade Credits and Structured Obligations.

On January 13, 2021, the Company issued and allotted USD 500,000,000 4.40% Senior Secured Notes due 2024 in offshore market (Social Bonds) for sum of USD 499,950,000 equivalent to Rs. 3,672.50 crores under USD 3 Billion GMTN Programme. The said Social Bonds were listed on Singapore Stock Exchange (SGX-ST) on January 14, 2021. The proceeds of the issue of the Social Bonds are being utilised as per the Company's Social Finance Framework, for onward lending and other activities as permitted by the RBI Master Direction – External Commercial Borrowings, Trade Credits, and Structured Obligations.

During the year ended March 31, 2020, the Company issued and allotted USD 250,000,000 5.3750% senior secured notes due 2022 in offshore market (notes) equivalent to Rs. 1,714.38 crores under USD 2,000,000,000 Global Medium Term Note Programme. The said notes are listed on Singapore Stock Exchange (SGX- ST). The proceeds of the issue of the notes have been utilised for the purpose of onward lending and other activities as may be permitted by the ECB Directions.

During the year ended March 31, 2020, the Company issued and allotted USD 500,000,000 5.100% senior secured notes due 2023 in offshore market (Social Bonds) equivalent to Rs. 3,541.75 crores under USD 3,000,000,000 Global Medium Term Note Programme. The said Social Bonds are listed on Singapore Stock Exchange (SGX- ST). The proceeds of the issue of the Social Bonds have been utilised for the purpose of onward lending and other activities as per the Company's Social Finance Framework and as may be permitted by the ECB Directions.

During the year ended March 31, 2019, the Company issued and allotted senior secured notes in offshore market (notes) aggregating to INR 2,849.90 crores consisting of 5.70% notes due 2022 under INR 5,000 crores Medium Term Note Programme. The notes issued by the Company are listed on Singapore Stock Exchange (SGX- ST). The proceeds of the issue have been utilised for the purpose of onward disbursements.

Nature of security

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

C) Senior secured notes

Senior secured notes of Rs. 10,000,000/- each

Terms of repayment

(Rs. in crores)

Detail	Rate of interest	As at March 31, 2021	As at March 31, 2020
36-48 months	<10%	-	885.54
24-36 months	<10%	888.35	-
12-24 months	<10%	-	-
upto 12 months	<10%	-	319.38
Total		**888.35**	**1,204.92**

During the year ended March 31, 2018, the Company had issued senior secured notes in offshore market (notes) aggregating to INR 1,160 crores consisting of INR 840 crores 8.10% notes due 2023 and INR 320 crores 7.90% notes due 2021 payable in US dollars under INR 5,000 crores Medium Term Note Programme. The notes issued by the Company are listed on Singapore Stock Exchange (SGX- ST).

The Company had utilised the entire sum of Rs. 1,160.00 crores raised from Senior secured notes towards asset financing activities as per the objects stated in the prospectus for the issue.

During the year ended March 31, 2017, the Company had issued Rs. 1,350.00 crores 8.25 % senior secured notes at the price of 100.18% that are due for repayment on February 18, 2020. The said notes (with ISIN - XS 1549374475) are listed and traded on the Singapore Exchange (SGX-ST) with a minimum board lot size of S $200,000.

I DEBT SECURITIES (Contd.)

The Company had utilised the entire sum of Rs. 1,350.00 crores raised from Senior secured notes towards asset financing activities as per the objects stated in the prospectus for the issue.

As per the terms of the issue, Rs. 1,350.00 crores were redeemed on February 18, 2020.

As per the terms of the issue, Rs. 320.00 crores were redeemed on March 12, 2021.

Nature of security

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

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

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

Terms of repayment as on March 31, 2021

(Rs. in crores)

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

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
48-60 months	-	-	454.11	**454.11**
Total	-	-	**454.11**	**454.11**

II BORROWINGS (other than debt securities)

A) Term loans from banks -secured (INR)

As at March 31, 2021

Terms of repayment #

(Rs. in crores)

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

Loans are classified in respective time buckets based on option date.

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

II BORROWINGS (other than debt securities) (Contd.)

As at March 31, 2020

Terms of repayment # (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	8.50% to 9.50%	20 instalments of quarterly frequency	2,265.25
36-48 months	8.91% to 9.68%	20 instalments of quarterly frequency	583.49
24-36 months	8.11% to 9.63%	1 to 36 instalments of bullet, monthly, quarterly and specific frequency	2,469.48
12-24 months	7.00% to 9.90%	1 to 20 instalments of bullet, quarterly and specific frequency	3,112.87
upto 12 months	7.47% to 12.25%	1 to 36 instalments of bullet, monthly, quarterly, half-yearly and specific frequency	4,828.18
Total			**13,259.27**

Loans are classified in respective time buckets based on option date.

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

B) Term loans from financial institutions/corporates -secured (INR)

As at March 31, 2021

Terms of repayment # (Rs. in crores)

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

Loans are classified in respective time buckets based on option date.

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

As at March 31, 2020

Terms of repayment # (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	10.20%	11 instalments of specific frequency	227.76
36-48 months	10.50%	11 instalments of specific frequency	461.02
12-24 months	7.95% to 9.21%	11 to 20 instalments of quarterly and specific frequency	646.94
upto 12 months	8.60% to 9.29%	1 to 20 instalments of bullet and quarterly frequency	110.57
Total			**1,446.29**

Loans are classified in respective time buckets based on option date.

II BORROWINGS (other than debt securities) (Contd.)

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

C) External commercial borrowing

As at March 31, 2021

Terms of repayment (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
over 60 months	4.59% to 10.87%	11 to 13 instalments of half-yearly and specific frequency	1,566.94
24-36 months	9.83% to 10.02%	Bullet frequency	2,555.55
Total			**4,122.49**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

As at March 31, 2020

Terms of repayment (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
over 60 months	8.63% to 11.06%	11 to 13 instalments of half-yearly and specific frequency	1,694.61
36-48 months	9.83% to 10.02%	Bullet frequency	2,606.00
Total			**4,300.61**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

D) Loans repayable on demand from banks (Cash credit from banks)

(Rs. in crores)

Particulars	Rate of interest	As at March 31, 2021
Secured by hypothecation of specific assets covered under hypothecation loan agreements	8.20% to 11.70%	667.38
Total		**667.38**

(Rs. in crores)

Particulars	Rate of interest	As at March 31, 2020
Secured by hypothecation of specific assets covered under hypothecation loan agreements	8.00 % to 11.40 %	2,016.39
Total		**2,016.39**

II BORROWINGS (other than debt securities) (Contd.)

E) Other loans - INR -Securitisation liabilities

As at March 31, 2021

Terms of repayment (Rs. in crores)

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

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

As at March 31, 2020

Terms of repayment (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
above 60 months	9.40% to 10.02%	1 to 57 instalments monthly frequency	676.13
48-60 months	7.99% to 10.97%	1 to 63 instalments monthly frequency	9,882.22
36 - 48 months	8.32% to 10.56%	1 to 61 instalments monthly frequency	6,053.47
24 - 36 months	6.90% to 8.87%	1 to 60 instalments monthly frequency	2,526.03
12 - 24 months	7.00% to 7.53%	1 to 55 instalments monthly frequency	303.11
upto 12 months	8.28% to 10.21%	1 to 57 instalments monthly frequency	2,011.08
Total			**21,452.04**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

III DEPOSITS

A) Deposits from public - unsecured -[refer note 65]

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

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

Terms of repayment as on March 31, 2020 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	1,010.22	-	**1,010.22**
36-48 months	1,140.06	-	**1,140.06**
24-36 months	3,089.58	-	**3,089.58**
12-24 months	3,766.77	-	**3,766.77**
upto 12 months	2,761.85	-	**2,761.85**
Total	**11,768.48**	-	**11,768.48**

III DEPOSITS (Contd.)

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Total Deposits from public	15,790.71	11,768.48

B) Deposits from corporates - unsecured

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

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

Terms of repayment as on March 31, 2020 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	4.53	-	**4.53**
36-48 months	2.16	-	**2.16**
24-36 months	18.08	-	**18.08**
12-24 months	71.44	-	**71.44**
upto 12 months	56.01	-	**56.01**
Total	**152.22**	**-**	**152.22**

C) Inter-corporate deposits (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	As at March 31, 2021
upto 12 months	7.50%	Bullet repayment	49.59
Total			**49.59**

(Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	As at March 31, 2020
upto 12 months	7.50%	Bullet repayment	39.42
Total			**39.42**

IV SUBORDINATED LIABILITIES

A) Subordinated liabilities -unsecured - Bonds

i) Privately placed subordinated debts of Rs. 1,000/- each

Terms of repayment as on March 31, 2021

Outstanding as on March 31, 2021: Nil

Terms of repayment as on March 31, 2020 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
upto 12 months	-	532.07	-	**532.07**
Total	**-**	**532.07**	**-**	**532.07**

IV SUBORDINATED LIABILITIES (Contd.)

(Rs. in crores)

Subordinated liabilities (unsecured) - Bonds	As at March 31, 2021	As at March 31, 2020
Privately placed	-	532.07
Total Subordinated liabilities (unsecured) - Bonds	**-**	**532.07**

B) Subordinated liabilities -unsecured - Debentures

i) Privately placed subordinated liabilities of Rs. 100,000/- each

Terms of repayment as on March 31, 2021

Outstanding as on March 31, 2021: Nil

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
upto 12 months	-	74.94	-	**74.94**
Total	**-**	**74.94**	**-**	**74.94**

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

Terms of repayment as on March 31, 2021

(Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
over 60 months	1,531.88	78.89	-	**1,610.77**
48-60 months	39.82	56.79	-	**96.61**
36-48 months	41.00	536.25	1,642.51	**2,219.76**
24-36 months	-	332.62	-	**332.62**
12-24 months	-	309.06	-	**309.06**
upto 12 months	-	-	51.94	**51.94**
Total	**1,612.70**	**1,313.61**	**1,694.45**	**4,620.76**

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
over 60 months	1,570.91	135.51	-	**1,706.42**
48-60 months	40.97	531.22	1,609.30	**2,181.49**
36-48 months	-	332.37	-	**332.37**
24-36 months	-	308.85	-	**308.85**
12-24 months	-	-	51.86	**51.86**
upto 12 months	-	482.07	-	**482.07**
Total	**1,611.88**	**1,790.02**	**1,661.16**	**5,063.06**

(Rs. in crores)

Subordinated liabilities (unsecured) - Debentures	As at March 31, 2021	As at March 31, 2020
Privately placed (i+ii)	4,620.76	5,138.00
Total Subordinated liabilities (unsecured) - Debentures	**4,620.76**	**5,138.00**

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
26	**OTHER FINANCIAL LIABILITIES**		
	Investor education and protection fund shall be credited by the following amounts (as and when due)		
	- Unclaimed dividend	9.81	10.57
	- Unclaimed matured deposits and interest accrued thereon	106.74	150.02
	- Unclaimed matured debentures and interest accrued thereon	15.62	15.45
	- Unclaimed matured subordinated debts and interest accrued thereon	36.43	81.69
	Temporary credit balance in bank accounts	57.27	26.63
	Payable on account of assignment	178.07	78.78
	Payable to dealers	2.63	0.99
	Payable to employees	134.51	146.41
	Retention money and other sundry liabilities	156.69	217.27
	Interim dividend payable	151.84	-
	Other liabilities *	114.74	184.51
	Total	**964.35**	**912.32**

* Other liabilities include amount payable to Banks for credit card payments, settlement dues payable to resigned employees, etc,.

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
27	**CURRENT TAX LIABILITIES (NET)**		
	For taxation [net of advance tax Rs. 3.10 crores (March 31, 2020: Rs. 1,077.82 crores)]	102.02	102.02
	Total	**102.02**	**102.02**

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
28	**PROVISIONS**		
	For employee benefits		
	For gratuity (refer note 46)	2.07	3.37
	For compensated absences (leave encashment and availment)	37.02	34.06
	For others		
	For undrawn loan commitment	10.70	16.15
	For taxes- contested	92.75	92.75
	Total	**142.54**	**146.33**

28 PROVISIONS (Contd.)

Loan commitments

Credit quality of exposure

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 53.02 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 53.02.02.06.

(Rs. in crores)

	As at March 31, 2021	As at March 31, 2020
Particulars	**Stage 1 Collective**	**Stage 1 Collective**
Internal rating grade		
Performing		
High grade	148.66	311.87
Total	**148.66**	**311.87**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to other undrawn loan commitments is, as follows:

Gross exposure reconciliation

(Rs. in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Particulars	**Stage 1**	**Stage 1**
Opening balance of outstanding exposure	311.87	471.92
New exposures	88.39	233.39
Exposures cancelled or disbursed (excluding writeoffs)	(251.60)	(393.44)
Closing balance of outstanding exposure	**148.66**	**311.87**

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

(Rs. in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
	General approach	General approach
Particulars	**Stage 1**	**Stage 1**
ECL allowance - opening balance	16.15	11.76
New exposures	5.13	10.78
Exposures cancelled or disbursed (excluding writeoffs)	(10.58)	(6.39)
ECL allowance - closing balance	**10.70**	**16.15**

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
29 OTHER NON-FINANCIAL LIABILITIES		
Statutory dues payable	85.45	73.96
Advance from customers	13.81	9.32
Total	**99.26**	**83.28**

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
30	**EQUITY SHARE CAPITAL**		
	Authorised:		
	647,000,000 (March 31, 2020: 647,000,000) equity shares of Rs.10/- each	647.00	647.00
	95,000,000 (March 31, 2020: 95,000,000) preference shares of Rs.100/- each	950.00	950.00
		1,597.00	**1,597.00**
	Issued share capital		
	253,067,654 (March 31, 2020: 226,888,877) equity shares of Rs. 10/- each	253.07	226.89
	Subscribed share capital		
	253,061,513 (March 31, 2020: 226,882,736) equity shares of Rs. 10/- each	253.06	226.88
	Paid up (fully paid up)		
	Equity shares		
	253,061,513 (March 31, 2020: 226,882,736) equity shares of Rs. 10/- each fully paid up	253.06	226.88
		253.06	**226.88**
	Nil [March 31, 2020: Nil; equity shares of Rs.10/- each (Rs. 5/- each paid up forfeited)] *	-	-
	Total Equity	**253.06**	**226.88**

* The shareholders in their 40th annual general meeting held on June 27, 2019 considered and approved the cancellation of the forfeited shares from the issued and subscribed share capital of the Company.

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	Number of shares	(Rs. in crores)
As at March 31, 2019	**226,882,736**	**226.88**
Issued during the year	-	-
As at March 31, 2020	**226,882,736**	**226.88**
Issued during the year #	26,178,777	26.18
As at March 31, 2021	**253,061,513**	**253.06**

On August 06, 2020, the Company allotted fully paid-up 261,78,777 Equity Shares of face value of Rs. 10/- each to the eligible equity shareholders at an issue price of Rs. 570/- per Equity Share (including premium of Rs. 560/- per Equity Share) in the Rights Issue, which opened on July 16, 2020 and closed on July 30, 2020. The entire proceeds of the Rights Issue have been utilised as per the objects stated in the offer document for the Rights issue. The fresh allotment of equity shares through Rights Issue as stated above has resulted in an increase of equity share capital by Rs. 26.18 crores and securities premium reserve by Rs. 1,446.46 crores (net of share issue expenses of Rs. 19.55 crores).

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend is subject to the approval of the shareholders in the ensuing annual general meeting.

During the year ended March 31, 2021, the total dividend per equity share proposed for distribution to equity shareholders is Rs. 18.00 (March 31, 2020 : Rs. 5.00). Out of the said total dividend proposed for the year ended March 31, 2021, the total amount of interim dividend declared during the year was Rs. 12.00 (March 31, 2020 : Rs. 5.00) per equity share and amount of final dividend proposed by the Board of Directors is Rs. 6.00 (March 31, 2020: Rs. Nil) per equity share. The Board of Directors at its meeting held on October 29, 2020, had declared interim dividend of Rs. 6 /- per equity share of Rs. 10/- each for the financial year 2020-2021. The payment was made on November 26, 2020. The Board of Directors at its meeting held on March 25, 2021, had declared interim dividend of Rs. 6 /- per equity share of Rs. 10/- each for the financial year 2020-2021. The payment was made on April 16, 2021.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

30 EQUITY SHARE CAPITAL (Contd.)

c. Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

Nil.

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

Details of shareholding	As at March 31, 2021		As at March 31, 2020	
Name of the shareholder	Number of shares	% holding	Number of shares	% holding
Equity shares of Rs. 10/- each				
Shriram Capital Limited	66,964,947	26.46%	59,504,947	26.23%

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

f. Proposed dividends on equity shares:

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Proposed dividend on equity shares for the year ended on March 31, 2021: Rs. 6.00 per share (March 31, 2020: Rs. Nil per share)	151.84	-
Total	**151.84**	-

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
31 OTHER EQUITY		
Statutory reserve (Pursuant to Section 45-IC of The RBI Act, 1934)		
Opening balance	**3,668.93**	**3,168.55**
Add: Transfer from retained earnings	497.46	500.38
Closing balance	**4,166.39**	**3,668.93**
Securities premium		
Opening balance	**1,754.81**	**1,754.81**
Add: Premium on shares issued during the year	1,466.01	-
Less: Rights issue expenses	(19.55)	-
Closing balance	**3,201.27**	**1,754.81**
Capital reserve		
Opening balance	**27.64**	**27.62**
Add: Transfer from share forfeiture account	-	0.02
Closing balance	**27.64**	**27.64**
Capital redemption reserve	**53.88**	**53.88**
Debenture redemption reserve		
Opening Balance	**610.41**	**374.62**
Add: Transfer from retained earnings	337.87	345.26
Less: Transfer to retained earnings on account of redemption	(26.87)	(109.47)
Closing balance	**921.41**	**610.41**
General reserve		
Opening balance	**2,414.54**	**2,164.35**
Add: Transfer from retained earnings	248.73	250.19
Closing balance	**2,663.27**	**2,414.54**

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
31 OTHER EQUITY (Contd.)		
Other comprehensive income		
Opening balance	**(9.66)**	**(4.92)**
Add: Remeasurement gain/(loss) on defined benefit plan (net of tax)	-	(4.74)
Add: Gain/(loss) on effective portion of hedging instruments in a cash flow hedge (net of tax)	(93.02)	-
Closing balance	**(102.68)**	**(9.66)**
Retained earnings		
Opening balance	**9,257.73**	**8,070.47**
Add: Profit for the current year	2,487.26	2,501.84
Add /(Less): Appropriations		
Transfer to statutory reserve as per Section 45-IC of The RBI Act, 1934	(497.46)	(500.38)
Transfer to general reserve	(248.73)	(250.19)
Transfer to debenture redemption reserve	(311.00)	(235.79)
Interim dividend	(303.67)	(113.44)
Tax on interim dividend	-	(23.32)
Final dividend	-	(158.82)
Tax on final dividend	-	(32.64)
Total appropriations	**(1,360.86)**	**(1,314.58)**
Retained earnings	**10,384.13**	**9,257.73**
Total	**21,315.31**	**17,778.28**

Nature and purpose of reserves

Securities premium: The amount received in excess of face value of the equity shares is recognised in Securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

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

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

Debenture redemption reserve:

(1) Pursuant to Section 71 of the Companies Act, 2013 and circular 04/2013, read with notification issued date June 19, 2016 issued by Ministry of Corporate Affairs, the Company is required to transfer 25% of the value of the outstanding debentures issued through public issue as per the present SEBI (Issue and Listing of Debt Securities) Regulation, 2008 to Debenture redemption reserve (DRR) and no DRR is required in case of privately placed debenture. Also the Company is required before 30th day of April of each year to deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debenture issued through public issue maturing within one year from the Balance sheet date.

(2) As per the notification G.S.R. 574(E) dated August 16, 2019, the Ministry of Corporate Affairs has amended the Companies (Share Capital & Debentures) Rules, DRR need not be created for debentures issued by a Non-Banking Finance Company subsequent to the notification date. The Company has not created DRR on public issue of non-convertible debentures issued after the date of said notification.

(3) In respect of the debentures issued through public issue, the Company has created DRR of Rs. 337.87 crores (March 31, 2020: Rs. 345.26 crores). The Company subsequent to the year end has deposited a sum of Rs. 498.41 crores (March 31, 2020: Rs. 15.84 crores) in the form of fixed deposits with scheduled banks, representing 15% of the debenture issued through public issue, which are due for redemption within one year from the balance sheet date.

(4) On redemption of the debentures for which the DRR is created, the amounts no longer necessary to be retained in this account need to be transferred to the Retained earnings.

31 OTHER EQUITY (Contd.)

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

Statutory reserve: Every year the Company transfers a 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 per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

(2) No appropriation of any sum from the reserve fund shall be made by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty-one days from the date of such withdrawal:

Provided that the RBI may, in any particular case and for sufficient cause being shown, extend the period of twenty-one days by such further period as it thinks fit or condone any delay in making such report.

(3) Notwithstanding anything contained in sub-section (1), the Central Government may, on the recommendation of the RBI and having regard to the adequacy of the paid-up capital and reserves of a NBFC in relation to its deposit liabilities, declare by order in writing that the provisions of sub-section (1) shall not be applicable to the NBFC for such period as may be specified in the order:

Provided that no such order shall be made unless the amount in the reserve fund under sub-section (1) together with the amount in the share premium account is not less than the paid-up capital of the NBFC.

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

Other comprehensive income: Other comprehensive income includes cash flow hedge reserve and remeasurement gain/(loss) on defined benefit plan

a) Cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges, which shall be reclassified to the statement of profit and loss only when the hedged transaction affects the statement of profit and loss, or included as a basis adjustment to the non-financial hedged item, consistent with the Company accounting policies.

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

(Rs. in crores)

Particulars	Year ended March 31, 2021			Year ended March 31, 2020		
	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	Total	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	Total
32 INTEREST INCOME						
Interest on loans	16,611.31	-	**16,611.31**	15,690.72	-	**15,690.72**
Interest income from investments	264.82	3.75	**268.57**	214.53	1.00	**215.53**
Interest on deposits with banks						
- Margin money deposit	137.34	-	**137.34**	208.75	-	**208.75**
- Deposits with banks	37.22	-	**37.22**	66.95	-	**66.95**
Other interest income						
- delayed payments by customers	42.40	-	**42.40**	60.52	-	**60.52**
- unwinding of security deposit	3.07	-	**3.07**	3.05	-	**3.05**
- direct assignment	28.23	-	**28.23**	21.94	-	**21.94**
Total	**17,124.39**	**3.75**	**17,128.14**	**16,266.46**	**1.00**	**16,267.46**

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
33 FEE AND COMMISSION INCOME		
Income from commission services- life insurance	20.66	20.39
Income from commission services- general insurance	54.36	63.58
Income from loan related and other commission services	40.84	111.00
Total	**115.86**	**194.97**

Revenue from contracts with customers

Set out below is the revenue from contracts with customers and reconciliation to the statement of profit and loss

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Type of services or service		
Fee and commission income	115.86	194.97
Total revenue from contract with customers	**115.86**	**194.97**
Geographical markets		
India	115.86	194.97
Outside India	-	-
Total revenue from contract with customers	**115.86**	**194.97**
Timing of revenue recognition		
Services transferred at a point in time	115.86	194.97
Services transferred over time	-	-
Total revenue from contracts with customers	**115.86**	**194.97**

33 FEE AND COMMISSION INCOME (Contd.)

Contract balance

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables	8.92	10.50
Contract assets	-	-

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

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
34 NET GAIN/ (LOSS) ON FAIR VALUE CHANGES		
(A) Net gain/(loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	-	-
- Derivatives	-	-
- Others	-	-
(ii) On financial instruments designated at fair value through profit or loss	-	-
(B) Others:		
- Investment in shares, venture capital fund, mutual funds and certificate of deposits	22.87	17.80
- Direct assignment	(1.07)	-
- Derivatives	-	(5.88)
Total Net gain/(loss) on fair value changes (C)	**21.80**	**11.92**
Fair value changes:		
- Realised	20.02	18.67
- Unrealised	1.78	(6.75)
Total Net gain/(loss) on fair value changes(D)	**21.80**	**11.92**

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
35 OTHER OPERATING INCOME		
Bad debt recovery	95.59	80.73
Total	**95.59**	**80.73**

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
36 OTHER INCOME		
Interest on income tax refund	-	5.80
Interest others	1.74	-
Profit on sale of property, plant and equipment	-	1.17
Miscellaneous income	14.21	13.30
Total	**15.95**	**20.27**

(Rs. in crores)

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
37	**FINANCE COSTS**		
	On Financial liabilities measured at amortised cost		
	Interest on deposits	1,169.47	973.80
	Interest on borrowings (other than debt securities)		
	- Loans from banks	1,239.18	1,251.44
	- Loans from institutions and others	153.59	217.98
	- External commercial borrowings	381.57	461.83
	- Interest paid on securitisation	2,161.71	1,743.54
	Interest on debt securities		
	- Debentures	1,768.36	1,950.39
	- Senior secured notes	102.06	214.37
	- External commercial bond	1,517.36	656.82
	- Commercial paper	3.63	104.50
	Interest on subordinated liabilities	525.27	661.86
	Other interest expense		
	- Interest on lease liability	32.06	33.73
	Total	**9,054.26**	**8,270.26**

(Rs. in crores)

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
38	**FEE AND COMMISSION EXPENSE**		
	Brokerage	31.34	9.23
	Professional charges-resource mobilisation	28.47	29.29
	Processing charges on loans	1.85	1.89
	Professional charges on securitisation	17.23	16.47
	Total	**78.89**	**56.88**

(Rs. in crores)

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
39	**IMPAIRMENT ON FINANCIAL INSTRUMENTS**		
	On financial instruments measured at amortised cost		
	Loans (refer note 63)*	3,128.29	2,748.87
	Investments	(4.22)	42.22
	Others		
	Undrawn commitments	(5.45)	4.39
	Other assets	(0.22)	(0.60)
	Total	**3,118.40**	**2,794.88**

* Includes loss on disposal of repossessed vehicles Rs. 557.30 crores for the year ended March 31, 2021 (March 31, 2020: Rs. 699.00 crores).

39 IMPAIRMENT ON FINANCIAL INSTRUMENTS (Contd.)

The table below shows the ECL charges on financial instruments for the year recorded in the statement of profit and loss based on evaluation stage:

Year ended March 31, 2021

(Rs. in crores)

Particulars	General approach			Simplified approach	Total
	Stage 1 collective	Stage 2 collective	Stage 3 collective		
Loans and advances to customers	1,290.89	538.51	1,298.89	-	**3,128.29**
Debt instruments measured at amortised cost	14.22	(18.44)	-	-	**(4.22)**
Undrawn commitments	(5.45)	-	-	-	**(5.45)**
Others	-	-	-	(0.22)	**(0.22)**
Total impairment loss	**1,299.66**	**520.07**	**1,298.89**	**(0.22)**	**3,118.40**

Year ended March 31, 2020

(Rs. in crores)

Particulars	General approach			Simplified approach	Total
	Stage 1 collective	Stage 2 collective	Stage 3 collective		
Loans and advances to customers	1,088.82	(20.86)	1,680.91	-	**2,748.87**
Debt instruments measured at amortised cost	23.78	18.44	-	-	**42.22**
Undrawn commitments	4.39	-	-	-	**4.39**
Others	-	-	-	(0.60)	**(0.60)**
Total impairment loss	**1,116.99**	**(2.42)**	**1,680.91**	**(0.60)**	**2,794.88**

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
40 EMPLOYEE BENEFITS EXPENSES		
Salaries, other allowance and bonus	829.32	926.57
Contribution to provident and other funds	53.36	53.72
Staff welfare expenses	16.62	24.99
Gratuity expenses (refer note 46)	6.95	5.54
Total	**906.25**	**1,010.82**

(Rs. in crores)

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
41	**DEPRECIATION, AMORTISATION AND IMPAIRMENT**		
	Depreciation of property, plant and equipment	48.26	48.59
	Depreciation of investment property	0.03	0.03
	Amortisation of intangible assets	1.34	1.26
	Depreciation on Right-of-use assets (refer note 18)	87.73	91.17
	Total	**137.36**	**141.05**

(Rs. in crores)

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
42	**OTHER EXPENSES**		
	Rent (refer note 18)	9.24	9.88
	Rates and taxes	5.04	2.56
	Energy costs	15.21	21.08
	Repairs and maintenance	58.81	56.76
	Communication costs	39.97	49.17
	Printing and stationery	11.57	19.33
	Advertisement and publicity	2.01	14.27
	Director's fees, allowances, and expenses	0.75	0.66
	Auditor fees and expenses (refer note 55, 56 and 57)		
	As Auditor:		
	- Audit fees	0.93	0.88
	- Tax audit fees	0.09	0.09
	- Out of pocket	-	0.04
	In any other manner:		
	- Certification	0.10	0.08
	Legal and professional charges	111.27	58.18
	Other expenditure:		
	Travelling and conveyance	95.34	123.22
	Business promotion	59.30	47.71
	Outsourcing expenses	76.47	75.99
	Royalty	188.95	180.75
	Insurance	2.07	1.38
	Bank charges	34.40	43.18
	Loss on sale of property, plant and equipment (net)	0.65	-
	Service charges	47.95	45.67
	CSR expenses (refer note 61)	64.96	53.16
	Miscellaneous expenses	38.15	59.16
	Total	**863.23**	**863.20**

43 INCOME TAX

The components of income tax expense for the year ended March 31, 2021 and year ended March 31, 2020 are:

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current tax	1,197.77	921.20
Adjustment in respect of current income tax of prior years	138.34	0.84
Deferred tax relating to origination and reversal of temporary differences	(545.36)	14.79
Total tax charge	**790.75**	**936.83**
Current tax	1,336.11	922.04
Deferred tax	(545.36)	14.79

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at Indian corporate tax rate.

A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2021 and year ended March 31, 2020 is, as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Accounting profit before tax	3,278.01	3,438.67
At India's statutory income tax rate of 25.168% (2020: 25.168%)	825.01	865.44
Adjustment in respect of current income tax of prior years	138.34	0.84
Income subject to tax at special rate		
Long term capital gain on sale of property	-	(0.07)
Non-deductible expenses		
Corporate social responsibility expenditure not allowable for tax purpose	16.35	13.38
Reversal of deferred tax no longer required	-	26.25
Reversal of deferred tax asset on account of adoption of new Income Tax rate	-	21.18
Adjustment in respect of prior years*	(138,34)	-
Others	(50.61)	9.81
Income tax expense reported in the statement of profit and loss	**790.75**	**936.83**

The effective income tax rate for is 24.12% (March 31, 2020: 27.24%).

* Includes adjustment on account of change in tax treatment of an item of deduction claimed in earlier assessment years under Income tax act, 1961 due to changes in facts and circumstances which has resulted in the reassessment of tax estimate as per Ind AS-12.

43 INCOME TAX (Contd.)

Deferred tax

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

(Rs. in crores)

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

(Rs. in crores)

Particulars	Deferred tax assets	Deferred tax liabilities	Statement of profit and loss	OCI
	As at March 31, 2020	As at March 31, 2020	Year ended March 31, 2020	Year ended March 31, 2020
Property, plant and equipment, intangible assets and investment property - carrying amount other than on account of fair valuation	19.45	-	(2.65)	-
Provision for post retirement benefits	9.42	-	(0.56)	(1.59)
Expenses allowable for tax purposes when paid	25.45	-	-	-
Reversal of deferred tax no longer required	-	-	26.25	-
EIR impact on debt instrument in the nature of borrowings measured at amortised cost	-	14.21	(13.10)	-
Impairment allowance for undrawn commitments	10.05	-	(7.09)	-
Fair valuation of derivative financial instrument	-	1.48		-
Right-of-use assets	8.80	-	(4.78)	-
Reversal of deferred tax asset on account of adoption of new Income Tax rate	-	-	21.18	-
Other temporary differences	5.02	-	(4.45)	-
Total	**78.19**	**15.69**	**14.79**	**(1.59)**

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

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Amounts recognised in respect of current tax / deferred tax directly in equity	-	-

43 INCOME TAX (Contd.)

Tax losses

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Unused tax losses for which no deferred tax asset has been recognised	-	-

44 EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of Company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Net Profit after tax as per Statement of Profit and Loss (Rs. in crores) (A)	2,487.26	2,501.84
Weighted average number of equity shares for calculating basic EPS (in crores) (B)	24.63	23.29
Weighted average number of equity shares for calculating diluted EPS (in crores) (C)	24.63	23.29
Basic earnings per equity share (in Rupees) (face value of Rs. 10/- per share) (A) / (B)	100.97	107.44
Diluted earnings per equity share (in Rupees) (face value of Rs. 10/- per share) (A) / (C)	100.97	107.44

Pursuant to Ind AS 33, basic and diluted earnings per share for the year ended March 31, 2020, has been restated for the bonus element in respect of Right Issue made during the year ended March 31, 2021.

45 INVESTMENT IN ASSOCIATES AND STRUCTURED ENTITIES

Associate of the Company is:

Name of the associate	Country of incorporation	Principal place of business	Principal activities	% equity interest March 31, 2021	% equity interest March 31, 2020
Shriram Automall India Limited (SAMIL)	India	New Delhi	Market leader in physical bidding for acquisition and disposal of pre-owned vehicles and equipment.	44.56%	44.56%

The Company has recognised its investment in associate under equity method and not adjusted to fair value at the end of each reporting period.

The Company's share in the associate is as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2021*	Year ended March 31, 2020
(a) share in profit or loss from continuing operations.	11.57	10.43
(b) share in post-tax profit or loss from discontinued operations.	-	-
(c) share in other comprehensive income.	0.20	0.25
(d) share in total comprehensive income.	11.77	10.68

*The financial statements of the associate are as per unaudited financial statements provided by the management.

46 RETIREMENT BENEFIT PLAN

a) Defined contribution plan

A defined contribution plan is a pension plan under which the Company pays fixed contributions; there is no legal or constructive obligation to pay further contributions. The assets of the plan are held separately from those of the Company in a fund under the control of trustees.

The Company makes Provident fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs 42.95 crores (March 31, 2020: Rs. 41.06 crores) for Provident fund contributions and Rs. 10.30 crores (March 31, 2020: Rs. 12.54 crores) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

b) Defined benefit plan

Gratuity

The Company has a defined benefit gratuity plan (funded). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and last drawn salary. The fund is managed by third party fund managers.

Each year, the Board of Trustees reviews the level of funding in the gratuity plan. Such a review includes the asset-liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks. The Board of Trustees decides contribution to be made by the Company based on the results of this annual review. The trust is in process of investing entire funds in government securities through third party fund managers and as on March 31, 2021, 85.82 % funds are invested in government securities and balance 14.18 % funds are invested in other equity and debt instruments. The Board of Trustees aim to keep annual contributions of the Company relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

The following tables summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

Amount recognised in the statement of profit and loss in respect of the defined benefit plan are as follows :

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Amounts recognised in statement of profit and loss in respect of defined benefit plans are as follows :		
Current service cost	6.73	5.45
Interest expense	4.15	3.78
Interest Income	(3.93)	(3.68)
Past service cost	-	-
Components of defined benefit costs recognised in profit or loss (A)	**6.95**	**5.55**
Remeasurement of gains/(losses) in other comprehensive income :		
Return on plan assets (excluding amounts included in net interest expense)	(0.66)	(1.18)
Actuarial changes arising from changes in demographic assumptions	(1.40)	-
Actuarial changes arising from changes in financial assumptions	1.34	4.80
Experience adjustments	0.72	2.71
Components of defined benefit costs recognised in other comprehensive income (B)	-	**6.33**
Total (A+B)	**6.95**	**11.88**

46 RETIREMENT BENEFIT PLAN (Contd.)

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

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Change in the obligation during the year ended		
Present value of defined obligation at the beginning of the year	63.25	49.43
Expenses recognised in statement of profit and loss :		
Current service cost	6.73	5.45
Interest expense/(income)	4.15	3.78
Recognised in other comprehensive income remeasurement gains/(losses)	0.66	7.51
Past service cost	-	-
Liability transferred in/acquisitions	0.01	-
Benefits paid from the fund	(1.92)	(2.92)
Present value of defined obligation at the end of the year	**72.88**	**63.25**

Change in the Fair value of plan assets :

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Fair value of plan assets at the beginning of the year	59.88	48.15
Interest income	3.93	3.68
Contributions by the employer	8.25	9.79
Benefits paid from the fund	(1.92)	(2.92)
Return on plan assets excluding interest income	0.66	1.18
Fair value of plan assets at the end of the year	**70.80**	**59.88**

Calculation of benefit liability/(asset) :

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Defined benefit obligation	72.88	63.25
Fair value of plan assets	70.80	59.88
Benefit liability	**2.08**	**3.37**

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

Particulars	As at March 31, 2021	As at March 31, 2020
Expected return on plan assets	6.33%	6.56%
Rate of discounting	6.33%	6.56%
Expected rate of salary increase	5.00%	5.00%
Rate of employee turnover	For service 4 years and below 25.00% p.a. and for service 5 years and above 6.50% p.a.	For service 4 years and below 20.00% p.a. and for service 5 years and above 7.50% p.a.
Mortality rate during employment	Indian Assured Lives mortality (2006-08)	Indian Assured Lives mortality (2006-08)
Mortality rate after employment	N.A.	N.A.

46 RETIREMENT BENEFIT PLAN (Contd.)

Investments quoted in active markets:

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Government securities	60.76	49.00
Debt and other instruments	10.05	10.88
Total	**70.81**	**59.88**

(Rs. in crores)

Assumptions	Sensitivity level	Impact on defined benefit obligation March 31, 2021	Impact on defined benefit obligation March 31, 2020
Discount rate	1% increase	(5.50)	(4.47)
	1% decrease	6.37	5.14
Future salary increases	1% increase	6.32	5.10
	1% decrease	(5.55)	(4.51)
Attrition rate	1% increase	0.56	0.49
	1% decrease	(0.64)	(0.57)

(Rs. in crores)

Expected payment for future years	As at March 31, 2021	As at March 31, 2020
Within the next 12 months (next annual reporting period)	7.30	6.35
Between 2 and 5 years	22.48	21.74
Between 5 and 10 years	28.17	25.62
Beyond 10 years	80.13	64.26
Total expected payments	**138.08**	**117.97**

The Company expects to contribute Rs. 10.09 crores to the fund in the next financial year.

The weighted average duration of the defined benefit obligation as at March 31, 2021 is 9 years (March 31, 2020: 9 years)

Asset liability matching strategies

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

46 RETIREMENT BENEFIT PLAN (Contd.)

c) **Compensated Absences**

The principal assumptions used in determining obligations for the Company are shown below:

Particulars	As at March 31, 2021	As at March 31, 2020
Rate of discounting	6.33%	6.56%
Expected rate of salary increase	5.00%	5.00%
Rate of employee turnover		
Service 4 years and below	25.00%	20.00%
Service 5 years and above	6.50%	7.50%
Mortality	Indian Assured Lives mortality (2006-08)	Indian Assured Lives mortality (2006-08)

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Expenses recognised in statement of profit and loss	15.33	17.94

The Company has not funded its compensated absences liability and the same continues to remain as unfunded as at March 31, 2021.

The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.

Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.

47 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(Rs. in crores)

Particulars	As at March 31, 2021 Within 12 months	As at March 31, 2021 After 12 months	As at March 31, 2021 Total	As at March 31, 2020 Within 12 months	As at March 31, 2020 After 12 months	As at March 31, 2020 Total
Assets						
Financial assets						
Cash and cash equivalents	11,050.93	-	**11,050.93**	3,088.99	-	**3,088.99**
Bank balance other than above	4,886.78	504.11	**5,390.89**	4,204.15	21.78	**4,225.93**
Derivative financial instruments	100.51	68.74	**169.25**	758.73	-	**758.73**
Receivables						
(I) Trade receivables	8.92	-	**8.92**	10.50	-	**10.50**
(II) Other receivables	49.90	-	**49.90**	5.64	-	**5.64**
Loans	37,930.19	70,372.85	**108,303.04**	28,287.31	73,944.32	**102,231.63**
Investments	523.21	2,674.64	**3,197.85**	361.47	2,437.01	**2,798.48**
Other financial assets	2.07	46.96	**49.03**	-	38.70	**38.70**
Non-financial Assets						
Current tax asset	-	171.73	**171.73**	-	249.10	**249.10**
Deferred tax assets (net)	-	639.14	**639.14**	-	62.50	**62.50**
Investment property	-	2.00	**2.00**	-	2.03	**2.03**
Property, plant and equipment	-	124.44	**124.44**	-	149.88	**149.88**
Right-of-use assets	-	308.51	**308.51**	-	334.29	**334.29**
Other intangible assets	-	2.39	**2.39**	-	2.67	**2.67**
Other non-financial assets	41.68	169.16	**210.84**	44.10	125.47	**169.57**
Total assets	**54,594.19**	**75,084.67**	**129,678.86**	**36,760.89**	**77,367.75**	**114,128.64**
Liabilities						
Financial Liabilities						
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	**-**	0.40	-	**0.40**
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	255.51	-	**255.51**	143.44	-	**143.44**
(II) Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	0.37	-	**0.37**	-	-	**-**
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	0.54	-	**0.54**	1.13	-	**1.13**
Debt securities	12,471.61	27,590.26	**40,061.87**	6,484.83	27,782.13	**34,266.96**
Borrowings (other than debt securities)	20,285.69	24,995.68	**45,281.37**	16,550.38	25,924.22	**42,474.60**
Deposits	5,494.92	10,737.49	**16,232.41**	2,857.28	9,102.84	**11,960.12**
Subordinated liabilities	69.31	4,551.45	**4,620.76**	1,114.07	4,556.00	**5,670.07**
Lease liabilities	74.29	275.20	**349.49**	80.97	281.84	**362.81**
Other financial liabilities	829.50	134.85	**964.35**	787.82	124.50	**912.32**
Non-financial Liabilities						
Current tax liabilities (net)	102.02	-	**102.02**	102.02	-	**102.02**
Provisions	105.52	37.02	**142.54**	112.27	34.06	**146.33**
Other non-financial liabilities	99.26	-	**99.26**	83.28	-	**83.28**
Total Liabilities	**39,788.54**	**68,321.95**	**108,110.49**	**28,317.89**	**67,805.59**	**96,123.48**
Net	**14,805.65**	**6,762.72**	**21,568.37**	**8,443.00**	**9,562.16**	**18,005.16**

48 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

(Rs. in crores)

Particulars	As at March 31, 2020	Cash flows	Changes in fair value	Exchange difference	Other	As at March 31, 2021
Debt securities	34,266.96	4,838.70	-	-	956.21	40,061.87
Borrowings (other than debt securities)	42,474.60	2,447.10	-	-	359.67	45,281.37
Deposits	11,960.12	4,206.86	-	-	65.43	16,232.41
Subordinated liabilities	5,670.07	(1,069.27)	-	-	19.96	4,620.76
Lease liabilities	362.81	(96.16)	-	-	82.84	349.49
Total liabilities from financing activities	**94,734.56**	**10,327.23**	**-**	**-**	**1,484.11**	**106,545.90**

(Rs. in crores)

Particulars	As at March 31, 2019	Cash flows	Changes in fair value	Exchange difference	Other	As at March 31, 2020
Debt securities	34,181.76	353.95	-	-	(268.75)	34,266.96
Borrowings (other than debt securities)	37,189.30	3,326.77	-	-	1,958.53	42,474.60
Deposits	10,341.46	1,661.62	-	-	(42.96)	11,960.12
Subordinated liabilities	6,201.88	487.32	-	-	(1,019.13)	5,670.07
Lease liabilities	-	(110.46)	-	-	473.27	362.81
Total liabilities from financing activities	**87,914.40**	**5,719.20**	**-**	**-**	**1,100.96**	**94,734.56**

49 CONTINGENT LIABILITIES AND COMMITMENTS

(A) Contingent Liabilities

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
a. In respect of Income tax demands where the Company has filed appeal before various authorities	133.64	133.64
b. VAT demand where the Company has filed appeal before various appellates	117.21	117.21
c. Service tax demands where the Company has filed appeal before various authorities	1,976.41	325.99
d. Penalty levied for Contravention of provisions of Section 6(3)(b) of FEMA, 1999 read with Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000	5.00	5.00
Total	**2,232.26**	**581.84**

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.

Disputed income tax demands are on account of royalty, disallowance of ESOP expenses, 14A, derivatives etc.

(B) Commitments not provided for

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
a. Estimated amount of contracts remaining to be executed on capital account, net of advances	3.53	4.15
b. Commitments related to loans sanctioned but undrawn	148.66	311.87

50 RELATED PARTY DISCLOSURES

Relationship		Name of the party
I	Promoter	: Shriram Capital Limited
II	Promoter group	: Shriram Financial Ventures (Chennai) Private Limited Shriram Value Services Limited Novac Technology Solutions (P) Limited Shriram Fortune Solutions Limited Shriram General Insurance Company Limited Shriram Insight Share Brokers Limited Shriram Life Insurance Company Limited Shriram Asset Management Company Limited Shriram Financial Products Solutions (Chennai) Private Limited Insight Commodities and Futures Private Limited Shriram Credit Company Limited Shriram Overseas Investments Private Limited Shriram Wealth Advisors Limited Bharath Investments Pte. Ltd., Singapore SGI Philippines General Insurance Co. Inc. Novac Digital Service Private Limited Snotter Technology Services Private Limited SEA funds Management India Private Limited Way2wealth Insurance Brokers Private Limited Way2wealth Securities Private Limited Way2wealth Brokers Private Limited Way2wealth Commodities Private Limited
III	Associates	Shriram Automall India Limited (SAMIL) Cartradeexchange Solutions Private Limited Adroit Inspection Service Private Limited Augeo Asset Management Private Limited (from January 08, 2020)
IV	Key Management Personnel	: Mr. Umesh Revankar, Managing Director & CEO Mr. S. Lakshminarayanan Mrs. Kishori Udeshi Mr. S. Sridhar Mr. Pradeep Kumar Panja Mr. D. V. Ravi Mr. Ignatius Michael Viljoen (from May 14, 2019) Mr. Puneet Bhatia (upto August 19, 2020) Mr. Sumatiprasad M. Bafna (upto March 31, 2019) Mr. Amitabh Chaudhry (upto October 25, 2018)
V	Relatives of Key Management Personnel	: Mrs. Suchita U. Revankar (spouse of Managing Director & CEO) Mrs. Geeta G. Revankar (mother of Managing Director & CEO) Mr. Anil G. Revankar (brother of Managing Director & CEO) Mr. Shreyas U. Revankar (son of Managing Director & CEO) Mr. Shirish U. Revankar (son of Managing Director & CEO)
VI	Employees' benefit plan	Shriram Transport Finance Co. Ltd. Employees Group Gratuity Assurance Scheme

50 RELATED PARTY DISCLOSURES (Contd.)

Summary of related party transactions

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Payments/Expenses														
Payment to key management personnel	-	-	-	-	-	-	-	-	1.68	1.76	-	-	**1.68**	**1.76**
Royalty	-	-	173.35	86.87	-	-	-	-	-	-	-	-	**173.35**	**86.87**
Service charges	43.99	41.90	-	-	-	-	-	-	-	-	-	-	**43.99**	**41.90**
I.T. and BPO charges	-	-	68.03	68.88	-	-	-	-	-	-	-	-	**68.03**	**68.88**
Rent	0.26	0.78	0.02	0.02	7.94	7.04	-	-	-	-	-	-	**8.22**	**7.84**
Business mobilisation expenses	-	-	-	-	0.02	0.04	-	-	-	-	-	-	**0.02**	**0.04**
Other administrative expenses	0.03	0.04	-	-	10.28	11.11	-	-	-	-	-	-	**10.31**	**11.15**
Insurance premium	-	-	9.46	8.91	-	-	-	-	-	-	-	-	**9.46**	**8.91**
Commission	-	-	67.55	34.97	-	-	-	-	-	-	-	-	**67.55**	**34.97**
Sales promotion	-	-	21.20	1.92	-	-	-	-	-	-	-	-	**21.20**	**1.92**
Valuation charges	-	-	-	-	0.44	0.09	-	-	-	-	-	-	**0.44**	**0.09**
Interest	0.01	0.26	47.17	53.74	5.46	2.97	-	-	0.20	-	0.01	0.01	**52.85**	**56.99**
Equity dividend	37.17	71.17	0.03	-	-	-	-	-	-	-	0.00	0.00	**37.20**	**71.17**
Non-convertible debenture (secured) matured	-	-	0.19	80.11	-	-	-	-	-	-	-	-	**0.19**	**80.11**
Fixed deposit matured	-	-	-	14.00	-	-	-	-	0.75	-	0.03	0.01	**0.78**	**14.01**
Subordinated debt matured	0.37	1.72	31.50	45.00	1.39	1.39	-	-	-	-	-	-	**33.26**	**48.11**
Employer contribution to employees group gratuity assurance scheme	-	-	-	-	-	-	8.25	9.79	-	-	-	-	**8.25**	**9.79**
Inter-corporate deposit repaid	-	74.00	-	-	90.85	51.50	-	-	-	-	-	-	**90.85**	**125.50**
Receipts/Income														
Common sharing expenses	0.01	0.01	1.12	1.17	0.47	0.65	-	-	-	-	-	-	**1.60**	**1.83**
Rent and electricity	0.16	0.15	-	-	4.67	4.64	-	-	-	-	-	-	**4.83**	**4.79**
Other administrative expenses	-	-	-	-	-	0.14	-	-	-	-	-	-	**-**	**0.14**
Commission	-	-	71.46	79.11	-	-	-	-	-	-	-	-	**71.46**	**79.11**
Non-convertible debenture (secured)	-	-	35.00	2.86	-	-	-	-	-	0.10	-	-	**35.00**	**2.96**
Fixed deposit	-	-	12.30	1.50	20.00	-	-	-	1.08	-	0.08	0.05	**33.46**	**1.55**
Unsecured loan and advances repaid	-	-	-	-	15.06	14.44	-	-	-	-	-	-	**15.06**	**14.44**
Received towards right issue	425.22	-	0.39	-	-	-	-	-	-	-	0.00	-	**425.61**	**-**
Inter-corporate deposit received	-	74.00	-	-	102.30	63.40	-	-	-	-	-	-	**102.30**	**137.40**
Balance outstanding at the year end														
Share capital	66.96	59.50	0.06	0.05	-	-	-	-	-	-	0.00	0.00	**67.02**	**59.56**
Investment in equity shares	-	-	-	-	13.37	13.37	-	-	-	-	-	-	**13.37**	**13.37**
Unsecured loan and advances payable	-	-	-	-	1.23	0.41	-	-	-	-	-	-	**1.23**	**0.41**
Commission receivable	-	-	8.16	9.56	-	-	-	-	-	-	-	-	**8.16**	**9.56**
Prepaid for insurance premium	-	-	2.73	2.84	-	-	-	-	-	-	-	-	**2.73**	**2.84**
Outstanding expenses	11.16	10.43	72.96	44.13	0.03	-	-	-	-	-	-	-	**84.15**	**54.55**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Fixed deposit*	-	-	14.34	1.55	20.00	-	-	-	1.70	1.45	0.19	0.13	**36.23**	**3.13**
Subordinated debt*	-	0.41	495.36	422.19	-	2.76	-	-	-	-	-	-	**495.36**	**425.37**
Non-convertible debenture (secured)*	-	-	53.19	15.12	23.17	22.77	-	-	2.86	2.61	-	-	**79.22**	**40.50**
Inter-corporate deposit*	-	-	-	-	49.59	39.42	-	-	-	-	-	-	**49.59**	**39.42**

Income /expenses are presented excluding GST

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

There were no guarantees given on behalf of related parties during the year.

* Refer note 22 Debt securities, note 24 Deposits and note 25 Subordinated liabilities, for terms and conditions of non-convertible debentures, fixed deposit, inter-corporate deposit and subordinated debt respectively.

Breakup of related party transactions

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Payments/Expenses														
Employee benefits for key management personnel														
- Short term benefits	-	-	-	-	-	-	-	-	0.83	0.97	-	-	**0.83**	**0.97**
- Post employment benefits	-	-	-	-	-	-	-	-	0.16	0.19	-	-	**0.16**	**0.19**
Commission and sitting fee paid to directors														
- Mr. Amitabh Chaudhry	-	-	-	-	-	-	-	-	-	0.04	-	-	**-**	**0.04**
- Mr. S. Lakshminarayanan	-	-	-	-	-	-	-	-	0.16	0.12	-	-	**0.16**	**0.12**
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	0.18	0.14	-	-	**0.18**	**0.14**
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.17	0.10	-	-	**0.17**	**0.10**
- Mr. Sumatiprasad M. Bafna	-	-	-	-	-	-	-	-	-	0.09	-	-	**-**	**0.09**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.18	0.11	-	-	**0.18**	**0.11**
License fees														
- Shriram Value Services Limited	-	-	173.35	86.87	-	-	-	-	-	-	-	-	**173.35**	**86.87**
Service charges														
- Shriram Capital Limited	43.99	41.90	-	-	-	-	-	-	-	-	-	-	**43.99**	**41.90**
Voice call services charges														
- Shriram Value Services Limited	-	-	-	21.26	-	-	-	-	-	-	-	-	**-**	**21.26**
- Novac Technology Solutions (P) Limited	-	-	24.37	7.43	-	-	-	-	-	-	-	-	**24.37**	**7.43**
I.T. and BPO charges														
- Novac Technology Solutions (P) Limited	-	-	43.66	40.18	-	-	-	-	-	-	-	-	**43.66**	**40.18**
Rent				-										
- Shriram Automall India Limited	-	-	-	-	7.94	7.04	-	-	-	-	-	-	**7.94**	**7.04**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
- Shriram Capital Limited	0.26	0.78	-	-	-	-	-	-	-	-	-	-	**0.26**	**0.78**
- Shriram Asset Management Company Limited	-	-	0.02	0.02	-	-	-	-	-	-	-	-	**0.02**	**0.02**
Business mobilisation expenses														
- Shriram Automall India Limited	-	-	-	-	0.02	0.04	-	-	-	-	-	-	**0.02**	**0.04**
Other administrative expenses														
- Shriram Capital Limited	0.03	0.04	-	-	-	-	-	-	-	-	-	-	**0.03**	**0.04**
- Shriram Automall India Limited	-	-	-	-	10.28	11.11	-	-	-	-	-	-	**10.28**	**11.11**
Insurance premium														
- Shriram Life Insurance Company Limited	-	-	5.40	5.63	-	-	-	-	-	-	-	-	**5.40**	**5.63**
- Shriram General Insurance Company Limited	-	-	4.06	3.28	-	-	-	-	-	-	-	-	**4.06**	**3.28**
Commission														
- Shriram Fortune Solutions Limited	-	-	51.21	26.03	-	-	-	-	-	-	-	-	**51.21**	**26.03**
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	9.10	3.31	-	-	-	-	-	-	-	-	**9.10**	**3.31**
- Shriram Insight Share Brokers Limited	-	-	6.56	5.63	-	-	-	-	-	-	-	-	**6.56**	**5.63**
- Shriram Wealth Advisors Limited	-	-	0.68	-	-	-	-	-	-	-	-	-	**0.68**	-
Sales promotion														
- Shriram Fortune Solutions Limited	-	-	15.91	-	-	-	-	-	-	-	-	-	**15.91**	-
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	3.48	0.75	-	-	-	-	-	-	-	-	**3.48**	**0.75**
- Shriram Insight Share Brokers Limited	-	-	1.68	1.17	-	-	-	-	-	-	-	-	**1.68**	**1.17**
- Shriram Wealth Advisors Limited	-	-	0.13	-	-	-	-	-	-	-	-	-	**0.13**	-
Interest on inter-corporate Deposit														
- Shriram Automall India Limited	-	-	-	-	3.63	2.34	-	-	-	-	-	-	**3.63**	**2.34**
- Shriram Capital Limited	-	0.17	-	-	-	-	-	-	-	-	-	-	-	**0.17**
Valuation charges														
- Adroit Inspection Service Private Limited	-	-	-	-	0.44	0.09	-	-	-	-	-	-	**0.44**	**0.09**
Interest on fixed deposit														
- Key management personnel														
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	0.20	-	-	-	**0.20**	-
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.01	0.01	**0.01**	**0.01**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
- Shriram Fortune Solutions Limited	-	-	-	0.38	-	-	-	-	-	-	-	-	-	**0.38**
- Shriram Asset Management Company Limited	-	-	-	0.05	-	-	-	-	-	-	-	-	-	**0.05**
Interest on subordinated debt														
- Shriram Automall India Limited	-	-	-	-	0.17	0.44	-	-	-	-	-	-	**0.17**	**0.44**
- Shriram Capital Limited	0.01	0.09	-	-	-	-	-	-	-	-	-	-	**0.01**	**0.09**
- Shriram Life Insurance Company Limited	-	-	10.36	9.53	-	-	-	-	-	-	-	-	**10.36**	**9.53**
- Shriram General Insurance Company Limited	-	-	32.27	37.17	-	-	-	-	-	-	-	-	**32.27**	**37.17**
Interest on non-convertible debenture (secured)														
- Shriram Life Insurance Company Limited	-	-	3.22	4.18	-	-	-	-	-	-	-	-	**3.22**	**4.18**
- Shriram General Insurance Company Limited	-	-	-	1.32	-	-	-	-	-	-	-	-	-	**1.32**
- Shriram Asset Management Company Limited	-	-	1.27	1.10	-	-	-	-	-	-	-	-	**1.27**	**1.10**
- Shriram Insight Share Brokers Limited	-	-	0.05	-	-	-	-	-	-	-	-	-	**0.05**	-
- Shriram Automall India Limited	-	-	-	-	1.66	0.19	-	-	-	-	-	-	**1.66**	**0.19**
Equity dividend														
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.00	0.00	**0.00**	**0.00**
- Shriram Capital Limited	37.17	71.17	-	-	-	-	-	-	-	-	-	-	**37.17**	**71.17**
- Shriram Financial Ventures (Chennai) Private Limited	-	-	0.03	-	-	-	-	-	-	-	-	-	**0.03**	-
Non-convertible debenture (secured) matured														
- Shriram Life Insurance Company Limited	-	-	-	58.90	-	-	-	-	-	-	-	-	-	**58.90**
- Shriram General Insurance Company Limited	-	-	-	21.10	-	-	-	-	-	-	-	-	-	**21.10**
- Shriram Insight Share Brokers Limited	-	-	0.19	0.11	-	-	-	-	-	-	-	-	**0.19**	**0.11**
Fixed deposit matured														
- Key management personnel														
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	0.75	-	-	-	**0.75**	-
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.03	0.01	**0.03**	**0.01**
- Shriram Fortune Solutions Limited	-	-	-	14.00	-	-	-	-	-	-	-	-	-	**14.00**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Subordinated debt matured														
- Shriram Capital Limited	0.37	1.72	-	-	-	-	-	-	-	-	-	-	**0.37**	**1.72**
- Shriram Automall India Limited	-	-	-	-	1.39	1.39	-	-	-	-	-	-	**1.39**	**1.39**
- Shriram General Insurance Company Limited	-	-	25.00	45.00	-	-	-	-	-	-	-	-	**25.00**	**45.00**
- Shriram Life Insurance Company Limited	-	-	6.50	-	-	-	-	-	-	-	-	-	**6.50**	-
Employer contribution to employees group gratuity assurance scheme	-	-	-	-	-	-	8.25	9.79	-	-	-	-	**8.25**	**9.79**
Inter-corporate deposit repaid														
- Shriram Automall India Limited	-	-	-	-	90.85	51.50	-	-	-	-	-	-	**90.85**	**51.50**
- Shriram Capital Limited	-	74.00	-	-	-	-	-	-	-	-	-	-	-	**74.00**
TOTAL	**81.83**	**189.87**	**418.50**	**394.40**	**116.38**	**74.14**	**8.25**	**9.79**	**2.63**	**1.76**	**0.04**	**0.02**	**627.63**	**669.99**
Receipts/Income														
Recovery of common sharing expenses														
- Shriram Automall India Limited	-	-	-	-	0.47	0.58	-	-	-	-	-	-	**0.47**	**0.58**
- Shriram Capital Limited	0.01	0.01	-	-	-	-	-	-	-	-	-	-	**0.01**	**0.01**
- Shriram Asset Management Company Limited	-	-	0.06	0.06	-	-	-	-	-	-	-	-	**0.06**	**0.06**
- Shriram Insight Share Brokers Limited	-	-	0.02	0.03	-	-	-	-	-	-	-	-	**0.02**	**0.03**
- Shriram Fortune Solutions Limited	-	-	1.04	1.08	-	-	-	-	-	-	-	-	**1.04**	**1.08**
- Adroit Inspection Service Private Limited	-	-	-	-	-	0.07	-	-	-	-	-	-	-	**0.07**
Rent and electricity														
- Shriram Capital Limited	0.16	0.15	-	-	-	-	-	-	-	-	-	-	**0.16**	**0.15**
- Shriram Automall India Limited	-	-	-	-	4.67	4.64	-	-	-	-	-	-	**4.67**	**4.64**
Other administrative expenses														
- Shriram Automall India Limited	-	-	-	-	-	0.14	-	-	-	-	-	-	-	**0.14**
Commission														
- Shriram General Insurance Company Limited	-	-	50.80	58.71	-	-	-	-	-	-	-	-	**50.80**	**58.71**
- Shriram Life Insurance Company Limited	-	-	20.66	20.39	-	-	-	-	-	-	-	-	**20.66**	**20.39**
Non-convertible debenture (secured)														
- Key management personnel														
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	-	0.10	-	-	-	**0.10**
- Shriram Asset Management Company Limited	-	-	-	2.16	-	-	-	-	-	-	-	-	-	**2.16**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
- Shriram Insight Share Brokers Limited	-	-	-	0.70	-	-	-	-	-	-	-	-	-	**0.70**
- Shriram Life Insurance Company Limited	-	-	35.00	-	-	-	-	-	-	-	-	-	**35.00**	-
Fixed deposit														
- Key management personnel														
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	0.93	-	-	-	**0.93**	-
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.05	-	-	-	**0.05**	-
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.10	-	-	-	**0.10**	-
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.08	0.05	**0.08**	**0.05**
- Shriram Asset Management Company Limited	-	-	12.30	1.50	-	-	-	-	-	-	-	-	**12.30**	**1.50**
- Shriram Automall India Limited	-	-	-	-	20.00		-	-	-	-	-	-	**20.00**	-
Unsecured loan and advances repaid														
- Shriram Automall India Limited	-	-	-	-	15.06	14.44	-	-	-	-	-	-	**15.06**	**14.44**
Received towards right issue			-											
- Shriram Capital Limited	425.22	-	-	-	-	-	-	-	-	-	-	-	**425.22**	-
- Shriram Financial Ventures (Chennai) Private Limited	-	-	0.39	-	-		-	-	-	-	-	-	**0.39**	-
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	**0.00**	-	**0.00**	-
Inter-corporate deposit received														
- Shriram Automall India Limited	-	-	-	-	102.30	63.40	-	-	-	-	-	-	**102.30**	**63.40**
- Shriram Capital Limited	-	74.00	-	-	-	-	-	-	-	-	-	-	-	**74.00**
TOTAL	**425.39**	**74.16**	**120.27**	**84.63**	**142.50**	**83.28**	**-**	**-**	**1.08**	**0.10**	**0.08**	**0.05**	**689.32**	**242.22**

Income /expenses are presented excluding GST

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

50 RELATED PARTY DISCLOSURES (Contd.)

Breakup of related party transactions

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Balance outstanding at the year end														
Share capital														
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.00	0.00	**0.00**	**0.00**
- Shriram Capital Limited	66.96	59.50	-	-	-	-	-	-	-	-	-	-	**66.96**	**59.50**
- Shriram Financial Ventures (Chennai) Private Limited	-	-	0.06	0.05	-	-	-	-	-	-	-	-	**0.06**	**0.05**
Investment in equity shares														
- Shriram Automall India Limited	-	-	-	-	13.37	13.37	-	-	-	-	-	-	**13.37**	**13.37**
Unsecured loan and advances payable														
- Shriram Automall India Limited	-	-	-	-	1.23	0.41	-	-	-	-	-	-	**1.23**	**0.41**
Commission receivable														
- Shriram General Insurance Company Limited	-	-	6.10	7.65	-	-	-	-	-	-	-	-	**6.10**	**7.65**
- Shriram Life Insurance Company Limited	-	-	2.06	1.91	-	-	-	-	-	-	-	-	**2.06**	**1.91**
Prepaid for insurance premium														
- Shriram General Insurance Company Limited	-	-	1.71	1.78	-	-	-	-	-	-	-	-	**1.71**	**1.78**
- Shriram Life Insurance Company Limited	-	-	1.02	1.06	-	-	-	-	-	-	-	-	**1.02**	**1.06**
Outstanding expenses														
- Shriram Capital Limited	11.16	10.43	-	-	-	-	-	-	-	-	-	-	**11.16**	**10.43**
- Shriram Value Services Limited	-	-	50.35	40.07	-	-	-	-	-	-	-	-	**50.35**	**40.07**
- Novac Technology Solutions (P) Limited	-	-	8.19	1.80	-	-	-	-	-	-	-	-	**8.19**	**1.80**
- Shriram Fortune Solutions Limited	-	-	11.05	1.27	-	-	-	-	-	-	-	-	**11.05**	**1.27**
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	2.17	0.31	-	-	-	-	-	-	-	-	**2.17**	**0.31**
- Shriram Insight Share Brokers Limited	-	-	1.03	0.65	-	-	-	-	-	-	-	-	**1.03**	**0.65**
- Adroit Inspection Service Private Limited	-	-	-	-	0.03	-	-	-	-	-	-	-	**0.03**	**-**
- Shriram Asset Management Company Limited	-	-	-	0.02	-	-	-	-	-	-	-	-	**-**	**0.02**
- Shriram Wealth Advisors Limited	-	-	0.17	-	-	-	-	-	-	-	-	-	**0.17**	**-**
Fixed deposit														
- Key management personnel														

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	1.55	1.45	-	-	**1.55**	**1.45**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.05	-	-	-	**0.05**	-
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.10	-	-	-	**0.10**	-
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.19	0.13	**0.19**	**0.13**
- Shriram Asset Management Company Limited	-	-	14.34	1.55	-	-	-	-	-	-	-	-	**14.34**	**1.55**
- Shriram Automall India Limited	-	-	-	-	20.00	-	-	-	-	-	-	-	**20.00**	-
Non-convertible debenture (secured)														
-Key management personnel														
- Mr.Umesh Revankar	-	-	-	-	-	-	-	-	2.49	2.27	-	-	**2.49**	**2.27**
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.13	0.12	-	-	**0.13**	**0.12**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.24	0.22	-	-	**0.24**	**0.22**
- Shriram Life Insurance Company Limited	-	-	36.71	-	-	-	-	-	-	-	-	-	**36.71**	-
- Shriram Asset Management Company Limited	-	-	15.85	14.49	-	-	-	-	-	-	-	-	**15.85**	**14.49**
- Shriram Insight Share Brokers Limited	-	-	0.63	0.63	-	-	-	-	-	-	-	-	**0.63**	**0.63**
- Shriram Automall India Limited	-	-	-	-	23.17	22.77	-	-	-	-	-	-	**23.17**	**22.77**
Subordinated debt														
- Shriram Automall India Limited	-	-	-	-	-	2.76	-	-	-	-	-	-	-	**2.76**
- Shriram Capital Limited	-	0.41	-	-	-	-	-	-	-	-	-	-	-	**0.41**
- Shriram Life Insurance Company Limited	-	-	126.63	103.15	-	-	-	-	-	-	-	-	**126.63**	**103.15**
- Shriram General Insurance Company Limited	-	-	368.73	319.04	-	-	-		-	-	-	-	**368.73**	**319.04**
Inter-corporate deposit received														
- Shriram Automall India Limited	-	-	-	-	49.59	39.42	-	-	-	-	-	-	**49.59**	**39.42**

Income /expenses are presented excluding GST

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

50 RELATED PARTY DISCLOSURES (Contd.)

Disclosure pursuant to Schedule V of Clause A.2 of Regulation 34 (3) and Regulation 53(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I. Disclosures relating Loans and Advances /Investments

(Rs. in crores)

Sl No.	Loans and Advances in the nature of Loans	Maximum Amount Outstanding during the year March 2021	Maximum Amount Outstanding during the year March 2020
A)	To Associate		
	- Shriram Automall India Limited	0.38	3.98

II. Shriram Transport Finance Company Limited (STFC) holds 44.56 % of equity shares of the company. Disclosure relating to transactions with STFC is given above.

51 CAPITAL MANAGEMENT

The Company maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company.

As an NBFC, the RBI requires us to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. The capital management process of the Company ensures to maintain a healthy CRAR at all the times. Refer note 78 for the Company's Capital ratios.

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years except those incorporated on account of regulatory amendments. However, they are under constant review by the Board. The Company has complied with the notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 "Implementation of Indian Accounting Standards".

52 FAIR VALUE MEASUREMENT

52.01: Valuation principle

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained in Note 6.1 (xiii).

52.02: Fair value hierarchy of assets and liabilities

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

As at March 31, 2021

(Rs. in crores)

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Derivative financial instruments				
Forward contracts	-	79.37	-	**79.37**
Currency swaps	-	(103.23)	-	**(103.23)**
Interest rate swaps	-	9.72	-	**9.72**
Cross currency interest rate swaps	-	181.54	-	**181.54**
Interest rate caps	-	1.85	-	**1.85**
Total derivative financial instruments	-	**169.25**	-	**169.25**

52 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Financial assets held for trading				
Equity instruments	-	-	6.74	**6.74**
Venture capital fund	-	1.54	-	**1.54**
Total financial assets held for trading	**-**	**1.54**	**6.74**	**8.28**
Total assets measured at fair value on a recurring basis	**-**	**170.79**	**6.74**	**177.53**
Assets measured at fair value on a non-recurring basis				
Non-current assets and disposals held for sale	-	-	-	-
Total assets measured at fair value on a non-recurring basis	**-**	**-**	**-**	**-**
Total assets measured at fair value	**-**	**170.79**	**6.74**	**177.53**

(Rs. in crores)

Liabilities measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Total financial liabilities measured at fair value on a recurring basis	**-**	**-**	**-**	**-**
Liabilities measured at fair value on a non-recurring basis				
Non-current liabilities and disposals held for sale	-	-	-	-
Total financial liabilities measured at fair value on a non-recurring basis	**-**	**-**	**-**	**-**
Total liabilities measured at fair value	**-**	**-**	**-**	**-**

As at March 31, 2020

(Rs. in crores)

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Derivative financial instruments				
Forward contracts	-	378.05	-	**378.05**
Currency swaps	-	11.50	-	**11.50**
Interest rate swaps	-	45.77	-	**45.77**
Cross currency interest rate swaps	-	319.50	-	**319.50**
Interest rate caps	-	3.91	-	**3.91**
Total derivative financial instruments	**-**	**758.73**	**-**	**758.73**
Financial assets held for trading				
Mutual funds	-	3.02	-	**3.02**
Equity instruments	-	-	3.36	**3.36**
Venture capital fund	-	1.04	-	**1.04**
Total financial assets held for trading	**-**	**4.06**	**3.36**	**7.42**
Total assets measured at fair value on a recurring basis	**-**	**762.79**	**3.36**	**766.15**
Assets measured at fair value on a non-recurring basis				
Non-current assets and disposals held for sale	-	-	-	-
Total assets measured at fair value on a non-recurring basis	**-**	**-**	**-**	**-**
Total assets measured at fair value	**-**	**762.79**	**3.36**	**766.15**

52 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

Liabilities measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Total financial liabilities measured at fair value on a recurring basis	-	-	-	-
Liabilities measured at fair value on a non-recurring basis				
Non-current liabilities and disposals held for sale	-	-	-	-
Total financial liabilities measured at fair value on a non-recurring basis	-	-	-	-
Total liabilities measured at fair value	-	-	-	-

52.03: Valuation techniques

Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:

Equity instruments

Investment in units of mutual funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are generally Level 2. Equity instruments in non-listed entities are initially recognised at transaction price and re-measured (to the extent information is available) and valued on a case-by-case and classified as Level 3.

Derivative Financial Instruments

Foreign exchange contracts include foreign exchange forward and swap contracts, interest rate swaps and over- the-counter foreign exchange options. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points and option valuation models. With the exception of contracts where a directly observable rate is available which are disclosed as Level 1, the Company classifies derivative financial instruments as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole).

Certificate of deposits (CDs)

Certificate of deposits are short-term financial instruments issued by Banks. Financial Benchmark India Private Ltd (FBIL) has developed the FBIL- CD, a new benchmark for the money market based on traded CDs reported on the FIMMDA Trade Reporting and Confirmation System (FTRAC) platform of The Clearing Corporation of India Ltd (CCIL). FBIL-CD is announced for seven tenors of 14 days, 1 month, 2 months, 3 months, 6 months, 9 months and 12 months. For valuation, the Company uses FBIL-CD benchmark and based on that benchmark the Company interpolates and calculates CD prices corresponding to their residual maturities and such instruments are classified as Level 2.

52.04: Transfer between fair value hierarchy levels

During the year there were no transfers between level 1 and level 2. Similarly, there were no transfers from or transfer to level 3.

52.05: Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value. Transfers from Level 3 to Level 2 occur when the market for some securities became more liquid, which eliminates the need for the previously required significant unobservable valuation inputs. Since the transfer, these instruments have been valued using valuation models incorporating observable market inputs. Transfers into Level 3 reflect changes in market conditions as a result of which instruments become less liquid. Therefore, the Company requires significant unobservable inputs to calculate their fair value.

52 FAIR VALUE MEASUREMENT (Contd.)

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

(Rs. in crores)

Particulars	Equity instruments	
	As at March 31, 2021	As at March 31, 2020
Opening balance	**3.36**	**3.58**
Purchase	-	-
Sales	-	-
Issuances	-	-
Settlements	-	-
Transfers into level 3	-	-
Transfers from level 3	-	-
Net interest income, net trading income and other income	-	-
Other comprehensive income	-	-
Unrealised gains and losses related to balances held at the end of the year	**3.38**	**(0.22)**
Closing balance	**6.74**	**3.36**

52.06: Impact of changes to key assumptions on fair value of level 3 financial instruments measured at fair value

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Company's level 3 assets and liabilities. The range of values indicates the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation. Relationships between unobservable inputs have not been incorporated in this summary.

(Rs. in crores)

Particulars	Fair value		Valuation technique	Significant unobservable inputs
	Level 3 assets	Level 3 assets		
	As at March 31, 2021	As at March 31, 2020		
Equity instruments	6.74	3.36	Based on the discounted cashflow	Based on the discounted cashflow

52.07: Sensitivity of fair value measurements to changes in unobservable market data

The table below describes the effect of changing the significant unobservable inputs to reasonable possible alternatives. All changes would be reflected in the Statement of profit and loss. Sensitivity data are calculated using a number of techniques, including analysing price dispersion of different price sources, adjusting model inputs to reasonable changes within the fair value methodology.

The ranges are not comparable or symmetrical as the model inputs are usually not in the middle of the favourable/ unfavourable range.

The table below shows data in relation to level 3 inputs that are already aggregated on the underlying product levels without assuming any potential diversification effect, but including potential off-sets from economic or accounting hedge relationships in place. The Company is of the opinion that, whilst there may be some diversification benefits, incorporating these would not be significant to the analysis.

(Rs. in crores)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Favourable changes 5% increase	Unfavourable changes 5% decrease	Favourable changes 5% increase	Unfavourable changes 5% decrease
Equity instruments based on the discounted cashflow	7.11	6.39	3.51	3.18

52 FAIR VALUE MEASUREMENT (Contd.)

52.08: Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non–financial assets and non-financial liabilities.

(Rs. in crores)

As at March 31, 2021	Carrying amount	Fair value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	11,050.93	7,599.40	3,449.44	-	**11,048.84**
Bank balance other than cash and cash equivalents	5,390.89	161.65	5,126.81	-	**5,288.46**
Trade receivables	8.92	-	-	8.92	**8.92**
Other receivables	49.90	-	-	49.90	**49.90**
Loans (excluding impairment loss allowance)	116,191.59	-	-	114,238.50	**114,238.50**
Investments at amortised cost (excluding impairment loss allowance)	3,214.21	2,159.91	-	903.27	**3,063.18**
Other investments	13.37	-	-	13.37	**13.37**
Other financial assets	49.03	-	-	39.68	**39.68**
Total financial assets	**135,968.84**	**9,920.96**	**8,576.25**	**115,253.64**	**133,750.85**
Financial liabilities:					
Trade payables	255.51	-	-	255.51	**255.51**
Other payables	0.91	-	-	0.91	**0.91**
Debt securities	40,061.87	-	47,326.64	-	**47,326.64**
Borrowings (other than debt securities)	45,281.37	-	51,089.94	-	**51,089.94**
Deposits	16,232.41	-	-	16,559.97	**16,559.97**
Subordinated liabilities	4,620.76	-	6,265.88	-	**6,265.88**
Lease liabilities	349.49	-	-	349.49	**349.49**
Other financial liabilities	964.35	-	-	964.35	**964.35**
Total financial liabilities	**107,766.67**	**-**	**104,682.46**	**18,130.23**	**122,812.69**
Off balance sheet items					
Other commitments	148.66	-	-	148.66	**148.66**
Total off-balance sheet items	**148.66**	**-**	**-**	**148.66**	**148.66**

(Rs. in crores)

As at March 31, 2020	Carrying amount	Fair value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	3,088.99	1,854.21	1,232.41	-	**3,086.62**
Bank balance other than cash and cash equivalents	4,225.93	10.57	4,163.23	-	**4,173.80**
Trade receivables	10.50	-	-	10.50	**10.50**
Other receivables	5.64	-	-	5.64	**5.64**
Loans (excluding impairment loss allowance)	108,501.71	-	-	103,070.32	**103,070.32**
Investments at amortised cost (excluding impairment loss allowance)	2,819.92	1,912.92	-	979.04	**2,891.96**
Other investments	13.37	-	-	13.37	**13.37**
Other financial assets	38.70	-	-	28.87	**28.87**
Total financial assets	**118,704.76**	**3,777.70**	**5,395.64**	**104,107.74**	**113,281.08**
Financial liabilities:					
Trade payables	143.84	-	-	143.84	**143.84**

52 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

		Fair value			
As at March 31, 2020	**Carrying amount**	**Level-1**	**Level-2**	**Level-3**	**Total**
Other payables	1.13	-	-	1.13	**1.13**
Debt securities	34,266.96	-	36,510.59	-	**36,510.59**
Borrowings (other than debt securities)	42,474.60	-	42,704.86	-	**42,704.86**
Deposits	11,960.12	-	-	12,161.38	**12,161.38**
Subordinated liabilities	5,670.07	-	5,367.03	722.40	**6,089.43**
Lease liabilities	362.81	-	-	362.81	**362.81**
Other financial liabilities	912.32	-	-	912.32	**912.32**
Total financial liabilities	**95,791.85**	**-**	**84,582.48**	**14,303.88**	**98,886.36**
Off balance sheet items					
Other commitments	311.87	-	-	311.87	**311.87**
Total off-balance sheet items	**311.87**	**-**	**-**	**311.87**	**311.87**

Note:

The management assessed that cash and cash equivalents, trade receivables, trade payables, other receivables, other payables, bank overdrafts and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

52.09: Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: trade receivables, other receivables, balances other than cash and cash equivalents and trade payables without a specific maturity.

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models based on contractual cash flows using actual yields.

Pass through certificates

These instruments include asset backed securities. The market for these securities is not active. Therefore, the Company uses a variety of valuation techniques to measure their fair values. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers such as loan-to-value ratios, emergence period estimation, indebtedness and rental income levels. Instruments with no comparable instruments or valuation inputs are classified as Level 3.

Investment in associate at cost

Investment in associate: As per Ind AS 28 Interest in associate are recognised at cost and not adjusted to fair value at the end of each reporting period. Cost represents amount paid for acquisition of the said investments. Loan and other similar arrangements with subsidiaries which are probable to be settled for a fixed number of equity share of the borrower for a fixed price are classified as equity investment. The Company assesses at the end of each reporting period, if there are any indications that the said investments may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

52 FAIR VALUE MEASUREMENT (Contd.)

Investment in government securities at amortised cost

The fair values financial assets held-to-maturity investments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

Issued debt and borrowings

The fair value of issued debt is estimated by a discounted cash flow model incorporating interest rate from market-observable data such as secondary prices for its traded debt.

Deposits

The fair value of public deposits and deposit from corporates is estimated by discounting the future cash flows considering the interest rate applicable on the reporting date for deposits of similar tenure and scheme (cumulative/non-cumulative). Inter-corporate deposits are estimated at their carrying amounts due to the short-term maturities of these deposits.

Off-balance sheet positions

Estimated fair values of off-balance sheet positions are based on the carrying amounts due to the short-term maturities of these positions.

53 RISK MANAGEMENT

Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

53.01: Introduction and risk profile

53.01.01: Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Board has constituted the Risk Management Committee which is responsible for monitoring the overall risk process within the Company.

The Risk Management Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Risk Management Committee is responsible for managing risk decisions and monitoring risk levels.

The Chief Risk officer is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The Risk owners within each department will report to the Risk Committee.

The Risk owners are responsible for monitoring compliance with risk principles, policies and limits across the Company. Each department has its Risk owner who is responsible for the control of risks, including monitoring the actual risk of exposures against authorised limits and the assessment of risks.

The Company's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

The Company's policy is that risk management processes throughout the Company are audited annually by the Internal Audit function, which examines both the adequacy of the procedures and the Company's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to Risk Management Committee.

53.01.02: Risk mitigation and risk culture

As part of its overall risk management, the Company can use derivatives and other instruments to manage exposures resulting from changes in interest rates and foreign currencies associated with foreign currency transactions.

53.01.03: Risk measurement and reporting systems

The Company's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment, as necessary.

The Company's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure

53 RISK MANAGEMENT (Contd.)

across all risk types and activities.

Information compiled from all the departments is examined and processed in order to analyse, control and identify risks on a timely basis. This information is presented and explained to the Risk Management Committee and the head of each department.

The Risk Management Committee receives a comprehensive risk report once a quarter which is designed to provide all the necessary information to assess and conclude on the risks of the Company.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to that they decide to take on. The Company's continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Company's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

53.01.04: Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on spreading its lending portfolio across all the states with a cap on maximum limit of exposure for a state and also for an individual/Group.

53.02: Credit risk

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

Credit risk is monitored by the credit department of the Company. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit manager, as well as the business with tools like credit risk systems, policies, models and reporting.

The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties.

The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

The Company's internal credit rating grades on days past due(dpd) basis:

Internal rating grade	Internal rating description
Performing	
High grade	0 dpd
Standard grade	1 to 30 dpd
Sub-standard grade	31 to 60 dpd
Past due but not impaired	61 to 90 dpd
Non-performing	90+ dpd

53.02.01: Derivative financial instruments

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet.

With gross–settled derivatives, the Company is also exposed to a settlement risk, being the risk that the Company honours its obligation, but the counterparty fails to deliver the counter value.

53.02.02: Impairment assessment

The references below show where the Company's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the Summary of significant accounting policies.

The Company's definition and assessment of default (Note 53.02.02.01).

- How the Company defines, calculates and monitors the probability of default, exposure at default and loss given default (Notes 53.02.02.02 to 53.02.02.04)
- When the Company considers there has been a significant increase in credit risk of an exposure (Note 53.02.02.05)
- The Company's policy of segmenting financial assets where ECL is assessed on a collective basis (Note 53.02.02.06)
- The details of the ECL calculations for stage 1, stage 2 and stage 3 assets (Note 6.1.xi)

53 RISK MANAGEMENT (Contd.)

53.02.02.01: Definition of default

The Company considers a financial instrument defaulted and therefore stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as stage 3 for ECL calculations or whether stage 2 is appropriate. Such events include:

- The borrower requesting emergency funding from the Company.
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral.
- A covenant breach not waived by the Company.
- The debtor (or any legal entity within the debtor's Company) filing for bankruptcy application/protection.
- All the facilities of a borrower are treated as stage 3 when one of his facility becomes 90 days past due i.e. credit impaired.
- The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise.

53.02.02.02: PD estimation process

It is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Company. While arriving at the PD, the Company also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. Company calculates the 12 month PD by taking into account the past historical trends of the portfolio and its credit performance. In case of assets where there is a significant increase in credit risk, lifetime PD has been applied which is computed based on survival analysis. For credit impaired assets, a PD of 100% has been applied.

53.02.02.03: Exposure at Default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 months ECL.

For stage 2 and stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

In case of undrawn loan commitments, a credit conversion factor of 100% is applied for expected drawdown.

53.02.02.04: Loss Given Default (LGD)

LGD is an estimate of the loss arising in case where a default occurs. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any security.

53.02.02.05: Significant increase in credit risk(SICR)

The Company continuously monitors all assets subject to ECLs in order to determine whether an instrument or a portfolio of instruments is subject to 12 month ECL or lifetime ECL. The Company assesses whether there has been an event which could cause a significant increase in the credit risk of the underlying asset or the customers' ability to pay and accordingly change the 12 month ECL to a lifetime ECL.

In certain cases, the Company may also consider that events explained in Note 53.02.02.01 are a significant increase in credit risk as opposed to a default. Regardless of the above, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

When estimating ECLs on a collective basis for a Company of similar assets (as set out in Note 53.02.02.06), the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

53 RISK MANAGEMENT (Contd.)

53.02.02.06: Forward looking information

The Company has incorporated forward looking information and macro-economic factors while calculating PD and LGD rate. Refer note 63 for impact of COVID-19 on estimate of PD, LGD and SICR.

53.02.02.07: Grouping financial assets measured on a collective basis

As explained in Note 6.1.(xi) dependent on the factors below, the Company calculates ECLs only on a collective basis.

The Company segments the exposure into smaller homogeneous portfolios, based on a combination of internal and external characteristics of the loans as described below.

1. New vehicle finance
2. Pre owned vehicle finance
3. Business Loans

53.02.03: Analysis of risk concentration

The maximum credit exposure to any individual client or counterparty as of March 31, 2021 was Rs. 52.22 crores (March 31, 2020: Rs. 51.01 crores).

Credit risk exposure analysis

(Rs. in crores)

Particulars	As at March 31, 2021			
	Stage 1 collective	Stage 2 collective	Stage 3 collective	Total
Credit risk exposure	93,915.66	13,983.12	8,292.81	**116,191.59**

53.03: Liquidity risk and funding management

In assessing the company's liquidity position, consideration shall be given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds. The Company maintains a portfolio of marketable assets that are assumed to be easily liquidated and undrawn cash credit limits which can be used in the event of an unforeseen interruption in cash flow. The Company also enters into securitisation deals (direct assignment as well as pass through certificates) of their loan portfolio, the funding from which can be accessed to meet liquidity needs. In accordance with the Company's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company. Net liquid assets consist of cash, short–term bank deposits and investments in mutual fund available for immediate sale, less issued securities and borrowings due to mature within the next month. Borrowings from banks and financial institutions, issue of debentures and bonds and acceptance of public deposits are considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings. 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 RMC and the Board of Directors in its next meeting for its ratification.

53 RISK MANAGEMENT (Contd.)

53.03.01: Analysis of financial assets and liabilities by remaining maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities as at March 31. All derivatives used for hedging and natural hedges are shown by maturity. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Company expects that many customers will not request repayment on the earliest date it could be required to pay and the table does not reflect the expected cash flows indicated by its deposit retention history.

Maturity pattern of assets and liabilities as on March 31, 2021:

(Rs. in crores)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents	11,050.93	-	-	-	-	-	**11,050.93**
Bank balance other than above	2,250.28	1,543.15	1,093.35	450.85	53.26	-	**5,390.89**
Derivative assets	-	-	100.51	38.26	-	30.48	**169.25**
Financial assets at fair value through profit and loss	-	-	-	-	-	8.28	**8.28**
Loans *	13,358.17	15,198.43	24,695.47	66,062.15	18,404.12	3,131.92	**140,850.26**
Financial investments at amortised cost	153.19	134.26	235.76	832.05	169.15	1,689.80	**3,214.21**
Trade receivables	8.92	-	-	-	-	-	**8.92**
Other receivables	49.90	-	-	-	-	-	**49.90**
Other financial assets	2.07	-	-	-	-	46.96	**49.03**
Total discounted financial assets	**26,873.46**	**16,875.84**	**26,125.09**	**67,383.31**	**18,626.53**	**4,907.44**	**160,791.67**
Financial liabilities							
Deposits *	920.83	1,541.32	3,817.22	9,090.96	3,814.50	-	**19,184.83**
Debt securities *	3,433.09	4,954.30	5,893.54	24,240.95	3,320.04	5,428.64	**47,270.56**
Borrowings (other than debt securities) *	6,348.78	5,469.99	11,980.12	23,455.05	4,790.82	365.83	**52,410.59**
Subordinated liabilities *	86.83	86.23	341.79	1,493.08	2,828.52	1,880.28	**6,716.73**
Trade payables	181.16	7.26	67.09	-	-	-	**255.51**
Other payables	0.91	-	-	-	-	-	**0.91**
Lease liabilities	18.76	18.33	37.20	125.71	74.56	74.93	**349.49**
Other financial liabilities	813.59	0.76	15.15	99.85	30.91	4.09	**964.35**
Total discounted financial liabilities	**11,803.95**	**12,078.19**	**22,152.11**	**58,505.60**	**14,859.35**	**7,753.77**	**127,152.97**
Net discounted financial assets/ (liabilities)	**15,069.51**	**4,797.65**	**3,972.98**	**8,877.71**	**3,767.18**	**(2,846.33)**	**33,638.70**

*** includes future interest**

53 RISK MANAGEMENT (Contd.)

Maturity pattern of assets and liabilities as on March 31, 2020:

(Rs. in crores)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents	3,088.99	-	-	-	-	-	**3,088.99**
Bank balance other than above	2,480.60	934.41	789.14	21.78	-	-	**4,225.93**
Derivative assets	758.73	-	-	-	-	-	**758.73**
Financial assets at fair value through profit and loss	-	-	-	-	-	7.42	**7.42**
Loans *	6,915.77	14,216.43	23,589.62	64,954.52	25,558.69	1,634.19	**136,869.22**
Financial investments at amortised cost	80.29	101.63	179.55	519.43	364.27	1,574.75	**2,819.92**
Trade receivables	10.50	-	-	-	-	-	**10.50**
Other receivables	5.64	-	-	-	-	-	**5.64**
Other financial assets	-	-	-	-	-	38.70	**38.70**
Total discounted financial assets	**13,340.52**	**15,252.47**	**24,558.31**	**65,495.73**	**25,922.96**	**3,255.06**	**147,825.05**
Financial liabilities							
Deposits *	768.95	954.94	1,704.67	8,155.32	2,701.97	-	**14,285.85**
Debt securities *	1,506.34	1,740.07	3,943.97	22,256.44	9,096.87	1,532.02	**40,075.71**
Borrowings (other than debt securities) *	3,191.71	5,818.22	10,169.69	20,844.94	7,639.45	581.01	**48,245.02**
Subordinated liabilities *	929.67	326.89	325.03	1,283.78	3,324.54	2,122.82	**8,312.73**
Trade payables	143.84	-	-	-	-	-	**143.84**
Other payables	1.13	-	-	-	-	-	**1.13**
Lease liabilities	24.31	20.24	36.42	135.90	83.79	62.15	**362.81**
Other financial liabilities	581.20	147.66	58.96	81.48	41.92	1.10	**912.32**
Total discounted financial liabilities	**7,147.15**	**9,008.02**	**16,238.74**	**52,757.86**	**22,888.54**	**4,299.10**	**112,339.41**
Net discounted financial assets/ (liabilities)	**6,193.37**	**6,244.45**	**8,319.57**	**12,737.87**	**3,034.42**	**(1,044.04)**	**35,485.64**

*** includes future interest**

53 RISK MANAGEMENT (Contd.)

The table below shows the expiry by maturity of the Company's contingent liabilities and commitments: Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

(Rs. in crores)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
As at March 31, 2021							
In respect of Income tax demands where the Company has filed appeal before various authorities	-	-	-	-	-	133.64	**133.64**
VAT demand where the Company has filed appeal before various appellates	-	-	-	-	-	117.21	**117.21**
Service tax demands where the Company has filed appeal before various authorities	-	-	-	-	-	1,976.41	**1,976.41**
Penalty levied for Contravention of provisions of Section 6(3)(b) of FEMA, 1999 read with Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000	-	-	-	-	-	5.00	**5.00**
Estimated amount of contracts remaining to be executed on capital account, net of advances	3.53	-	-	-	-	-	**3.53**
Commitments related to loans sanctioned but undrawn	148.66	-	-	-	-	-	**148.66**
Total commitments	**152.19**	**-**	**-**	**-**	**-**	**2,232.26**	**2,384.45**
As at March 31, 2020							
In respect of Income tax demands where the Company has filed appeal before various authorities	-	-	-	-	-	133.64	**133.64**
VAT demand where the Company has filed appeal before various appellates	-	-	-	-	-	117.21	**117.21**
Service tax demands where the Company has filed appeal before various authorities	-	-	-	-	-	325.99	**325.99**
Penalty levied for Contravention of provisions of Section 6(3)(b) of FEMA, 1999 read with Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000	-	-	-	-	-	5.00	**5.00**
Estimated amount of contracts remaining to be executed on capital account, net of advances	4.15	-	-	-	-	-	4.15
Commitments related to loans sanctioned but undrawn	311.87	-	-	-	-	-	311.87
Total commitments	**316.02**	**-**	**-**	**-**	**-**	**581.84**	**897.86**

53 RISK MANAGEMENT (Contd.)

53.04: Market Risk

Market risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately.

Interest rate risk

The Company's exposure to changes in interest rates relates to the Company's outstanding floating rate liabilities. Most of the Company's outstanding liability is on fixed rate basis and hence not subject to interest rate risk. Some of the borrowings of the Company are linked to rate benchmarks such as Bank Marginal Cost of Funds based Lending Rate (MCLR) or London Inter-bank Offered Rate (LIBOR) and Mumbai Inter-Bank Offer Rate (MIBOR) and hence subject to interest rate risk. The Company hedges interest rate risks of foreign currency borrowings through derivative transactions. The sensitivity of the Company's floating rate borrowings to change in interest rate (assuming all other variables constant) is given below:

As at March 31, 2021 (Rs. in crores)

Particulars	Carrying amount	Favourable change 1% increase	Unfavourable change 1% decrease
Debt instrument	5,776.24	572.78	(644.49)
Term loans	9,723.08	707.21	(665.36)
Total floating rate borrowings	**15,499.32**	**1,279.99**	**(1,309.85)**

As at March 31, 2020 (Rs. in crores)

Particulars	Carrying amount	Favourable change 1% increase	Unfavourable change 1% decrease
Debt instrument	175.00	8.48	(9.01)
Term loans	9,941.92	640.63	(875.54)
Total floating rate borrowings	**10,116.92**	**649.11**	**(884.55)**

Fair value sensitivity analysis for fixed rate instruments

The Company's fixed rate instruments are carried at amortised cost and are not measured for interest rate risk, as neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

Inter-bank Offered Rate (IBOR) reform

Following the decision by global regulators to phase out Inter-bank Offered Rate (IBORs) and replace them with alternative reference rates, the Company is closely monitoring the global and local developments in respect of the IBOR transition and is in the process of establishing a project to manage the transition of its contracts.

The table below shows the Company's exposure at the year end to significant IBORs subject to reform that have yet to transition to alternative Risk Free Rates (RFRs). These exposures will remain outstanding until the IBOR ceases and will therefore transition in future and the table excludes exposures to IBOR that will expire before transition is required. The derivative hedging instruments provide a close approximation to the extent of the risk exposure the Company manages through hedging relationships.

(Rs. in crores)

Particulars	As at March 31, 2021		
	Rate of interest	Notional Amounts	Maturity date
(i) Currency derivatives:			
- Spots and forwards	3 months LIBOR + 1.95%	22.19	June 10, 2022 to August 10, 2023
- Cross currency interest rate swaps	3 months LIBOR + 1.95%	2,402.33	August 10, 2023
- Cross currency interest rate swaps	6 months EURIBOR + 1.15%	837.69	April 25, 2026
- Cross currency interest rate swaps	6 months LIBOR + 2.50%	147.00	December 11, 2026
(ii) Interest rate derivatives:			
- Interest rate caps	6 months EURIBOR + 1.15%	-	April 25, 2026
TOTAL		**3,409.21**	

53 RISK MANAGEMENT (Contd.)

Foreign Currency risk

Foreign Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency fluctuation risk for its foreign currency borrowing. The Company's borrowings in foreign currency are governed by RBI Master Direction External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019 (as and when updated) which requires entities raising External Commercial Borrowings (ECB) for an average maturity of less than 5 years to hedge minimum 70% of the its ECB exposure. The Company hedges its entire ECB and external commercial bond exposure as per Board approved hedging policy and resource mobilisation policy. The Company manages foreign currency risk by entering in to cross currency swaps and forward contract. When a derivative is entered in to for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match with the terms of the hedge exposure. The Company holds derivative financial instruments such as Cross currency interest rate swap to mitigate risk of changes in exchange rate in foreign currency and floating interest rate. The Counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in market place. Refer Note 22 B and 23 C, respectively for terms and conditions of external commercial bonds and external commercial borrowings.

Exposure to currency risk:

The summary quantitative data about exposure to Currency risk (based on Notional amounts) as reported :

(Amount in crores)

Particulars	As at March 31, 2021			
	Contracts in EURO		Contracts in USD	
	EURO	INR	USD	INR
Total foreign currency exposure in respect of recognised assets and liabilities	10.58	837.69	479.50	35,593.99
Cross currency Interest rate swap /Forward exchange contracts	10.58	837.69	479.50	35,593.99
Net Exposure	-	-	-	-

Movement in Cash flow hedge reserve

(Rs. in crores)

Cash flow hedge reserve	As at March 31, 2021		
	Realised	Unrealised	Total
Balance at the beginning of the year	-	-	-
Add: Changes in the Fair Value during the year	-	(124.31)	**(124.31)**
Less: Income tax relating to items that will be reclassified to profit or loss	-	31.29	**31.29**
Less: Amounts reclassified to Statement of profit and loss	-	-	-
Balance at the end of the year	-	**(93.02)**	**(93.02)**

Nature and terms and conditions of outstanding derivative contract

(Rs. in crores)

Particulars	As at March 31, 2021			
	Rate of interest	Maturity date	Notional Amounts	Fair Value - Assets
(i) Currency derivatives:				
- Spots and forwards	3 months LIBOR + 1.95%	June 10, 2021 to August 10, 2023	37.05	(0.30)
- Spots and forwards	4.15% to 5.95%	June 15, 2021 to June 15, 2027	13,789.85	79.67
- Currency swaps	4.40% to 5.10%	July 14, 2023 to March 13, 2024	2,320.38	(103.23)
- Cross currency interest rate swaps	3 months LIBOR + 1.95%	10-Aug-2023	2,402.33	32.81

53 RISK MANAGEMENT (Contd.)

(Rs. in crores)

Particulars	As at March 31, 2021			
	Rate of interest	Maturity date	Notional Amounts	Fair Value - Assets
- Cross currency interest rate swaps	6 months EURIBOR + 1.15%	25-Apr-2026	837.69	49.24
- Cross currency interest rate swaps	6 months LIBOR + 2.50%	11-Dec-2026	147.00	(1.76)
- Cross currency interest rate swaps	5.70%	28-Feb-2022	2,849.90	101.25
(ii) Interest rate derivatives:				
- Interest rate swaps	4.40% to 5.95%	October 24, 2022 to March 13, 2024	14,047.48	9.72
- Interest rate caps	6 months EURIBOR + 1.15%	April 26, 2021 to 25 April 2026	-	1.85
TOTAL			**36,431.68**	**169.25**

Price -risk

The Company's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Company uses the hypothetical derivative method to assess effectiveness.

Ineffectiveness is recognised on a cash flow hedge where the cumulative change in the designated component value of the hedging instrument exceeds on an absolute basis the change in value of the hedged item attributable to the hedged risk. In such cases, ineffectiveness may arise if:

(a) The critical terms of the hedging instrument and the hedged item differ (i.e. nominal amounts, timing of the forecast transaction, interest resets changes from what was originally estimated), or

(b) differences arise between the credit risk inherent within the hedged item and the hedging instrument.

There were no ineffectiveness recognised in the statement of profit and loss during March 31, 2021.

There were no other sources of ineffectiveness in these hedge relationships.

54 DISCLOSURE UNDER THE MSME ACT 2006, (AS PER THE INTIMATION RECEIVED FROM THE VENDOR)

Based on the intimation received by the Company, some of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
The principal amount remaining unpaid to supplier as at the end of the year	0.37	0.40
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	-	-

55 DISCLOSURE REGARDING AUDITORS REMUNERATION DISCLOSED UNDER LEGAL AND PROFESSIONAL FEES

In addition to the auditors remuneration shown in note 42 Other expenses, the Company has also incurred auditors remuneration in connection with audit and related statutory services to be performed by auditors in connection with issue of senior secured notes of Rs. 0.34 crores (March 31, 2020: Rs. 0.83 crores) shown under Legal and professional fees in note 42 Other expenses.

56 DISCLOSURE REGARDING AUDITORS REMUNERATION DISCLOSED UNDER FINANCE COST

In addition to the auditors remuneration shown under note 42 Other expenses, the Company has also incurred auditors remuneration in connection with audit and related statutory services to be performed by auditors in connection with public issue of non-convertible debentures of Rs. Nil (March 31, 2020: Rs.0.36 crores) amortised portion of which is included in note 37 Finance Costs under interest on debentures and unamortised portion of which is included in note 22 Debt securities under Redeemable non-convertible debentures - Secured -Public issue.

57 DISCLOSURE REGARDING AUDITORS REMUNERATION DISCLOSED UNDER RIGHT ISSUE EXPENSES

In addition to the auditors remuneration shown in note 42 Other expenses, the Company has also incurred auditors remuneration in connection with audit and related statutory services to be performed by auditors in connection with issue of Right Shares of Rs. 0.27 crores (March 31, 2020: Rs. Nil) netted off against Securities premium under Other equity in note 31 Other equity.

58 SEGMENT REPORTING

The Company is primarily engaged in the business of financing and there are no separate reportable segments identified as per the Ind AS 108 - Segment Reporting.

59 TRANSFER OF FINANCIAL ASSETS

Note 59.01: Transferred financial assets that are not derecognised in their entirety

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Securitisation		
Carrying amount of transferred assets measured at amortised cost (held as collateral)	23,687.13	21,612.72
Carrying amount of associated liabilities (Borrowings (other than debt securities)-measured at amortised cost)	23,403.60	21,452.04
Fair value of assets	25,124.28	20,054.22
Fair value of associated liabilities	27,825.65	20,358.45
Net position at fair value	**(2,701.37)**	**(304.23)**

Note 59.02: Transferred financial assets that are derecognised in their entirety

The Company has assigned loans (earlier measured at amortised cost) by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 90% of the assets transferred to the buyer, the assets have been de-recognised from the Company's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets :

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Direct assignment		
Carrying amount of transferred assets measured at amortised cost	1,300.31	1,427.81
Carrying amount of exposures retained by the Company at amortised cost	130.03	142.78

Note 59.03: Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

60 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Resource mobilisation	23.03	148.09
Membership fees	-	0.00
Total	**23.03**	**148.09**

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

Remittances in foreign currencies

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Right issue expenses	0.26	-
Total	**0.26**	**-**

61 DETAILS OF CSR EXPENSES

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
a) Gross amount required to be spent by the Company during the year	62.91	52.82
b) Amount spent during the year		
- On purposes other than construction/acquisition of any asset		
Paid in cash	64.96	53.16
Yet to be paid in cash	-	-
Total	**64.96**	**53.16**

62 MOVEMENT IN PROVISIONS

(Rs. in crores)

Particulars	As at March 31, 2020	Additional provision made during the year	Utilisation/ reversal during the year	As at March 31, 2021
Provision for taxes- contested	92.75	-	-	92.75

(Rs. in crores)

Particulars	As at April 01, 2019	Additional provision made during the year	Utilisation/ reversal during the year	As at March 31, 2020
Provision for taxes- contested	92.75	-	-	92.75

The above provisions relate to disputed tax demands in relation to VAT and Service tax. Due to the very nature of such provisions and the litigations involved, it is not possible to estimate the timing/ uncertainties relating to their outflows.

63 NOTE ON COVID

The Company had granted moratorium upto six months on the payment of installments falling due between March 01, 2020 and August 31, 2020 to all eligible borrowers based on the Board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated March 27, 2020 and May 23, 2020 relating to 'COVID-19 - Regulatory Package' and RBI guidelines on EMI moratorium dated April 17, 2020. Further, period for which moratorium was granted had not been considered for computing days past due (DPD) as on March 31, 2021. Extension of such moratorium benefit to borrowers as per the COVID-19 Regulatory package of the RBI and DPD freeze for such period by itself is not considered to result in significant increase in credit risk as per Ind AS 109 for staging of accounts. The Company continued to recognise interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria.

The COVID -19 pandemic has significantly affected various sectors of Indian economy. The prolonged lockdown imposed by the government due to Covid-19 pandemic has affected the Company's business operations. The Company has considered an additional Expected Credit Loss (ECL) provision on Loans of Rs. 1,681.84 crores on account of COVID – 19 during the year ended March 31, 2021. As at March 31, 2021, additional ECL provision on Loan Assets as management overlay on account of COVID - 19 stood at Rs. 2,591.48 crores. The additional ECL provision on account of COVID – 19 is based on the Company's historical experience, collection efficiencies post completion of Moratorium period, internal assessment and other emerging forward looking factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic. The Company's management is continuously monitoring the situation and the economic factors affecting the operations of the Company.

64 EVENTS AFTER REPORTING DATE

There have been no events after the reporting date.

65 FLOATING CHARGE ON INVESTMENT IN GOVERNMENT SECURITIES

In accordance with the Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 dated August 25, 2016, the Company has created a floating charge on the statutory liquid assets comprising of investment in government securities (face value) to the extent of Rs. 2,003.76 crores (March 31, 2020: Rs. 1,758.76 crores) in favour of trustees representing the public deposit holders of the Company.

66 During the year ended March 31, 2021, the Company has 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. The staging of accounts and provisioning for the eligible accounts where the resolution plans are invoked and implemented is in accordance with the Board Approved Policy in this regard.

Disclosure as per the format prescribed as per the notification no. RBI/2020-21/16 DOR.NO.BP.BC/3/21.04.048/2020-21 for the year ended March 31, 2021

(Rs. in crores)

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) Exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loans #	21,460	481.05	-	70.18	39.50
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**21,460**	**481.05**	-	**70.18**	**39.50**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

pertains to automobile loans

The above increase in provisions of Rs. 39.50 crores on account of the implementation of the resolution plan is as per Ind AS.

Disclosure as per the format prescribed as per the notification no. RBI/2020-21/17 DOR.NO.BP.BC/4/21.04.048/2020-21 on "Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances" having exposure less than or equal to Rs. 25 crores for the year ended March 31, 2021:

(Rs. in crores)

No. of accounts restructured	Amount
1,275	32.39

67 Hon'ble Supreme Court, in a public interest litigation (Gajendra Sharma vs. Union of India & Anr.) vide an interim order dated September 3, 2020, has directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. However, such accounts had been classified as stage 3 in accordance with Note No.63 and provision had been made accordingly. The interim order stood vacated on March 23, 2021 vide the judgement of the Hon'ble Supreme Court in the matter of Small Scale Industrial manufacturers Association v/s UOI & Ors. and other connected matters. In accordance with the instructions in paragraph 5 of the RBI circular no. RBI/2021-22/17 DOR. STR. REC. 4/ 21.04.048/ 2021-22, dated April 07, 2021 issued in this connection, the Company was already classifying the NPA accounts as Stage 3 and provision was made accordingly, without considering the above mentioned asset classification benefit for accounting purpose, there is no change in asset classification on account of the interim order dated March 23, 2021.

68 The Company had credited an ex-gratia amount of Rs. 231.28 crores for the payment of difference between the compound interest and simple interest to the accounts of borrowers in specified loan accounts between March 1, 2020 and August 31, 2020 as per the eligibility criteria and other features as mentioned in the notification dated October 23, 2020 issued by Government of India, Ministry of Finance, Department of Financial Services. The Company had filed a claim with the State Bank of India for reimbursement of the said ex-gratia amount as specified in the notification and same was received on March 31, 2021.

69 In accordance with the instructions in aforementioned RBI circular dated April 07, 2021, and the Indian Banks' Association ('IBA') advisory letter dated April 19, 2021, the Company has put in place a Board approved policy to refund/ adjust the interest on interest charged during the moratorium period of March 01, 2020 to August 31, 2020 to the eligible borrowers under the abovementioned circular and advisory. The Company has estimated the benefit to be extended to the eligible borrowers at Rs. 36.54 crores and created a liability / credited the Borrower's account towards the estimated interest relief and reduced the same from the interest income.

70 The Company manages its foreign currency risks through foreign exchange forward contracts and interest rate swaps. Till March 31, 2020, the Company was following derivative accounting where changes in fair value were recognised in the statement of profit and loss. Effective April 01, 2020, the Company has adopted hedge accounting. Had the Company not followed hedge accounting, profit before tax for the year ended March 31, 2021 would have been lower by Rs. 124.31 crores and other comprehensive income for the year ended March 31, 2021 would have been higher by Rs. 124.31 crores respectively.

71 The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Company towards Provident Fund and Gratuity. The effective date from which changes are applicable is yet to be notified and the rules thereunder are yet to be announced. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.

72 DISCLOSURE OF RESTRUCTURED ACCOUNTS

(Rs. in crores)

Sr. No.	Type of restructuring		Others									
	Financial year		Year ended March 31, 2021					Year ended March 31, 2020				
	Asset classification		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
1	**Restructured accounts as on April 1**	**No. of borrowers**	**6,163**	**15,660**	**2,508**	**576**	**24,907**	**8,514**	**8,741**	**5,180**	**97**	**22,532**
		Amount outstanding	**229.66**	**693.72**	**269.97**	**39.53**	**1,232.88**	**228.00**	**535.06**	**271.81**	**4.37**	**1,039.24**
		Provision thereon	**19.68**	**238.22**	**92.97**	**12.91**	**363.78**	**39.91**	**182.45**	**83.26**	**1.24**	**306.86**
2	Fresh restructuring during the year	No. of borrowers	-	20,796	541	67	**21,404**	-	16,497	-	-	**16,497**
		Amount outstanding	-	756.37	45.67	6.13	**808.17**	-	756.20	-	-	**756.20**
		Provision thereon	-	321.10	19.31	2.59	**343.00**	-	254.33	-	-	**254.33**
3	Upgradation	No. of borrowers	8,626	(8,136)	(391)	(99)	-	7,006	(5,167)	(1,838)	(1)	-
		Amount outstanding	327.92	(294.90)	(26.60)	(6.42)	-	315.26	(225.21)	(90.05)	-	-
		Provision thereon	108.48	(96.89)	(9.33)	(2.26)	-	103.25	(75.12)	(28.13)	-	-
4	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the year and hence need not be shown as restructured advances at the beginning of the next year	No. of borrowers	(4,563)	-	-	-	**(4,563)**	(8,514)	-	-	-	**(8,514)**
		Amount outstanding	(184.32)	-	-	-	**(184.32)**	(228.00)	-	-	-	**(228.00)**
		Provision thereon	(13.67)	-	-	-	**(13.67)**	(39.90)	-	-	-	**(39.90)**
5	Downgradation of restructured accounts during the year	No. of borrowers	-	(3,148)	2,735	413	-	-	(2,365)	1,805	560	-
		Amount outstanding	-	(244.77)	194.27	50.50	-	-	(250.36)	211.55	38.81	-
		Provision thereon	-	(83.85)	66.76	17.09	-	-	(88.14)	75.64	12.50	-
6	Write-offs of restructured accounts during the year	No. of borrowers	(1,600)	(3,943)	(876)	(194)	**(6,613)**	(843)	(2,046)	(2,639)	(80)	**(5,608)**
		Amount outstanding	(101.76)	(142.54)	(57.44)	(7.88)	**(309.62)**	(85.60)	(121.97)	(123.34)	(3.65)	**(334.56)**
		Provision thereon	(71.09)	(48.59)	3.70	1.29	**(114.69)**	(83.58)	(35.30)	(37.80)	(0.83)	**(157.51)**
7	**Restructured accounts as on March 31**	**No. of borrowers**	**8,626**	**21,229**	**4,517**	**763**	**35,135**	**6,163**	**15,660**	**2,508**	**576**	**24,907**
		Amount outstanding	**271.50**	**767.88**	**425.87**	**81.86**	**1,547.11**	**229.66**	**693.72**	**269.97**	**39.53**	**1,232.88**
		Provision thereon	**43.40**	**329.99**	**173.41**	**31.62**	**578.42**	**19.68**	**238.22**	**92.97**	**12.91**	**363.78**

Note:

i. The outstanding amount and number of borrowers as at March 31, 2021 and March 31, 2020 is after considering recoveries during the year.

ii. Additional facilities availed by borrowers or addition in outstanding balance in existing restructured accounts and partial repayments in existing restructured accounts are adjusted and disclosed under "Write-offs of restructured accounts", however, for the purpose of arithmetical accuracy the number of existing borrowers availing additional facility or partial repayments have been ignored.

iii. The Company has classified all the restructured accounts under stage 3 for ECL Calculations under Ind AS and Provision for Impairment Loss on all the restructured accounts have been provided in the books accordingly.

iv. Since the disclosure of restructured accounts pertains to section "Others", the first two sections namely "Under CDR Mechanism" and "Under SME Debt Restructuring Mechanism" as per the format prescribed in the Master Directions - Non-Banking Financial Company - Systemically Important Non-Deposit taking company and Deposit Taking Company (Reserve Bank) Directions 2016 as amended are not included above.

v. For the purpose of arithmetical accuracy, movement in provisions in the existing restructured account as compared to balance of provision as disclosed in opening balance and fresh restructuring on account sale/recovery/settlement (for any change in provision) is adjusted and disclosed under "Write-offs of restructured accounts" during the year.

vi. The above disclosure does not include one-time restructuring implemented as prescribed in the notification no. RBI/2020-21/16 DOR.NO.BP.BC/3/21.04.048/2020-21 Resolution Framework for COVID-19-related Stress.

73 LIQUIDITY COVERAGE RATIO DISCLOSURE

Disclosure as per the circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 issued by Reserve Bank of India on "Liquidity Coverage Ratio (LCR)"

Liquidity Coverage Ratio (LCR) for the quarter ended March 31, 2021

LCR Disclosure Template (Appendix I)

(Rs. in crores)

		March 31, 2021		December 31, 2020##	
Particulars		Total Unweighted value (average)*	Total Weighted value (average)#	Total Unweighted value (average)*	Total Weighted value (average)#
High Quality Liquid Assets					
1	Total High Quality Liquid Assets (HQLA)	6,678.54	6,285.05	3,577.95	3,215.06
Cash Outflows					
2	Deposits (for deposit taking companies)	380.69	437.80	359.45	413.37
3	Unsecured wholesale funding	101.72	116.98	96.41	110.87
4	Secured wholesale funding	3,307.37	3,803.47	2,460.58	2,829.66
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	583.14	670.61	542.64	624.03
7	Other contingent funding obligations	153.43	176.45	168.72	194.03
8	**TOTAL CASH OUTFLOWS**	**4,526.35**	**5,205.31**	**3,627.80**	**4,171.96**
Cash Inflows					
9	Secured lending	-	-	-	-
10	Inflows from fully performing exposures	3,978.22	2,983.67	3,910.90	2,933.18
11	Other cash inflows	2,731.08	2,048.31	738.29	553.72
12	**TOTAL CASH INFLOWS**	**6,709.30**	**5,031.98**	**4,649.19**	**3,486.90**
			Total Adjusted Value		Total Adjusted Value
13	TOTAL HQLA		6,285.05		3,215.06
14	TOTAL NET CASH OUTFLOWS		1,301.33		1,042.99
15	LIQUIDITY COVERAGE RATIO (%)		482.97%		308.25%

*Unweighted values calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

Weighted values calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.

The figures pertaining to December 31, 2020 are unaudited and are as represented by the management, which have been relied upon by the auditors.

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.

The figures as at January 31, 2021 and February 28, 2021 used in the computation of Total High Quality Liquid Assets (HQLA) are as represented by the management, which have been relied upon by the auditors.

73 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 Rs.10,000 crore and above, and all deposit taking NBFCs irrespective of their asset size, is required to maintain a liquidity buffer in terms of LCR which will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for 30 days. The stock of HQLA to be maintained by the NBFCs shall be minimum of 100% of total net cash outflows over the next 30 calendar days.

The LCR requirement was applicable from December 1, 2020 with the minimum HQLAs to be held being 50% of the LCR, progressively reaching a level upto 60%, 70%, 85% and 100% by December 1, 2021, December 1, 2022, December 1, 2023, December 1, 2024 respectively.

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 is computed at as simple averages of monthly observations over the previous quarter (ie. average of three months ie. January 2021, February 2021 and March 2021 for the quarter ended March 31, 2021 and average of three months ie. October 2020, November 2020 and December 2020 for the quarter ended December 31, 2020)

The Company, during the quarter ended March 31, 2021, had maintained average HQLA (after haircut) of Rs. 6,285.05 crores against Rs. 3,215.06 crores for the quarter ended December 31, 2020. HQLA primarily includes cash on hand, bank balances in current account and demand deposits with Scheduled Commercial Banks, CBLO investment 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 implemented the LCR framework and has maintained LCR well above the regulatory threshold. The average LCR for the quarter ended March 31, 2021 was 482.97% which is above the regulatory requirement of 50%. For the quarter ended December 31, 2020 average LCR was stood at 308.25% .

74 ASSET CLASSIFICATION AS PER RBI NORMS

Disclosure pursuant to Reserve Bank of India notification DOR (NBFC).CC.PD.No.109 /22.10.106/2019-20 dated March 13, 2020 pertaining to Asset classification as per RBI Norms:

(Rs. in crores)

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	For the year ended March 31, 2021					For the year ended March 31, 2020				
		Gross carrying amount as per Ind AS	Loss allowances (Provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms	Gross carrying amount as per Ind AS	Loss allowances (Provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(3)	(4)	(5)	(6)	(7)
Performing assets											
Standard	Stage 1	93,915.66	3,046.35	90,869.31	382.15	**2,664.20**	87,064.97	2,156.05	84,908.92	1,495.05	**661.00**
	Stage 2	13,983.12	1,356.07	12,627.05	111.52	**1,244.55**	12,259.66	928.08	11,331.58	997.81	**(69.73)**
Subtotal		**107,898.78**	**4,402.42**	**103,496.36**	**493.67**	**3,908.75**	**99,324.63**	**3,084.13**	**96,240.50**	**2,492.86**	**591.27**
Non-Performing Assets (NPA)											
Substandard	Stage 3	5,249.54	2,247.21	3,002.33	514.44	**1,732.77**	6,043.64	2,118.64	3,925.00	588.01	**1,530.63**
Doubtful - up to 1 year	Stage 3	1,460.22	607.31	852.91	539.43	**67.88**	631.93	212.40	419.53	189.79	**22.61**
1 to 3 years	Stage 3	385.78	154.63	231.15	194.19	**(39.56)**	230.05	73.17	156.88	117.30	**(44.13)**
More than 3 years	Stage 3	-	-	-	-	-	-	-	-	-	-
Subtotal for doubtful		**1,846.00**	**761.94**	**1,084.06**	**733.62**	**28.32**	**861.98**	**285.57**	**576.41**	**307.09**	**(21.52)**
Loss	Stage 3	1,197.27	476.98	720.29	1,051.73	**(574.75)**	2,271.46	781.74	1,489.72	2,135.16	**(1,353.42)**
Subtotal for NPA		**8,292.81**	**3,486.13**	**4,806.68**	**2,299.79**	**1,186.34**	**9,177.08**	**3,185.95**	**5,991.13**	**3,030.26**	**155.69**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	1,301.27	48.71	1,252.56	-	**48.71**	1,254.66	40.78	1,213.88	-	**40.78**
	Stage 2	-	-	-	-	-	52.67	18.43	34.24	-	**18.43**
	Stage 3	2.39	2.39	-	-	**2.39**	2.63	2.70	(0.07)	-	**2.70**
Subtotal		**1,303.66**	**51.10**	**1,252.56**	**-**	**51.10**	**1,309.96**	**61.91**	**1,248.05**	**-**	**61.91**
Total	**Stage 1**	**95,216.93**	**3,095.06**	**92,121.87**	**382.15**	**2,712.91**	**88,319.63**	**2,196.83**	**86,122.80**	**1,495.05**	**701.78**
	Stage 2	**13,983.12**	**1,356.07**	**12,627.05**	**111.52**	**1,244.55**	**12,312.33**	**946.51**	**11,365.82**	**997.81**	**(51.30)**
	Stage 3	**8,295.20**	**3,488.52**	**4,806.68**	**2,299.79**	**1,188.73**	**9,179.71**	**3,188.65**	**5,991.06**	**3,030.26**	**158.39**
	Total	**117,495.25**	**7,939.65**	**109,555.60**	**2,793.46**	**5,146.19**	**109,811.67**	**6,331.99**	**103,479.68**	**5,523.12**	**808.87**

75 ASSET CLASSIFICATION AND PROVISIONING DISCLOSURE

Disclosure as per the circular no. DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 issued by Reserve Bank of India on "COVID 19 regulatory package - Asset Classification and provisioning"

For the year ended March 31, 2021

(Rs. in crores)

Particulars	As of March 31, 2021
i. Amounts in SMA/overdue categories where moratorium/deferment was extended *	28,657.67
ii. Respective amount where asset classification benefit is extended	Nil **
iii. Provisions made during quarter in terms of paragraph 5 of the above circular ***	Nil
iv. Provisions adjusted against the respective accounting periods for slippages and residual provisions in terms of paragraph 6 of the above circular	Not applicable

* Outstanding as on March 31, 2021 on account of SMA categories cases where moratorium benefit is extended by the Company up to August 31, 2020.

** There are nil accounts as on March 31, 2021 where the asset classification benefit is extended for cases which were entitled to a moratorium until August 31, 2020, as the asset classification is based on the actual performance of the account post moratorium.

*** The Company had made adequate provision for impairment loss under ECL model for the year ended March 31, 2021. Further, the Company has considered the additional provisions for the computation under IRAC Norms as required under RBI Circular dated March 13, 2020.

76 LIQUIDITY RISK

Disclosure on Liquidity risk for the quarter ended March 31, 2021 pursuant to RBI circular dated November 04, 2019 on Liquidity risk management framework for Non-Banking Financial Companies and Core Investment Companies

(i) Funding concentration based on significant counterparty (both deposits and borrowings)

(Rs. in crores)

Sr. No.	Number of significant counterparties	Amount *	% of Total deposits	% of Total liabilities
1	15	41,422.30	255.18%	38.31%

*Includes securitisation liabilities exposure

(ii) Top 20 large deposits

(Rs. in crores)

Particulars	As at March 31, 2021
Total amount of top 20 large deposits	960.78
Percentage of amount of top 20 large deposits to total deposits	5.92%

(iii) Top 10 borrowings

(Rs. in crores)

Particulars	As at March 31, 2021
Total amount of top 10 borrowings *	33,619.61
Percentage of amount of top 10 borrowings to total borrowings	31.66%

*Includes securitisation liabilities exposure

76 LIQUIDITY RISK (Contd.)

(iv) Funding concentration based on significant instrument/product

(Rs. in crores)

Sr. No.	Name of the instrument/product	Amount	% of Total liabilities
1	Redeemable non-convertible debentures (secured and unsecured)	21,393.97	19.79%
2	External commercial bond	17,779.55	16.45%
3	Senior secured notes	888.35	0.82%
4	Term loan from banks	13,304.70	12.31%
5	Term loan from financial institutions/corporates	3,783.20	3.50%
6	External commercial borrowing	4,122.49	3.81%
7	Loans repayable on demand from banks (Cash credit from banks)	667.38	0.62%
8	Other loans - Securitisation liabilities	23,403.60	21.65%
9	Public deposits	15,790.71	14.61%
10	Subordinated debts	4,620.76	4.27%

(v) Stock ratios:

Particulars	as a % of Total public funds	as a % of Total liabilities	as a % of Total assets
(a) Commercial papers	-	-	-
(b) Non-convertible debentures (original maturity of less than one year)	-	-	-
(c) Other short-term liabilities	4.27%	4.19%	3.49%

(vi) Institutional set-up for liquidity risk management

Refer note 53.01.01: Risk management structure and 53.03: Liquidity risk and funding management for institutional set-up for liquidity risk management.

***Notes:**

1) Significant counterparty is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.
2) Significant instrument/product is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities, as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.
3) Total Liabilities has been computed as sum of all liabilities (Total of Balance Sheet less Total Equity).
4) Public funds 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.
5) The amount stated in this disclosure is based on the audited financial statements for the year ended March 31, 2021.

Additional disclosures required by the Reserve Bank of India (RBI)

The additional disclosures required by RBI are prepared under Indian Accounting Standards (Ind AS) issued by MCA unless otherwise stated.

77 RATINGS ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS DURING THE YEAR

Instruments	Credit rating agency	As on March 31, 2021	As on March 31, 2020
Bank Loan Long-term	CRISIL	CRISIL AA+/Stable	CRISIL AA+/Stable
Bank Loan Short-term	CRISIL	CRISIL A1+	CRISIL A1+
Commercial Paper	India Ratings & Research Private Limited (Formerly known as "FITCH")	IND A1+	IND A1+
Commercial Paper	CARE	CARE A1+	CARE A1+
Fixed deposit	CRISIL	CRISIL FAAA/ Stable	CRISIL FAAA/Stable
Long Term Principal Protected Market Linked Debentures	CRISIL	CRISIL PP-MLD AA+r/ Stable	CRISIL PP-MLD AA+r/Stable
Structured Non-Convertible Debentures	India Ratings & Research Private Limited (Formerly known as "FITCH")	Provisional IND AAA (CE)/Stable	Provisional IND AAA(CE)/Stable
Fixed deposit	ICRA	MAA+ with Stable outlook	MAA+ with Stable outlook
Long-Term Issuer Credit Rating	Standard & Poor's Ratings	BB-/ Stable	BB+/Negative Outlook
Long-Term Issuer Default Rating	Fitch Ratings	BB/ Negative Outlook	BB/RWN*
Non-convertible debentures	CARE	CARE AA+/Stable	CARE AA+/Stable
Non-convertible debentures	CRISIL	CRISIL AA+/Stable	CRISIL AA+/Stable
Non-convertible debentures	India Ratings & Research Private Limited (Formerly known as "FITCH")	IND AA+/Stable	IND AA+/Stable Outlook
Offshore Rupee Denominated Bond (Masala Bond)	Standard & Poor's Ratings	BB-	BB+
U.S. Dollar Senior Secured Notes	Standard & Poor's Ratings	BB-	BB+
Offshore Rupee Denominated Bond (Masala Bond)	Fitch Ratings	BB	BB
U.S. Dollar Senior Secured Notes	Fitch Ratings	BB	BB
Short term debt	CRISIL	CRISIL A1+	CRISIL A1+
Short-Term Issuer Credit Rating	Standard & Poor's Ratings	B	B
Short-Term Issuer Default Rating	Fitch Ratings	B	B
Subordinated debt	CARE	CARE AA+/Stable	CARE AA+/Stable
Subordinated debt	India Ratings & Research Private Limited (Formerly known as "FITCH")	IND AA+/Stable	IND AA+/Stable
Subordinated debt	CRISIL	CRISIL AA+/Stable	CRISIL AA+/Stable
Local Currency Long Term Issuer Default Rating	Fitch Ratings	BB/ Negative Outlook	
Non-convertible debentures	ICRA	Provisional [ICRA] AAA (CE) (Stable)	
Principal Protected Market Linked Debentures (Dual Recourse)	India Ratings & Research Private Limited (Formerly known as "FITCH")	IND PP-MLD AAA(CE) emr'/ Stable	
Dual Recourse Bond	India Ratings & Research Private Limited (Formerly known as "FITCH")	IND AAA (CE)/Stable	

* RWN : Rating Watch Negative

78 CAPITAL ADEQUACY RATIO

(Rs. in crores unless otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
i) Tier I Capital	18,878.91	16,261.85
ii) Tier II Capital	2,426.58	3,462.39
iii) Total Capital	21,305.49	19,724.24
iv) Total Risk Weighted Assets	94,657.78	89,674.92
v) CRAR (%)	22.50	21.99
vi) CRAR - Tier I capital (%)	19.94	18.13
vii) CRAR - Tier II capital (%)	2.56	3.86
viii) Amount of subordinated debt raised as Tier-II capital*	4,726.10	5,591.73
ix) Amount raised by issue of Perpetual debt instruments	-	-

Capital adequacy ratio is calculated as per RBI notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 "Implementation of Indian Accounting Standards" issued by RBI on March 13, 2020.

"Tier I capital", "Tier II capital", "Owned fund" are calculated as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 "Implementation of Indian Accounting Standards" issued by RBI on March 13, 2020.

* Note:

Discounted value of Rs. 3,283.04 crores (March 31, 2020: Rs. 4,046.46 crores) considered for Tier II capital against the book value of Rs. 4,726.10 crores (March 31, 2020: Rs. 5,591.73 crores).

79 INVESTMENTS

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
(1) Value of investments		
(i) Gross value of investments		
(a) In India	3,235.86	2,840.71
(b) Outside India,	-	-
(ii) Provisions for depreciation		
(a) In India	38.01	42.23
(b) Outside India,	-	-
(iii) Net value of investments		
(a) In India	3,197.85	2,798.48
(b) Outside India,	-	-
(2) Movement of provisions held towards depreciation on investments		
(i) Opening balance	42.23	0.01
(ii) Add : Provisions made during the year	14.22	42.22
(iii) Less : Write-off/write-back of excess provisions during the year	18.44	-
(iv) Closing balance	38.01	42.23

80 DERIVATIVES

80.01: Forward rate agreement/Interest rate swap

(Rs. in crores)

Particulars		As at March 31, 2021	As at March 31, 2020
(i)	The notional principal of swap agreements	36,431.68	24,921.80
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
(iii)	Collateral required by the NBFC upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from the swap	-	-
(v)	The fair value of the swap book	169.25	758.73

80.02: Exchange traded interest rate (IR) derivatives : Nil

80.03: Disclosures on risk exposure of derivatives

Qualitative disclosures

The Company has a Board approved policy in dealing with derivative transactions. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Company undertakes derivative transactions for hedging on-balance sheet assets and liabilities. Such outstanding derivative transactions are accounted on accrual basis over the life of the underlying instrument. The Asset Liability Management Committee and Risk Management Committee closely monitors such transactions and reviews the risks involved.

The Company has entered into derivative agreement to mitigate the foreign exchange risk and interest rate risk pertaining to external commercial borrowings and foreign currency bonds. The description of risk policies and risk mitigation strategies are disclosed in note 53 of the financial statements.

Quantitative Disclosures

(Rs. in crores)

		As at March 31, 2021		As at March 31, 2020	
Particulars		Currency derivatives	Interest rate derivatives	Currency derivatives	Interest rate derivatives
(i)	Derivatives (Notional principal amount)				
	For hedging	22,384.20	14,047.48	16,177.17	8,744.63
(ii)	Marked to market positions				
	a) Asset (+)	157.68	11.57	709.05	49.68
	b) Liability (-)	-	-	-	-
(iii)	Credit exposure	-	-	-	-
(iv)	Unhedged exposures	-	-	-	-

81 DISCLOSURES RELATING TO SECURITISATION

81.01: Outstanding amount of securitised/assigned assets as per books of the SPVs sponsored

The information on securitisation of the Company as an originator in respect of outstanding amount of securitised assets is given below:

(Rs. in crores)

Sr. No.	Particulars		As at March 31, 2021	As at March 31, 2020
1	No of SPVs sponsored by the NBFC for securitisation transactions (in No.)		84	72
2	Total amount of securitised assets as per books of the SPVs sponsored		23,754.07	20,487.93
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of Balance Sheet			
	(a)	Off-Balance Sheet exposures		
		First loss	132.30	35.08
		Others	-	-
	(b)	On-Balance Sheet exposures		
		First loss	2,652.30	2,171.17
		Others	1,155.87	942.79
4	Amount of exposures to securitisation transactions other than MRR			
	(a)	Off-Balance Sheet exposures		
		(i) Exposure to own securitisations		
		First loss	-	-
		Loss	726.77	651.41
		(ii) Exposure to third party securitisations		
		First loss	-	-
		Others	-	-
	(b)	On-Balance Sheet exposures		
		(i) Exposure to own securitisations		
		First loss	-	-
		Others	1,925.73	1,441.75
		(ii) Exposure to third party securitisations		
		First loss	-	-
		Others	-	-

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:

(Rs. in crores)

Sr. No.	Particulars		As at March 31, 2021	As at March 31, 2020
1	No. of transactions assigned by the Company		4	3
2	Total amount outstanding		1,300.31	1,427.81
3	Total amount of exposures retained by the Company to comply with MRR as on the date of Balance Sheet			
	(a)	Off-Balance Sheet exposures		
		First loss	-	-
		Others	-	-
	(b)	On-Balance Sheet exposures		
		First loss		
		Others	130.03	142.78
4	Amount of exposures to assigned transaction other than MRR			
	(a)	Off-Balance Sheet exposures		
		(i) Exposure to own securitisations		
		First loss	-	-
		Loss	-	-
		(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	-	-

81 DISCLOSURES RELATING TO SECURITISATION (Contd.)

The information on direct assignment of the Company as an originator in respect of outstanding amount of assets assigned under premium structure is given below:

(Rs. in crores)

Sr. No.	Particulars		As at March 31, 2021	As at March 31, 2020
1	No. of transactions assigned by the Company		-	-
2	Total amount outstanding		-	-
3	Total amount of exposures retained by the Company to comply with MRR as on the date of Balance Sheet			
	(a)	Off-Balance Sheet exposures		
		First loss	-	-
		Others	-	-
	(b)	On-Balance Sheet exposures		
		First loss	-	-
		Others	-	-
4	Amount of exposures to assigned transaction other than MRR			
	(a)	Off-Balance Sheet exposures		
		(i) Exposure to own securitisations		
		First loss	-	-
		Loss	-	-
		(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	-	-

81.02: Details of financial assets sold to securitisation/reconstruction company for asset reconstruction

The Company has not sold any financial assets to securitisation/reconstruction company for asset reconstruction during the year ended March 31, 2021 and March 31, 2020.

81.03: Details of assignment transactions undertaken by the Company

(Rs. in crores)

Particulars		Year Ended March 31, 2021	Year Ended March 31, 2020
i)	No. of accounts	1	-
ii)	Aggregate value (net of provisions) of accounts sold	485.83	-
iii)	Aggregate consideration *	487.98	-
iv)	Additional consideration realized in respect of accounts transferred in earlier years	26.08	22.18
v)	Aggregate gain/loss over net book value	2.15	-
vi)	Consideration received including new financial asset obtained at fair value	546.83	-
vii)	Net gain on derecognition of financial instruments under amortised cost category	58.85	-

* Includes income on assignment transactions realised in respect of accounts transferred in previous year.

81.04: Details of non-performing financial assets purchased / sold by the Company

The Company has not purchased/sold non-performing assets for the year ended March 31, 2021 and March 31, 2020.

82 ASSET LIABILITY MANAGEMENT MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES

As at March 31, 2021

(Rs. in crores)

Particulars	Upto 0 - 7 days	Upto 8 - 14 days	Upto 15 - 30 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits *	154.48	45.49	160.57	205.06	311.49	1,357.74	3,317.24	7,689.84	3,047.65	-	**16,289.56**
Advances **	1,939.49	589.73	1,477.93	3,206.84	3,165.73	9,676.92	17,873.55	51,397.49	15,938.33	3,037.03	**108,303.04**
Investments	-	15.02	29.69	58.78	49.69	134.26	235.76	794.04	169.15	1,711.46	**3,197.85**
Borrowings ***	595.52	1,538.23	1,034.91	2,356.37	2,963.32	8,894.36	12,004.44	24,324.08	8,484.54	5,915.78	**68,111.55**
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	246.67	-	22.09	228.76	2,991.55	17,562.32	535.03	315.62	**21,902.04**

As at March 31, 2020

(Rs. in crores)

Particulars	Upto 0 - 7 days	Upto 8 - 14 days	Upto 15 - 30 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits *	187.76	37.47	133.36	223.81	223.16	822.14	1,340.18	6,945.86	2,156.98	-	**12,070.72**
Advances ** #	35.14	5.00	16.24	668.02	2,133.62	8,688.79	16,740.50	49,917.57	22,576.28	1,450.47	**102,231.63**
Investments	-	-	32.37	41.38	6.54	101.63	179.55	519.43	340.48	1,577.10	**2,798.48**
Borrowings ***	213.27	304.45	880.40	709.36	2,460.27	6,374.02	11,680.97	28,621.82	11,382.49	2,916.38	**65,543.43**
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	1,163.32	-	255.81	-	13.81	78.20	54.81	8,377.29	6,459.71	504.67	**16,907.62**

* includes deposits from corporates and unclaimed matured deposit.

** net of Impairment loss allowance.

*** excludes deposits which are shown separately and external commercial borrowings and external commercial bond which are shown separately under Foreign currency liabilities.

The Board of Directors of the Company have approved moratorium policy in their meeting held on June 10, 2020 for a further period of 3 months from June 2020 to August 2020 pursuant to the Reserve Bank of India Notification no. RBI/2019-20/244 DOR.No.BP.BC. 71/ 21.04.048/ 2019-20 dated May 23, 2020 to eligible borrowers. The same was in the process of being implemented. Consequently the effect of the further moratorium extended as mentioned above is not considered in the above ALM disclosure.

83 EXPOSURES

83.01: Exposure to real estate sector

The Company has no exposure to real estate sector.

83.02: Exposure to capital market

(Rs. in crores)

Particulars		As at March 31, 2021	As at March 31, 2020
(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;	20.11	19.75
(ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows/issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	1.54	1.04
Total exposure to capital market		**21.65**	**20.79**

83.03: Details of financing of parent company products

The Company does not have any Parent Company, hence not applicable.

83.04: Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Company has not exceeded the prudential exposure limits for Single Borrower Limit (SGL) / Group Borrower Limit (GBL).

83.05: Unsecured advances

The Company has not granted unsecured advances against collateral of intangible securities such as charge over the rights, licenses or authority.

84 ADDITIONAL DISCLOSURES

84.01: Provisions and contingencies

(Rs. in crores)

Break up of 'Provisions and contingencies' shown under the head expenditure in Profit and Loss account	Year ended March 31, 2021	Year ended March 31, 2020
Provisions for depreciation on investment	-	-
Provision towards NPA#	1,298.89	1,680.91
Provision made towards income tax ##	790.75	936.83
Provision for Standard Assets ###	-	-
Other Provision and contingencies (with details)		
Provision towards impairment of financial instruments other than provision for stage 3 assets	1,819.51	1,113.97

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.

84 ADDITIONAL DISCLOSURES (Contd.)

84.02: Draw down from reserves

The draw down from reserves was Rs. Nil.

84.03: Concentration of Deposits, Advances, Exposures and NPAs

84.03.01: Concentration of Deposits (for deposit taking NBFCs)

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Total deposits of twenty largest depositors	730.74	723.28
Percentage of deposits of twenty largest depositors to total deposits of the NBFC	4.60%	6.07%

84.03.02: Concentration of advances

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Total advances to twenty largest borrowers *	323.47	345.11
Percentage of advances to twenty largest borrowers to total advances of the NBFC *	0.28%	0.32%

* Excludes retained interest on direct assignment Rs. 130.03 crores (March 31, 2020: Rs. 142.78 crores)

84.03.03: Concentration of exposures

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Total exposure to twenty largest borrowers/customers *	323.47	347.76
Percentage of exposures to twenty largest borrowers/customers to total exposure of the NBFC on borrowers/customers *	0.28%	0.32%

* Excludes retained interest on direct assignment Rs. 130.03 crores (March 31, 2020: Rs. 142.78 crores)

84.03.04: Concentration of NPAs

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Total exposure to top four NPA accounts**	137.21	132.36

** NPA accounts refer to stage 3 assets.

84.03.05: Sector-wise NPAs $

		As at March 31, 2021	As at March 31, 2020
Sr. No.	Sector	Percentage of NPAs to Total Advances in that sector	Percentage of NPAs to Total Advances in that sector
1	Agriculture & allied activities	-	-
2	MSME	-	-
3	Corporate borrowers	-	-
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans #	6.33%	7.68%
7	Others #	20.41%	17.83%

The loans mentioned above include loans given to corporates.

$ NPA accounts refer to stage 3 assets.

85 MOVEMENT OF NPAs

(Rs. in crores)

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
(i)	Net NPAs to net advances (%)	4.26%	5.69%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	9,177.08	8,616.27
	(b) Additions during the year	5,460.70	7,943.25
	(c) Reductions during the year	(6,344.97)	(7,382.44)
	(d) Closing balance	**8,292.81**	**9,177.08**
(iii)	Movement of Net NPAs		
	(a) Opening balance	5,991.13	5,646.53
	(b) Additions during the year	3,045.12	5,617.59
	(c) Reductions during the year	(4,229.57)	(5,272.99)
	(d) Closing balance	**4,806.68**	**5,991.13**
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	3,185.95	2,969.74
	(b) Provisions made during the year	2,415.58	2,325.66
	(c) Write-off/write-back of excess provisions	(2,115.40)	(2,109.45)
	(d) Closing balance	**3,486.13**	**3,185.95**

$ NPA accounts refer to stage 3 assets.

86 OVERSEAS ASSETS (FOR THOSE WITH JOINT VENTURES AND SUBSIDIARIES ABROAD)

The Company does not have any joint venture or subsidiary abroad, hence not applicable.

87 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.

88 CUSTOMER COMPLAINTS

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
(a)	Number of complaints pending at the beginning of the year	28	60
(b)	Number of complaints received during the year	2,469	2,007
(c)	Number of complaints redressed during the year	2,407	2,039
(d)	Number of complaints pending at the end of the year	90	28

89 INFORMATION ON INSTANCES OF FRAUD

Instances of fraud for the year ended March 31, 2021: (Rs. in crores)

Nature of fraud	No. of cases	Amount of fraud	Recovery*	Amount written-off
Fraud committed by borrowers and outsiders	3	1.05	0.46	-

* includes Rs. 0.10 crores recovered from the fraud cases reported during the year ended March 31, 2020.

89 INFORMATION ON INSTANCES OF FRAUD (Contd.)

Instances of fraud for the year ended March 31, 2020: (Rs. in crores)

Nature of fraud	No. of cases	Amount of fraud	Recovery*	Amount written-off
Fraud committed by employees	3	0.18	0.01	-
Fraud committed by borrowers and outsiders	2	0.28	0.04	0.19

* includes Rs. 0.04 crores recovered from the fraud cases reported during the year ended March 31, 2019.

90 DISCLOSURE OF PENALTIES IMPOSED BY RBI AND OTHER REGULATORS

Details of Penalties levied by various regulators for the year ended March 31, 2021:

No penalties have been levied by any regulator on the Company for the year ended March 31, 2021.

However during the previous year, the Company had received an order no SDE/SRO/CEZO-I/02/2020(SK) dated March 4, 2020 passed by the Special Director, Directorate of Enforcement (ED), Southern Regional Office, Chennai imposing a penalty of Rs. 5.00 crores on the Company. The Company had filed a writ petition dated June 4, 2020 before the High Court of Madras, requesting for a stay on the said order dated March 04, 2020 of the ED. On July 01, 2020, the Hon'ble Madras High Court had admitted the Company's writ petition challenging the said order dated March 04, 2020 of the ED and granted interim stay order with the direction to the Company to deposit 25% of the penalty amount in the Court. The Company had deposited Rs. 1.25 crore with the Hon'ble Madras High Court on August 26, 2020. The payment was made without prejudice to the rights and entitlement to the reliefs sought by the Company through the petition filed with the Hon'ble Madras High Court. The Deputy Legal Adviser, Enforcement Directorate had filed an appeal dated October 6, 2020 before the Hon'ble Appellate Tribunal for Foreign Exchange, New Delhi ("Appellate Tribunal") against the said order dated March 4, 2020 of the Special Director of Enforcement. The Company will contest the appeal filed in the Hon'ble Appellate Tribunal in the competent forum to seek appropriate legal remedy.

Details of Penalties levied by various regulators for the year ended March 31, 2020:

(Rs. in crores)

Sr. No	Authority	Non-compliance/ violation	Penalty levied	Penalty paid	Penalty provided	Penalty Waived/ Reduced/ Stay Received	Date of payment	Status as on March 31, 2020
1	Reserve Bank of India	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2	Insurance Regulatory and Development Authority of India	Clause ll(3)(ii)(a), Clause ll(3)(ii)(m), Clause ll(3)(ii)(o) of Schedule-lll under Regulation 26 of IRDAI (Registration of Corporate Agents) Regulations, 2015 regarding Engagement of persons other than Specified Persons to procure business	0.15	0.15	Nil	Nil	October 31, 2019	Paid
3	Enforcement Directorate (ED) / Adjudicating Authority/ Tribunal or any authority under FEMA	Contravention of provisions of Section 6(3)(b) of FEMA, 1999 read with Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000	5.00	Nil	Nil	Nil	Nil	Disclosed under Note 49: Contingent liabilities and commitments as the Company has filed a writ petition with Hon'ble Madras High Court.

90 DISCLOSURE OF PENALTIES IMPOSED BY RBI AND OTHER REGULATORS (Contd.)

(Rs. in crores)

Sr. No	Authority	Non-compliance/ violation	Penalty levied	Penalty paid	Penalty provided	Penalty Waived/ Reduced/ Stay Received	Date of payment	Status as on March 31, 2020
4	Registrar of Companies/ NCLT/ CLB/ Department of Corporate Affairs or any Authority under Companies Act, 1956	Nil	Nil	Nil	Nil	Nil	Nil	Nil
5	Securities and Exchange Board of India	Nil	Nil	Nil	Nil	Nil	Nil	Nil
6	Competition Commission of India	Nil	Nil	Nil	Nil	Nil	Nil	Nil

91 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 **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Sumant Sakhardande
Partner

Membership No. 034828
Mumbai
April 29, 2021

For **Pijush Gupta & Co.**
Chartered Accountants
ICAI Firm Registration No. 309015E

Pijush Kumar Gupta
Partner

Membership No. 015139
Gurugram
April 29, 2021

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

S. Lakshminarayanan
Chairman

DIN: 02808698
New Delhi
April 29, 2021

Umesh Revankar
Vice Chairman & Managing Director
DIN: 00141189
Mumbai
April 29, 2021

Parag Sharma
Joint Managing Director & CFO
Mumbai
April 29, 2021

Vivek M. Achwal
Company Secretary
Mumbai
April 29, 2021

As required in terms of paragraph 18 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Schedule to the Balance Sheet

(Rs. in crores)

Particulars	**As at March 31, 2021**	
Liabilities side :		
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:	**Amount outstanding**	**Amount overdue**
(a) Debenture : Secured	20,945.15	15.62 #
: Unsecured	464.44	Nil
(other than falling within the meaning of public deposits*)		
(b) Deferred Credits	Nil	Nil
(c) Term Loans	40,491.50	Nil
(d) Inter-corporate loans and borrowing	49.59	Nil
(e) Commercial Paper	Nil	Nil
(f) Public Deposits* @	15,897.16	106.45 #
(g) Other Loans - Subordinated debts	4,657.19	36.43 #
- Cash Credit	667.38	Nil
- Deposits from corporates	392.40	0.29 #
- Senior secured notes	888.35	Nil
- External commercial borrowing- Secured	4,122.49	Nil
- External commercial bond -Secured	17,779.55	Nil
@ excludes deposits from corporates		
*Please see note 1 below		
# Represent amounts unclaimed		

(Rs. in crores)

(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):	**Amount outstanding**	**Amount overdue**
(a) In the form of Unsecured debentures	Nil	Nil
(b) In the form of partly secured debentures i.e debentures where there is a shortfall in the value of security	Nil	Nil
(c) Other public deposits @	15,897.16	106.45 #
@ excludes deposits from corporates		
*Please see note 1 below		
# Represent amounts unclaimed		

(Rs. in crores)

Assets side :	**Amount outstanding**
(3) Break-up of loans and advances including bills receivables (other than those included in (4) below):	
(a) Secured	113,424.31
(b) Unsecured	2,767.28

(Rs. in crores)

(4) Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities €	Amount outstanding
(i) Lease assets including lease rentals under sundry debtors :	
(a) Financial lease	Nil
(b) Operating lease	Nil
(ii) Stock on hire including hire charges under sundry debtors :	
(a) Assets on hire	Nil
(b) Repossessed Assets	Nil
(iii) Other loans counting towards asset financing activities : €	
(a) Loans where assets have been repossessed	Nil
(b) Loans other than (a) above	Nil

€ The Company has not disclosed amount outstanding under assets financing activities under note 4(iii) and included entire loan amount outstanding under note 3 as RBI has merged Asset Financing Companies, Loan Companies and Investment companies in to a new category "NBFC - Investment and Credit Company" vide its circular no. DNBR (PD) CC. No. 097/03.10.001/2018-19 dated February 22, 2019.

(Rs. in crores)

(5) Break-up of investments : $	Amount outstanding
Current investments :	
1. Quoted :	
(i) Shares : (a) Equity	Nil
(b) Preference	Nil
(ii) Debenture and bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government securities	Nil
(v) Others (Please specify)	Nil
2. Unquoted :	
(i) Shares: (a) Equity	Nil
(b) Preference	Nil
(ii) Debentures and bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government securities	Nil
(v) Others (Please specify)	Nil
Long term investments :	
1. Quoted :	
(i) Shares : (a) Equity	Nil
(b) Preference	Nil
(ii) Debentures and bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government securities	2,058.34
(v) Others (Please specify)	Nil
2. Unquoted :	
(i) Shares: (a) Equity	20.11
(b) Preference	Nil
(ii) Debentures and bonds	Nil
(iii) Units of mutual funds	-
(iv) Government securities	Nil
(v) Others -Venture capital fund	1.54
- Pass through certificates (unquoted)	1,117.86

$ The Company has not disclosed the breakup of investment into Long term investment and current investment as the classification is not required under Indian Accounting Standards issued by MCA for NBFCs.

(6) Borrower group-wise classification of assets, financed as in (3) and (4) above :

Please see note 2 below

(Rs. in crores)

	Category	Amount (Net of provisions)	
		Secured	**Unsecured**
1.	Related Parties **		
	(a) Subsidiaries	Nil	Nil
	(b) Companies in the same group	Nil	Nil
	(c) Other related parties	Nil	Nil
2.	Other than related parties	105,867.28	2,435.76
	Total	**105,867.28**	**2,435.76**

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): $

Please see note 3 below

(Rs. in crores)

	Category	Market Value / Break up or fair value or NAV*	Book Value (Net of Provisions)
1.	Related Parties **		
	(a) Subsidiaries	Nil	Nil
	(b) Companies in the same group	64.13	13.37
	(c) Other related parties	Nil	Nil
2.	Other than related parties	3,071.46	3,184.48
	Total	**3,135.59**	**3,197.85**

* Disclosure is made in respect of available information.

** As per Indian Accounting Standard issued by MCA (Please see note 3)

$ The Company has not disclosed the breakup of investment into Long term investment and current investment as the classification is not required under Indian Accounting Standards issued by MCA.

(8) Other information

(Rs. in crores)

	Particulars	Amount
(i)	Gross non-performing assets ¥	
	(a) Related parties	Nil
	(b) Other than related parties	8,292.81
(ii)	Net non-performing assets ¥	
	(a) Related parties	Nil
	(b) Other than related parties	4,806.68
(iii)	Assets acquired in satisfaction of debt	Nil

¥ NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under IND-AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

Notes :

1. As defined in point xxvii of paragraph 3 of Chapter II of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
2. Provisioning norms shall be applicable as prescribed in Indian Accounting Standards by MCA.
3. All 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/associate companies/joint ventures

Part A: Subsidiaries

The Company does not have any subsidiary.

Part B: Associates and joint venture (Refer note 45)

Sr. No.	Particulars - Associate	Shriram Automall India Limited
1	**Latest Audited Balance Sheet Date ***	March 31, 2021
2	**Shares of associate held by the Company on the year end**	
	No.	13,369,565
	Amount of investment in associate (Rs. in crores)	13.37
	Extent of holding %	44.56
3	**Description of how there is significant influence**	By virtue of holdings being 20% or more
4	**Reason why the associate is not consolidated**	N.A.
5	**Networth attributable to shareholding as per latest audited Balance Sheet (Rs. in crores) ***	66.60
6	**Profit/Loss for the year (Rs. in crores)**	
	i Considered in consolidation	11.57
	ii Not Considered in consolidation	14.39

*The financial statements of the associate are as per unaudited financial statements provided by the management.

The Company does not have any joint venture.

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

S. Lakshminarayanan
Chairman
DIN: 02808698
New Delhi
April 29, 2021

Umesh Revankar
Vice Chairman & Managing Director
DIN: 00141189
Mumbai
April 29, 2021

Parag Sharma
Joint Managing Director & CFO
Mumbai
April 29, 2021

Vivek M. Achwal
Company Secretary
Mumbai
April 29, 2021

SHRIRAM
Transport Finance Company Limited
A WINNING RELATIONSHIP

CONSOLIDATED ACCOUNTS

To the Members of
Shriram Transport Finance Company Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Shriram Transport Finance Company Limited (hereinafter referred to as "the Holding Company") and its associate comprising of the Consolidated Balance Sheet as at March 31, 2021, 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 then ended, and notes to the consolidated financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the consolidated state of affairs of the Holding Company and its associate as at March 31, 2021, their consolidated profit (including other comprehensive income), their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Holding Company and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Note 63 to the consolidated financial statements which describes the staging of accounts to whom moratorium benefit was extended and uncertainty caused by COVID-19 pandemic with respect to the Company's estimates of Impairment of loans to customers. Further, the extent to which the COVID-19 pandemic will impact the Holding Company's and its associate's financial performance is dependent on future developments, which are highly uncertain. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Impairment Loss Allowance of loans and advances

Impairment loss allowance of loans and advances ("Impairment loss allowance") is a Key Audit Matter as the Company has significant credit risk exposure considering the large loan portfolio across a wide geographical range. The value of loans and advances on the balance sheet is significant and there is a high degree of complexity and judgment involved in estimating individual and collective credit impairment provisions, write-offs against these loans and to additionally determine the potential impact of unprecedented COVID 19 pandemic on asset quality and provision of the Company. The Company's model to calculate expected credit loss ("ECL") is inherently complex and judgment is applied in determining the correct construction of the three-stage impairment model ("ECL Model") including the selection and input of forward looking information. ECL provision calculation require the use of large volumes of data. The completeness and reliability of data can significantly impact accuracy of the modelled impairment provisions. The accuracy of data flows and the implementation of related controls are critical for the integrity of the estimated impairment provisions.

Audit Procedures included but were not limited to the following:

We have started our audit procedures with understanding of the internal control environment related to Impairment loss allowance. Our procedures over internal controls focused on recognition and measurement of impairment loss allowance. We assessed the design and tested the operating effectiveness of the selected key controls implemented by the Company.

We also assessed whether the impairment methodology used by the Company is in accordance with the assumptions and methodology approved by the Board of Directors of the Company which is based on and in compliance with Ind AS 109 "Financial Instruments". Particularly we assessed the approach of the Company regarding definition of Default, Probability of Default, Loss Given Default and incorporation of forward-looking information for the calculation of ECL.

For loans and advances which are assessed for impairment on a portfolio basis we performed particularly the following procedures:

- We tested the reliability of key data inputs and related management controls;
- We checked the stage classification as at the balance sheet date as per the definition of Default of the Company;
- We validated the ECL Model and its calculation by involving our Information Technology Expert;
- We have checked on sample basis the stage classification for the borrowers has been given in accordance with the Resolution Framework issued by Reserve Bank of India and the Board approved policy for ECL provisioning and stage classification with respect to such accounts;
- We have verified whether the ECL provision is made in accordance with the Board Approved Policy in this regard;
- We have also calculated the ECL provision manually for selected samples;
- We have assessed the assumptions made by the Company in making accelerated provision considering forward looking information and based on an event in a particular geographical range;
- We have reviewed the process of the Company to grant moratorium to the borrowers as per the Regulatory Package announced by the Reserve Bank of India (RBI). Further, we have relied on the assumption of the management that there will be no significant increase in the credit risk in the cases where moratorium is given and that the staging based on the days past due (DPD) will be considered as per the RBI COVID-19 Regulatory Package. We have tested on samples basis the DPD freeze for cases where moratorium is provided and not provided in accordance with RBI COVID-19 Regulatory Package;
- With respect to additional provision made by the Company on account of the impact of COVID-19 pandemic, we broadly reviewed the underlying assumptions and estimates used by the management for the same but as the extent of impact is dependent on future developments which are highly uncertain, we have primarily relied on those assumptions and estimates. These assumptions and estimates are a subject matter of periodic review by the Company; and
- We have checked the provision on Loan Assets as per IRACP norms as required under RBI circular dated March 13, 2020. We have checked the DPD and provision in accordance with the RBI regulations in that regard further considering the Regulatory Packages issued by RBI dated March 27, 2020 and May 23, 2020 and RBI circular dated April 17, 2020.

For loans and advances which are written off during the year under audit, we read and understood the methodology and policy laid down and implemented by the Company in this regards along with its compliance on sample basis.

Other Information

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 Management Discussion and Analysis, Director's Report and Corporate governance Report, but does not include the standalone financial statements, 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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Holding Company and its associate in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the Holding Company and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding Company and its associate for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 respective Ind AS 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 Holding Company and its associate are responsible for assessing the ability of the Holding Company and its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Holding Company and its associate or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Holding Company and its associate are responsible for overseeing the financial reporting process of the Holding Company and its associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements 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 its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Holding Company and its associate 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 information of the Holding Company of which we are the independent auditor, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entity included in the consolidated financial

statements of which we are the independent auditor.

We communicate with those charged with governance of the Holding Company 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 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 Matter

The consolidated financial statements include Holding Company's share of net profit (including other comprehensive income) of Rs. 11.77 Crores for the year ended March 31, 2021, as considered in the consolidated financial statements, in respect of 1 associate, whose Ind AS financial statements have not been audited by us. These Ind AS financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid associate, is based solely on such unaudited Ind AS financial statements. In our opinion and according to the information and explanations given to us by the management, these Ind AS financial statements are not material to the Holding Company.

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 matter with respect to our reliance on the Ind AS financial statements furnished to us by the management.

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, based on our audit we report, to the extent applicable, 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 of the aforesaid consolidated financial statements;

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows 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;

d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified 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 of the Holding Company as on March 31, 2021 and taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company, is disqualified as on March 31, 2021 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 with reference to financial statements of the Holding Company, refer to our standalone report under section 143(3)(i) of the Act of even date. We do not comment on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements of the associate company, incorporated in India, whose Ind AS financial statements are unaudited which have been furnished to us by the management and is not material to the Holding Company. Accordingly, the matter to be reported on the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its associate company incorporated in India, is same as reported in the Independent Auditor's Report on the standalone Ind AS financial statements, and hence not reproduced in this report;

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

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

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Holding Company and its associate – Refer Note 49 to the consolidated financial statements;

(ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 10 to the consolidated financial statements.

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

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No :103523W/W100048

Sumant Sakhardande
Partner
Membership Number: 034828
UDIN: 21034828AAAACM3648

Place: Mumbai
Date: April 29, 2021

For **Pijush Gupta & Co.**
Chartered Accountants
ICAI Firm Registration No.: 309015E

Pijush Kumar Gupta
Partner
Membership Number: 015139
UDIN: 21015139AAAAAU4335

Place: Gurugram
Date: April 29, 2021

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2021

(Rs. in crores)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	8	11,050.93	3,088.99
(b) Bank balance other than (a) above	9	5,390.89	4,225.93
(c) Derivative financial instruments	10	169.25	758.73
(d) Receivables	11		
(I) Trade receivables		8.92	10.50
(II) Other receivables		49.90	5.64
(e) Loans	12	108,303.04	102,231.63
(f) Investments	13	3,346.77	2,935.63
(g) Other financial assets	14	49.03	38.70
Total financial assets		**128,368.73**	**113,295.75**
(2) Non-financial assets			
(a) Current tax assets (net)	15	171.73	249.10
(b) Deferred tax assets (net)	43	639.14	62.50
(c) Investment property	16	2.00	2.03
(d) Property, plant and equipment	17	124.44	149.88
(e) Right-of-use assets	18	308.51	334.29
(f) Other intangible assets	19	2.39	2.67
(g) Other non-financial assets	20	210.84	169.57
Total non-financial assets		**1,459.05**	**970.04**
Total assets		**129,827.78**	**114,265.79**
LIABILITIES AND EQUITY			
Liabilities			
(1) Financial liabilities			
(a) Payables			
(I) Trade payables	21		
(i) total outstanding dues of micro enterprises and small enterprises		-	0.40
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		255.51	143.44
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		0.37	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		0.54	1.13
(b) Debt securities	22	40,061.87	34,266.96
(c) Borrowings (other than debt securities)	23	45,281.37	42,474.60
(d) Deposits	24	16,232.41	11,960.12
(e) Subordinated liabilities	25	4,620.76	5,670.07
(f) Lease liabilities	18	349.49	362.81
(g) Other financial liabilities	26	964.35	912.32
Total financial liabilities		**107,766.67**	**95,791.85**
(2) Non-financial liabilities			
(a) Current tax liabilities (net)	27	102.02	102.02
(b) Provisions	28	142.54	146.33
(c) Other non-financial liabilities	29	99.26	83.28
Total non-financial liabilities		**343.82**	**331.63**
Total liabilities		**108,110.49**	**96,123.48**
(3) Equity			
(a) Equity share capital	30	253.06	226.88
(b) Other equity	31	21,464.23	17,915.43
Total equity		**21,717.29**	**18,142.31**
Total liabilities and equity		**129,827.78**	**114,265.79**

See accompanying notes to the consolidated financial statements

As per our report of even date

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Sumant Sakhardande
Partner
Membership No. 034828
Mumbai
April 29, 2021

For **Pijush Gupta & Co.**
Chartered Accountants
ICAI Firm Registration No. 309015E

Pijush Kumar Gupta
Partner
Membership No. 015139
Gurugram
April 29, 2021

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

S. Lakshminarayanan
Chairman
DIN: 02808698
New Delhi
April 29, 2021

Umesh Revankar
Vice Chairman & Managing Director
DIN: 00141189
Mumbai
April 29, 2021

Parag Sharma
Joint Managing Director & CFO
Mumbai
April 29, 2021

Vivek M. Achwal
Company Secretary
Mumbai
April 29, 2021

(Rs. in crores)

	Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
	Revenue from operations			
	(i) Interest income	32	17,128.14	16,267.46
	(ii) Dividend income		-	0.19
	(iii) Rental income		0.21	0.22
	(iv) Fees and commission income	33	115.86	194.97
	(v) Net gain on fair value changes	34	21.80	11.92
	(vi) Net gain on derecognition of financial instruments under amortised cost category		58.85	-
	(vii) Other operating income	35	95.59	80.73
(I)	**Total Revenue from operations**		**17,420.45**	**16,555.49**
(II)	**Other income**	36	15.95	20.27
(III)	**Total Income (I + II)**		**17,436.40**	**16,575.76**
	Expenses			
	(i) Finance cost	37	9,054.26	8,270.26
	(ii) Fees and commission expense	38	78.89	56.88
	(iii) Impairment on financial instruments	39	3,118.40	2,794.88
	(iv) Employee benefits expenses	40	906.25	1,010.82
	(v) Depreciation, amortisation and impairment	41	137.36	141.05
	(vi) Other expenses	42	863.23	863.20
(IV)	**Total Expenses**		**14,158.39**	**13,137.09**
(V)	**Profit before exceptional items and tax (III - IV)**		**3,278.01**	**3,438.67**
(VI)	**Exceptional items**		-	-
(VII)	**Profit before tax (V+ VI)**		**3,278.01**	**3,438.67**
(VIII)	**Tax Expense:**			
	(1) Current tax		1,197.77	921.20
	(2) Deferred tax		(545.36)	14.79
	(3) Tax adjustment for earlier years		138.34	0.84
(IX)	**Profit for the year from continuing operations (VII-VIII)**		**2,487.26**	**2,501.84**
(X)	Share of profit of associate		11.57	10.43
(XI)	**Profit for the year (IX + X)**		**2,498.83**	**2,512.27**
(XII)	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	Remeasurement gain/(loss) on defined benefit plan		-	(6.33)
	Share of other comprehensive income from associates		0.27	0.34
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	1.59
	Tax on share of other comprehensive income from associates		(0.07)	(0.09)
	Subtotal (A)		**0.20**	**(4.49)**
	B (i) Items that will be reclassified to profit or loss			
	Cash flow hedge			
	Gain/(loss) on effective portion of hedging instruments in a cash flow hedge		(124.31)	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		31.29	-
	Subtotal (B)		**(93.02)**	-
	Other comprehensive income (A + B)		**(92.82)**	**(4.49)**
(XIII)	**Total Comprehensive income for the year (XI + XII)**		**2,406.01**	**2,507.78**
(XIV)	**Earnings per equity share (face value Rs. 10/- per equity share)**			
	Basic (Rs.)	44	101.44	107.89
	Diluted (Rs.)	44	101.44	107.89

See accompanying notes to the consolidated financial statements

As per our report of even date

For **Haribhakti & Co. LLP**
Chartered Accountants
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Sumant Sakhardande
Partner

Membership No. 034828
Mumbai
April 29, 2021

For **Pijush Gupta & Co.**
Chartered Accountants
ICAI Firm Registration No. 309015E

Pijush Kumar Gupta
Partner

Membership No. 015139
Gurugram
April 29, 2021

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

S. Lakshminarayanan
Chairman

DIN: 02808698
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Mumbai
April 29, 2021

Parag Sharma
Joint Managing Director & CFO
Mumbai
April 29, 2021

Vivek M. Achwal
Company Secretary
Mumbai
April 29, 2021

A. Equity share capital

Particulars	Number of shares	(Rs. in crores)
As at March 31, 2019	**226,882,736**	**226.90**
Changes during the year (refer note 30 Equity)	-	(0.02)
As at March 31, 2020	**226,882,736**	**226.88**
Changes during the year (refer note 30 Equity)	**26,178,777**	26.18
As at March 31, 2021	**253,061,513**	**253.06**

B. Other equity

(Rs. in crores)

Particulars	Reserves and Surplus							Other comprehensive income		Total
	Statutory reserve	Capital reserve	Securities premium	Debenture redemption reserve #	Capital redemption reserve	General reserve	Retained earnings	Remeasurement gain/(loss) on defined benefit plan	Effective portion of cash flow hedges	
Balance as at April 01, 2019	**3,168.55**	**27.62**	**1,754.81**	**374.62**	**53.88**	**2,164.35**	**8,196.85**	**(4.83)**	-	**15,735.85**
Profit for the year	-	-	-	-	-	-	2,512.27	-	-	**2,512.27**
Other comprehensive income for the year	-	-	-	-	-	-	-	(4.49)	-	**(4.49)**
Total comprehensive income for the year	-	-	-	-	-	-	**2,512.27**	**(4.49)**	-	**2,507.78**
Transferred to/(from) (refer note 31 Other equity)	500.38	-	-	235.79	-	250.19	(986.36)	-	-	-
Transferred from share forfeiture account	-	0.02	-	-	-	-	-	-	-	**0.02**
Dividends (Interim and final)	-	-	-	-	-	-	(272.26)	-	-	**(272.26)**
Tax on dividend (Interim and final)	-	-	-	-	-	-	(55.96)	-	-	**(55.96)**
Balance as at March 31, 2020	**3,668.93**	**27.64**	**1,754.81**	**610.41**	**53.88**	**2,414.54**	**9,394.54**	**(9.32)**	-	**17,915.43**

(Rs. in crores)

Particulars	Reserves and surplus							Other comprehensive income		Total
	Statutory reserve	Capital reserve	Securities premium	Debenture redemption reserve #	Capital redemption reserve	General reserve	Retained earnings	Remeasurement gain/(loss) on defined benefit plan	Effective portion of cash flow hedges	
Balance as at April 01, 2020	**3,668.93**	**27.64**	**1,754.81**	**610.41**	**53.88**	**2,414.54**	**9,394.54**	**(9.32)**	**-**	**17,915.43**
Profit for the year	-	-	-	-	-	-	2,498.83	-	-	**2,498.83**
Other comprehensive income for the year	-	-	-	-	-	-	-	0.20	(93.02)	**(92.82)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**2,498.83**	**0.20**	**(93.02)**	**2,406.01**
Securities premium proceeds received on issue of equity shares (refer note 30 Equity and note 31 Other equity)	-	-	1,466.01	-	-	-	-	-	-	**1,466.01**
Rights issue expenses (refer note 30 Equity and note 31 Other equity)	-	-	(19.55)	-	-	-	-	-	-	**(19.55)**
Transferred to/(from) (refer note 31 Other equity)	497.46	-	-	311.00	-	248.73	(1,057.19)	-	-	-
Dividends (interim)	-	-	-	-	-	-	(303.67)	-	-	**(303.67)**
Balance as at March 31, 2021	**4,166.39**	**27.64**	**3,201.27**	**921.41**	**53.88**	**2,663.27**	**10,532.51**	**(9.12)**	**(93.02)**	**21,464.23**

Refer note 31 Other equity

See accompanying notes to the consolidated financial statements

As per our report of even date
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Chartered Accountants
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Partner

Membership No. 034828
Mumbai
April 29, 2021

For **Pijush Gupta & Co.**
Chartered Accountants
ICAI Firm Registration No. 309015E

Pijush Kumar Gupta
Partner

Membership No. 015139
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For and on behalf of the Board of Directors of
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Chairman

DIN: 02808698
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Parag Sharma
Joint Managing Director & CFO
Mumbai
April 29, 2021

Vivek M. Achwal
Company Secretary
Mumbai
April 29, 2021

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	3,278.01	3,438.67
Depreciation, amortisation and impairment	137.36	141.05
Interest on income tax refund	-	(5.80)
Interest income	(16,611.31)	(15,690.72)
Finance costs	9,054.26	8,270.26
Loss/(profit) on sale of property plant and equipments (net)	0.65	(1.17)
Impairment on loans	3,128.29	2,748.87
Impairment on investments	(4.22)	42.22
Impairment on undrawn loan commitment	(5.45)	4.39
Impairment on other assets	(0.22)	(0.60)
Net (gain)/loss on fair value changes on investment	(2.85)	0.87
Net (gain)/loss on sale of mutual funds and certificate of deposits	(20.02)	(18.67)
Net (gain)/loss on fair value changes on direct assignment	1.07	-
Net (gain)/loss on fair value changes on derivatives	-	5.88
Net gain on derecognition of financial instruments under amortised cost category	47.05	-
Cash inflow from interest on loans	18,405.90	14,487.74
Cash outflow towards finance costs	(7,745.19)	(7,608.85)
Operating profit before working capital changes	**9,663.33**	**5,814.14**
Movements in Working capital:		
Decrease/(increase) in loans	(10,994.29)	(7,026.05)
(Increase)/decrease in investments	(372.28)	1,176.17
Decrease/(increase) in receivables	(90.83)	12.28
Decrease/(increase) in bank deposits	(1,164.96)	(1,273.60)
Decrease/(increase) in other financial assets	(10.11)	(1.22)
Decrease/(increase) in other non-financial assets	(41.13)	(28.09)
Increase/(decrease) in payables	111.67	10.38
Increase/(decrease) in other financial liabilities	(99.05)	(104.04)
Increase/(decrease) in non-financial liabilities	15.98	13.79
Increase/(decrease) other provision	1.66	7.69
Cash used in operations	**(2,980.01)**	**(1,398.55)**
Direct taxes paid (net of refunds)	(1,258.75)	(1,065.03)
Net cash flows from/(used in) operating activities (A)	**(4,238.76)**	**(2,463.58)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(25.82)	(57.80)
Proceeds from sale of property, plant and equipment and intangible assets	0.93	2.60
Net cash generated from/(used in) investing activities (B)	**(24.89)**	**(55.20)**

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital (including share premium and net of share issue expenses)	1,472.64	-
Proceeds/(repayment) on settlement of derivative contracts	589.48	(826.31)
Increase / (decrease) in Fixed deposits (net)	4,206.86	1,661.62
Amounts received from debt securities	10,636.15	17,215.18
Repayments of debt securities	(5,797.45)	(16,861.23)
Proceeds/(repayment) of subordinated debts	(1,069.27)	487.32
Amounts received from borrowings other than debt securities	38,480.04	38,439.54
Repayments of borrowings other than debt securities	(36,032.94)	(35,112.77)
Payment of Lease Liabilities	(107.33)	(96.38)
Dividend paid	(152.59)	(272.38)
Tax on dividend	-	(55.96)
Net cash flows from financing activities (C)	**12,225.59**	**4,578.63**
Net increase in cash and cash equivalents (A+B+C)	7,961.94	2,059.85
Cash and cash equivalents at the beginning of the year	3,088.99	1,029.14
Cash and cash equivalents at the end of the year	**11,050.93**	**3,088.99**

Components of cash and cash equivalents

(Rs. in crores)

Cash and cash equivalents at the end of the year	As at March 31, 2021	As at March 31, 2020
i) Cash on hand	79.61	41.24
ii) Cheques on hand	6.16	2.38
iii) Balances with banks (of the nature of cash and cash equivalents)	5,014.78	1,810.59
iv) Call Money (CBLO)	2,498.85	-
v) Bank deposit with original maturity less than three months	3,451.53	1,234.78
Total	**11,050.93**	**3,088.99**

The above Cash flow statement has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.

See accompanying notes to the consolidated financial statements

As per our report of even date
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Chartered Accountants
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Partner

Membership No. 034828
Mumbai
April 29, 2021

For **Pijush Gupta & Co.**
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Pijush Kumar Gupta
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Mumbai
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Joint Managing Director & CFO
Mumbai
April 29, 2021

Vivek M. Achwal
Company Secretary
Mumbai
April 29, 2021

1 BASIS OF PREPARATION

The Consolidated financial statements relates to M/s. Shriram Transport Finance Company Limited (the "Company") and its associate. The Consolidated financial statements of the Company and its associate have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The Consolidated financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use (refer note 6.1 (v)).

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Company are discussed in Note 7- Significant accounting judgements, estimates and assumptions.

The Consolidated financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest crore, except when otherwise indicated.

2 BASIS OF CONSOLIDATION

(i) The financial statements of the associate company used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended March 31, 2021 and are prepared based on the accounting policies consistent with those used by the Company.

(ii) The financial statements of the Company and its associate have been prepared in accordance with the Ind AS 110- 'Consolidated Financial Statements' as per the Companies (Indian Accounting Standards) Rules, 2015 as amended 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) Investment made by the Company in an associate company is accounted under the equity method, in accordance with the Indian Accounting Standard 28 on 'Investments in Associates and Joint Ventures'.

b) The policies of the associate company are consistent with those of the Company.

(iv) The associate company considered in the consolidated financial statements are as below (refer note 45):

Name of the associate company	Country of incorporation	Share of ownership interest as at March 31, 2021	Share of ownership interest as at March 31, 2020
Shriram Automall India Limited (SAMIL)	India	44.56%	44.56%

3 PRESENTATION OF FINANCIAL STATEMENT

The Consolidated financial statements of the Company and its associate are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

i. The normal course of business

ii. The event of default

iii. The event of insolvency or bankruptcy of the Company and its associate and/or its counterparties

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

4 STATEMENT OF COMPLIANCE

These Consolidated financial statements of the Company and its associate have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and the other relevant provisions of the Act.

The Company and its associate has consistently applied accounting policies to all the periods except for note 6.1 (v).

5 NEW ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2021.

6 SIGNIFICANT ACCOUNTING POLICIES

6.1 Financial instruments

(i) Classification of financial instruments

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

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

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

Business model assessment

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

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

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Solely Payments of Principal and Interest (SPPI) test

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

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

In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Company classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss 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

Debt instruments

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

Debt instruments are measured at amortised cost where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by holding to collect contractual cash flows.

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

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

Debt instruments

Investments in debt instruments are measured at fair value through other comprehensive income where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in the statement of profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of profit and loss. As at the reporting date, the Company does not have any financial instruments measured at fair value through other comprehensive income.

Equity instruments

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

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

(iv) Items at fair value through profit or loss

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;
- Items specifically designated as fair value through profit or loss on initial recognition; and
- debt instruments with contractual terms that do not represent solely payments of principal and interest. As at the reporting date, the Company does not have any 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.

Financial instruments held for trading

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

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

Upon initial recognition, financial instruments may be designated as measured at fair value through profit or loss. A financial asset may only be designated at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistencies (i.e. eliminates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on a different basis. As at the reporting date, the Company does not have any financial instruments designated as measured at fair value through profit or loss.

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

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

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Company's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income. As at the reporting date, the Company has not designated any financial 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 other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.
- The Company enters into derivative transactions with various counterparties to hedge its foreign currency risks and interest rate risks. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Company undertakes derivative transactions for hedging on-balance sheet liabilities.

Hedge accounting:

Till March 31, 2020, Derivatives were initially recognised at fair value at the date the derivative contracts are entered into and were subsequently measured at their fair value at the end of each reporting period. Such derivative instruments were presented as assets in case of a fair value gain and as liabilities in case of fair value loss. Changes in the fair value of derivatives were included in net gain on fair value changes.

Effective April 01, 2020, the Company has adopted hedge accounting. The Company makes use of derivative instruments to manage exposures to interest rate risk and foreign currency risk. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria. The Company has formally designated and documented the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

During the year ended March 31, 2021, hedges that meet the criteria for hedge accounting and qualify as cash flow hedges are accounted as follows:

Cash flow hedge: A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability and could affect the statement of profit and loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in other comprehensive income as cash flow hedge reserve. The ineffective portion of the gain or loss on the hedging instrument is recognised immediately as finance cost in the statement of profit and loss. When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

(vi) Embedded Derivatives

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract.

(vii) Debt securities and other borrowed funds

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

(viii) Financial guarantees

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

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

(ix) Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in 2019-20 and until the year ended March 31, 2021.

(x) Recognition and Derecognition of financial assets and liabilities

Recognition:

a) Loans and Advances are initially recognised when the funds are transferred to the customers' account or delivery of assets by the dealer, whichever is earlier.

b) Investments are initially recognised on the settlement date.

c) Debt securities, deposits and borrowings are initially recognised when funds reach the Company.

d) Other Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace.

Derecognition of financial assets due to substantial modification of terms and conditions:

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be Purchased or Originated as Credit Impaired (POCI).

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Derecognition of financial assets other than due to substantial modification

a) Financial assets:

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

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

i. The Company has transferred its contractual rights to receive cash flows from the financial asset, or

ii. It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement.

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

i. The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.

ii. The Company cannot sell or pledge the original asset other than as security to the eventual recipients.

iii. The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

i. The Company has transferred substantially all the risks and rewards of the asset, or

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

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

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

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss. Accordingly, gain or loss on sale or derecognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS 109. Also, the Company recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset. As per the guidelines of RBI, the Company is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ("MRR"). Therefore, it continues to recognise the portion retained by it as MRR.

b) Financial liabilities

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

(xi) Impairment of financial assets

Overview of the ECL principles

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

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

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

Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Company has grouped its loan portfolio into Business Loans, secured loans for new vehicles, secured loans for used vehicles and Equipment Finance Loans.

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

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

Stage 1

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

Stage 2

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

Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event (for e.g.. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

Credit-impaired financial assets:

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

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

a) Significant financial difficulty of the borrower or issuer;

b) A breach of contract such as a default or past due event;

c) The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;

d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

e) The disappearance of an active market for a security because of financial difficulties.

ECL on Investment in Government securities:

The Company has invested in Government of India loans. Investment in Government securities are classified under stage 1. No ECL has been applied on these investments as there is no history of delay in servicing of interest/repayments. The Company does not expect any delay in interest/redemption servicing in future.

Simplified approach for trade/other receivables and contract assets

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade/other receivables that do not contain a significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. It recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. At every reporting date, the historical observed default rates are updated for changes in the forward-looking estimates. For trade receivables that contain a significant financing component a general approach is followed.

Financial guarantee contracts

The Company's liability under financial guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss, and the ECL provision. For this purpose, the Company estimates ECLs by applying a credit conversion factor.

ECL on Debt instruments measured at fair value through OCI

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

The mechanics of ECL:

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

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

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The concept of PD is further explained in Note 53.

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date. The concept of EAD is further explained in Note 53.

Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The concept of LGD is further explained in Note 53.

Forward looking information

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

Refer note 63 for impact of COVID and macro-economic factors on PD and LGD estimation.

Collateral Valuation

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

Collateral repossessed

In its normal course of business whenever default occurs, the Company may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. The Company generally does not use the assets repossessed for the internal operations. The underlying loans in respect of which collaterals have been repossessed and not sold for more than 12 months are considered as Stage 3 assets and fully provided for net of estimated realizable value or written off. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet as it does not meet the recognition criteria in other standards and consequently the Company also does not derecognise the underlying financial asset immediately on repossession.

(xii) Write-offs

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss. Write off in case of standard accounts is done by way of waiver of last one or two instalments in case the borrower pays all the EMIs as per the due dates mentioned in the agreement.

(xiii) Determination of fair value

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

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

i. In the principal market for the asset or liability, or

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

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

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

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

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

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

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

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

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

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

Difference between transaction price and fair value at initial recognition

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

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

6.2 Revenue from operations

(i) Interest Income

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets 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.

Interest spread under par structure of direct assignment of loan receivables is recognised upfront. On derecognition of the loan receivables in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognised upfront in the statement of profit and loss.

(ii) Dividend Income

Dividend income is recognised when the right to receive the payment is established.

(iii) Rental Income

Rental income arising from operating leases is recognised on a straight-line basis over the lease term. In cases where the increase is in line with expected general inflation, rental income is recognised as per the contractual terms.

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

(iv) Fees & Commission Income

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

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

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

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

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

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

(v) Net gain/loss on fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss (refer Note 34) held by the Company on the balance sheet date is recognised as an unrealised gain/loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of profit and loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain/loss on fair value changes. As at the reporting date, the Company does not have any financial instruments measured at FVTPL and debt instruments measured at FVOCI.

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

In case where transfer of a part of financial assets qualifies for de-recognition, any difference between the proceeds received on such sale and the carrying value of the transferred asset is recognised as gain or loss on derecognition of such financial asset previously carried under amortisation cost category is presented separately under the respective head in the statement of profit and loss. The resulting interest only strip initially is recognised at FVTPL under interest income.

6.3 Expenses

(i) Finance costs

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

The EIR in case of a financial liability is computed

a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows.

c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

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

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

(ii) Retirement and other employee benefits

Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

Post-employment employee benefits

a) Defined contribution schemes

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

b) Defined Benefit schemes

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

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

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

The Company fully contributes all ascertained liabilities to The Trustees - Shriram Transport Finance Company Limited Employees Group Gratuity Assurance Scheme. Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Companies.

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

Other long-term employee benefits

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

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

(iii) Leases

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 01, 2019 (transition date). The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. For arrangements entered into prior to April 01, 2019, the Company has determined whether the arrangement contains a lease on the basis of facts and circumstances existing on the date of transition.

The Company's lease asset classes consist of leases for office premises.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate at the transition date in case of leases existing as on the date of transition date and in case of leases entered after transition date, incremental borrowing rate as on the date of lease commencement date. In case of existing leases, the said date would be the date of transition. It is remeasured when there is a change in future lease payments arising from a change in a rate, if the Company changes its assessment of whether it will exercise an extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

In case of a sub-lease, the Company accounts for its head lease and sub-lease separately.

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

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

Deferred tax

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

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

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

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

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

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

ii. When receivables and payables are stated with the amount of tax included.

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

6.4 Foreign currency translation

(i) Functional and presentational currency

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

(ii) Transactions and balances

Initial recognition:

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

Conversion:

Monetary assets and liabilities denominated in foreign currency, which are outstanding as at the reporting date, are translated at the reporting date at the closing exchange rate and the resultant exchange differences are recognised in the statement of profit and loss.

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

6.5 Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand, cheques on hand, balances with banks (of the nature of cash and cash equivalents) and short- term deposits, as defined above.

6.6 Property, plant and equipment

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

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, if it is probable that future economic benefit will flow to the Company from that expenditure and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation

Depreciation is calculated using the straight–line method to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013 except for Leasehold improvements which are amortised on a straight-line basis over the period of lease or estimated period of useful life of such improvement, subject to a maximum period of 60 months. Leasehold improvements include all expenditure incurred on the leasehold premises that have future economic benefits. Land is not depreciated.

The estimated useful lives are as follows:

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

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

Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. Depreciation on assets acquired/sold during the year is recognised on a pro-rata basis to the statement of profit and loss from / upto the date of acquisition/sale.

6.7 Intangible assets

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

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

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

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

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

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

6.8 Investment Property

Properties, held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs.

Depreciation is recognised using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013 or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the statement of profit and loss in the same period.

6.9 Provisions

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

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. As at reporting date, the Company does not have any such provisions where the effect of time value of money is material.

6.10 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.

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

6.12 Share Based Payment Transactions

As per Ind AS 101, the entity is encouraged, but not required, to apply Ind AS 102 Share-based payment to equity instruments that vested before date of transition to Ind-AS. The Company has decided to avail this exemption and have decided not to apply the requirements of Ind AS 102 to equity instruments that vested before date of transition to Ind-AS.

7 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

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

7.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

7.2 Defined employee benefit assets and liabilities

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

7.3 Fair value measurement:

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

7.4 Impairment of loans portfolio

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

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

The impairment loss on loans and advances is disclosed in more detail in Note 6.1(xi) Overview of ECL principles.

7.5 Contingent liabilities and provisions other than impairment on loan portfolio

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

7.6 Effective Interest Rate (EIR) method

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

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

7.7 Other estimates

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

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
8	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	79.61	41.24
	Balances with banks (of the nature of cash and cash equivalents)	5,014.78	1,810.59
	Cheques on hand	6.16	2.38
	Call money (CBLO)	2,498.85	-
	Bank deposit with original maturity less than three months	3,451.53	1,234.78
	Total	**11,050.93**	**3,088.99**

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

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
9	**BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS**		
	Balances with banks		
	Earmarked balances for interim dividend	151.84	-
	Unclaimed dividend accounts	9.81	10.57
	Bank deposit with original maturity for more than three months	351.50	364.16
	Balances with banks to the extent held as credit enhancement or security against the borrowings, guarantees, other commitments. *	4,877.74	3,851.20
	Total	**5,390.89**	**4,225.93**

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

*Includes deposits Rs. 4,642.90 crores (March 31, 2020: Rs. 3,701.14 crores) pledged with Banks as margin for credit enhancement, Rs. 34.36 crores (March 31, 2020: Rs. 146.83 crores) as margin for guarantees and Rs. 200.48 crores (March 31, 2020: Rs. 3.23 crores) pledged as lien against loans taken.

10 DERIVATIVE FINANCIAL INSTRUMENTS

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges. Since April 01, 2020, the Company has adopted hedge accounting.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

(Rs. in crores)

	Particulars	As at March 31, 2021				As at March 31, 2020			
		Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities
Part I									
(i)	**Currency derivatives:**								
	- Spots and forwards	13,826.90	79.37	-	-	8,018.44	378.05	-	-
	- Currency swaps	2,320.38	(103.23)	-	-	1,769.50	11.50	-	-
	- Cross currency interest rate swaps	6,236.92	181.54	-	-	6,389.23	319.50	-	-
	Sub total (i)	**22,384.20**	**157.68**	-	-	**16,177.17**	**709.05**	-	-
(ii)	**Interest rate derivatives:**								
	- Interest rate swaps	14,047.48	9.72	-	-	8,744.63	45.77	-	-
	- Interest rate caps	-	1.85	-	-	-	3.91	-	-
	Sub total (ii)	**14,047.48**	**11.57**	-	-	**8,744.63**	**49.68**	-	-

10 DERIVATIVE FINANCIAL INSTRUMENTS (Contd.)

(Rs. in crores)

Particulars		As at March 31, 2021				As at March 31, 2020			
		Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities
(iii)	**Credit derivatives:**	-	-	-	-	-	-	-	-
(iv)	**Equity linked derivatives:**	-	-	-	-	-	-	-	-
(v)	**Other derivatives:**	-	-	-	-	-	-	-	-
Total Derivative financial instruments (i)+(ii)+(iii)+(iv)+(v)		**36,431.68**	**169.25**	-	-	**24,921.80**	**758.73**	-	-
Part II									
	Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:								
(i)	Fair value hedging:	-	-	-	-	-	-	-	-
(ii)	Cash flow hedging:	-	-	-	-	-	-	-	-
	- Currency derivatives	22,384.20	157.68	-	-	-	-	-	-
	- Interest rate derivatives	14,047.48	11.57	-	-	-	-	-	-
(iii)	Net investment hedging:	-	-	-	-	-	-	-	-
(iv)	Undesignated derivatives	-	-	-	-	24,921.80	758.73	-	-
Total Derivative financial instruments (i)+(ii)+(iii)+(iv)		**36,431.68**	**169.25**	-	-	**24,921.80**	**758.73**	-	-

Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. The Company's risk management strategy and how it is applied to manage risk are explained in Note 53.

Derivatives designated as hedging instruments

The Company had not designated any derivatives as hedging instruments till March 31, 2020. Since April 01, 2020, the Company designates its derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates. At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other. There is an economic relationship between the hedged item and the hedging instrument as the terms of the cross currency swap contract match that of the foreign currency borrowing (notional amount, interest payment dates, principal repayment date etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the hedging instruments are identical to the hedged risk components. To test the hedge effectiveness, the Company uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised in the statement of profit and loss.

Derivatives not designated as hedging instruments

Till March 31, 2020, the Company used cross currency interest rate swaps, interest rate swaps, principal only swaps, forward contracts, interest rate caps to manage its interest rate risk and foreign currency risk arising from USD and EURO denominated External commercial borrowings and bonds. The derivative instruments were entered into for periods consistent with exposure of the underlying transactions. From April 01, 2020, there no undesignated derivatives.

10 DERIVATIVE FINANCIAL INSTRUMENTS (Contd.)

Notes:

1) The interest rate risk and exchange rate risk on the borrowings of the Company are managed using various derivative instruments which are entered from time to time. The risk management strategy and the use of derivatives are explained in Note 53 - Risk management and Note 80 - Derivatives.

2) The Company has designated the interest rate derivatives which were entered to mitigate interest rate risks on its external commercial bond and external commercial borrowings, as hedging instruments.

The impact of the hedging instrument on the Balance sheet as at March 31, 2021 is as follows:

(Rs. in crores)

Hedged Instrument	Notional Amount	Carrying Amount	Line item in the Balance sheet	Change in fair value used for measuring ineffectiveness for the year
Currency derivatives/ Interest rate derivatives	36,431.68	169.25	Derivative Financial Instruments	124.31

The impact of hedged items on the Balance sheet as at March 31, 2021 is as follows:

(Rs. in crores)

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

The effect of cash flow hedge in the statement of profit and loss and other comprehensive income during the year ended March 31, 2021 is as follows:

(Rs. in crores)

Hedged Item	Total hedging gain / (loss) recognised in OCI	Ineffectiveness recognised in the statement of profit and loss	Line item in the statement of profit and loss that include the hedge ineffectiveness	Amount reclassified from cash flow hedge reserve to statement of Profit or loss	Line item in the statement of profit and loss that includes the reclassification adjustment
External commercial bond and external commercial borrowings	(124.31)	-	NA	-	NA

11 RECEIVABLES

(I) Trade receivables

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables considered good-secured	-	-
Trade receivables considered good-unsecured	8.92	10.50
Trade receivables which have significant increase in credit risk	-	-
Trade receivables -credit impaired	-	-
Gross	**8.92**	**10.50**
Less: Allowances for impairment loss on credit impaired trade receivables	-	-
Net	**8.92**	**10.50**

11 RECEIVABLES (Contd.)

(II) Other receivables

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Other receivables considered good-secured	-	-
Other receivables considered good-unsecured	49.90	5.64
Other receivables which have significant increase in credit risk	-	-
Other receivables - credit impaired	1.88	2.10
Gross	**51.78**	**7.74**
Less: Allowances for impairment loss on credit impaired other receivables	1.88	2.10
Net	**49.90**	**5.64**

There is no dues from directors or other officers of the Company or any firm or private company in which any director is a partner, a director or a member.
Trade receivables are non-interest bearing and are generally on terms of **30** days.

(Rs. in crores)

Trade receivables days past due		Current	1-30 days past due	31-60 days past due	61-90 days past due	91-360 days past due	More than 360 days past due	Total
March 31, 2021	Estimated total gross carrying amount at default	-	8.84	0.08	-	-	-	**8.92**
	ECL-simplified approach	-	-	-	-	-	-	-
	Net carrying amount	-	**8.84**	**0.08**	-	-	-	**8.92**
March 31, 2020	Estimated total gross carrying amount at default	-	10.22	0.28	-	-	-	**10.50**
	ECL-simplified approach	-	-	-	-	-	-	-
	Net carrying amount	-	**10.22**	**0.28**	-	-	-	**10.50**

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

(Rs. in crores)

Other receivables days past due		Current	1-30 days past due	31-60 days past due	61-90 days past due	91-360 days past due	More than 360 days past due	Total
March 31, 2021	Estimated total gross carrying amount at default	46.82	2.58	0.43	0.19	0.19	1.57	**51.78**
	ECL-simplified approach	-	0.04	0.04	0.04	0.19	1.57	**1.88**
	Net carrying amount	**46.82**	**2.54**	**0.39**	**0.15**	-	-	**49.90**
March 31, 2020	Estimated total gross carrying amount at default	-	2.46	1.73	1.71	0.31	1.53	**7.74**
	ECL-simplified approach	-	0.18	0.04	0.04	0.31	1.53	**2.10**
	Net carrying amount	-	**2.28**	**1.69**	**1.67**	-	-	**5.64**

11 RECEIVABLES (Contd.)

Reconciliation of impairment loss allowance on other receivables:

(Rs. in crores)

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as per April 01, 2019	**1.58**
Add: Addition during the year	0.53
(Less): Reduction during the year	(0.01)
Impairment allowance as per March 31, 2020	**2.10**
Add: Addition during the year	0.21
(Less): Reduction during the year	(0.43)
Impairment allowance as per March 31, 2021	**1.88**

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
12 LOANS		
(A)		
Loans (at amortised cost)		
i) Term loans	113,424.31	105,073.08
ii) Others -Unsecured loans	2,767.28	3,428.63
Total (A) - Gross	**116,191.59**	**108,501.71**
Less : Impairment loss allowance (refer note 63)	7,888.55	6,270.08
Total (A) - Net	**108,303.04**	**102,231.63**
(B)		
i) Secured by tangible assets	113,415.53	105,061.35
ii) Secured by deposits	8.78	11.73
iii) Unsecured	2,767.28	3,428.63
Total (B) - Gross	**116,191.59**	**108,501.71**
Less : Impairment loss allowance (refer note 63)	7,888.55	6,270.08
Total (B) - Net	**108,303.04**	**102,231.63**
(C) Loans in India		
i) Public sector	-	-
ii) Others		
Retail	115,654.09	107,959.44
Corporates	537.50	542.27
Total (C) - Gross	**116,191.59**	**108,501.71**
Less : Impairment loss allowance (refer note 63)	7,888.55	6,270.08
Total (C)- Net	**108,303.04**	**102,231.63**

12 LOANS (Contd.)

Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in note 53.02 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in note 53.02.02.06.

(Rs. in crores)

Particulars	As at March 31, 2021				As at March 31, 2020			
	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	66,806.72	-	-	**66,806.72**	71,178.65	-	-	**71,178.65**
Standard grade	27,108.94	-	-	**27,108.94**	15,886.32	-	-	**15,886.32**
Sub-standard grade	-	6,570.01	-	**6,570.01**	-	10,002.10	-	**10,002.10**
Past due but not impaired	-	7,413.11	-	**7,413.11**	-	2,257.56	-	**2,257.56**
Non- performing	-	-	**8,292.81**	**8,292.81**	-	-	**9,177.08**	**9,177.08**
Total	**93,915.66**	**13,983.12**	**8,292.81**	**116,191.59**	**87,064.97**	**12,259.66**	**9,177.08**	**108,501.71**

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

(Rs. in crores)

Particulars	Year ended March 31, 2021				Year ended March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**87,064.97**	**12,259.66**	**9,177.08**	**108,501.71**	**74,099.89**	**19,591.33**	**8,616.27**	**102,307.49**
New assets originated or purchased	32,100.42	4,062.47	1,318.50	**37,481.39**	43,005.82	7,356.58	1,113.47	**51,475.87**
Assets derecognised or repaid (excluding write offs and includes interest accruals adjusted)	(22,592.41)	(3,531.65)	(2,157.84)	**(28,281.90)**	(33,463.85)	(6,306.23)	(3,476.22)	**(43,246.30)**
Transfers to stage 1	9,958.65	(7,726.70)	(2,231.95)	-	15,378.35	(13,654.99)	(1,723.36)	-
Transfers to stage 2	(9,766.35)	10,722.93	(956.58)	-	(7,712.88)	8,683.45	(970.57)	-
Transfers to stage 3	(2,449.08)	(1,693.12)	4,142.20	-	(3,672.48)	(3,157.30)	6,829.78	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Amounts written off	(400.54)	(110.47)	(998.60)	**(1,509.61)**	(569.88)	(253.18)	(1,212.29)	**(2,035.35)**
Gross carrying amount closing balance	**93,915.66**	**13,983.12**	**8,292.81**	**116,191.59**	**87,064.97**	**12,259.66**	**9,177.08**	**108,501.71**

12 LOANS (Contd.)

Reconciliation of ECL balance is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2021 General approach Stage 1	Stage 2	Stage 3	Total	Year ended March 31, 2020 General approach Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**2,156.05**	**928.08**	**3,185.95**	**6,270.08**	**1,472.80**	**1,113.46**	**2,969.74**	**5,556.00**
New assets originated or purchased	1,010.13	402.20	556.65	**1,968.98**	887.83	489.55	382.72	**1,760.10**
Transfers to stage 1	1,381.13	(602.54)	(778.59)	-	1,408.32	(829.08)	(579.24)	-
Transfers to stage 2	(260.75)	598.96	(338.21)	-	(159.73)	477.65	(317.92)	-
Transfers to stage 3	(65.42)	(145.29)	210.71	-	(78.94)	(200.93)	279.87	-
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery	(774.25)	285.13	1,648.22	**1,159.10**	(804.35)	130.61	1,663.07	**989.33**
Amounts written off	(400.54)	(110.47)	(998.60)	**(1,509.61)**	(569.88)	(253.18)	(1,212.29)	**(2,035.35)**
ECL allowance - closing balance	**3,046.35**	**1,356.07**	**3,486.13**	**7,888.55**	**2,156.05**	**928.08**	**3,185.95**	**6,270.08**

The contractual amount outstanding on loans that have been written off during the financial year, but were still subject to enforcement activity was Rs. 1,080.81 crores (During previous year Rs. 1,447.19 crores).

13 INVESTMENTS

(Rs. in crores)

Particulars	As at March 31, 2021 Amortised Cost	At Fair value Through profit or loss *	Others (at cost)	Total	As at March 31, 2020 Amortised Cost	At Fair value Through profit or loss *	Others (at cost)	Total
i) Mutual funds *	-	-	-	-	-	3.02	-	**3.02**
ii) Government securities (refer note 65)	2,058.34	-	-	**2,058.34**	1,824.46	-	-	**1,824.46**
iii) Debt securities	-	-	-	-	52.67	-	-	**52.67**
iv) Equity instruments	-	6.74	-	**6.74**	-	3.36	-	**3.36**
v) Associates (at cost)	-	-	162.29	**162.29**	-	-	150.52	**150.52**
vi) Pass through certificates (unquoted)	1,155.87	-	-	**1,155.87**	942.79	-	-	**942.79**
vii) Certificate of deposits	-	-	-	-	-	-	-	-
viii)Others (venture capital fund)	-	1.54	-	**1.54**	-	1.04	-	**1.04**
Total Gross (A)	**3,214.21**	**8.28**	**162.29**	**3,384.78**	**2,819.92**	**7.42**	**150.52**	**2,977.86**
i) Investments outside India	-	-	-	-	-	-	-	-
ii) Investments in India	3,214.21	8.28	-	**3,384.78**	2,819.92	7.42	150.52	**2,977.86**
Total Gross (B)	**3,214.21**	**8.28**	-	**3,384.78**	**2,819.92**	**7.42**	**150.52**	**2,977.86**
Less : Allowance for impairment loss (C)	(38.01)	-	-	**(38.01)**	(42.23)	-	-	**(42.23)**
Total - Net D = (A) - (C)	**3,176.20**	**8.28**	**162.29**	**3,346.77**	**2,777.69**	**7.42**	**150.52**	**2,935.63**

More information regarding the valuation methodologies can be found in Note 52.09.
There is no investments measured at FVOCI or designated at FVTPL.
* The Company received dividend of Rs. Nil (March 31, 2020: Rs. 0.19 crores) from its investments measured at fair value through profit or loss, recorded as dividend income.

13 INVESTMENTS (Contd.)

Investments carried at amortised cost

The table below shows the credit quality and the maximum exposure to credit risk per based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system for investments carried at amortised cost are explained in note 53.02.

(Rs. in crores)

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1 individual	Stage 2 individual	Stage 3	Total	Stage 1 individual	Stage 2 individual	Stage 3	Total
Internal rating grade								
Performing								
High grade	3,214.21	-	-	**3,214.21**	2,767.25	-	-	**2,767.25**
Standard grade	-	-	-	-	-	-	-	-
Non-performing	-	-	-	-	-	-	-	-
Individually Impaired	-	-	-	-	-	52.67	-	**52.67**
Total	**3,214.21**	**-**	**-**	**3,214.21**	**2,767.25**	**52.67**	**-**	**2,819.92**

An analysis of changes in gross carrying amount and the corresponding ECLs on investments carried at amortised cost which are subject to ECL is as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2021				Year ended March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount – opening balance	2,767.25	52.67	-	**2,819.92**	2,425.63	-	-	**2,425.63**
New assets originated or purchased	1,093.04	2.08	-	**1,095.12**	1,190.59	-	-	**1,190.59**
Assets derecognised or matured (excluding write-offs)	(646.08)	(54.75)	-	**(700.83)**	(796.51)	-	-	**(796.51)**
Change in fair value	-	-	-	-	0.21	-	-	**0.21**
Transfers to stage 2	-	-	-	-	(52.67)	52.67	-	-
Closing balance	**3,214.21**	**-**	**-**	**3,214.21**	**2,767.25**	**52.67**	**-**	**2,819.92**

Reconciliation of ECL balance is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2021				Year ended March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance in ECL	**23.79**	**18.44**	**-**	**42.23**	**0.01**	**-**	**-**	**0.01**
New assets originated or purchased	-	-	-	-	-	-	-	-
Transfers to stage 2	-	-	-	-	(0.01)	0.01	-	-
Unwinding of discount (recognised in interest income)	-	-	-	-	-	0.93	-	**0.93**
Changes to models and inputs used for ECL calculations	14.22	-	-	**14.22**	23.79	17.50	-	**41.29**
Recoveries	-	(18.44)	-	**(18.44)**	-	-	-	-
Closing balance in ECL	**38.01**	**-**	**-**	**38.01**	**23.79**	**18.44**	**-**	**42.23**

13 INVESTMENTS (Contd.)

Reconciliation of gross carrying value of investment in associate is given below:

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	**150.52**	**139.84**
Share of profit of associate	11.57	10.43
Share of other comprehensive income from associates (net of tax)	0.20	0.25
Closing balance	**162.29**	**150.52**

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
14	**OTHER FINANCIAL ASSETS**		
	Security deposits *	46.96	38.70
	Other financial assets	2.07	-
	Total	**49.03**	**38.70**

* Net of allowance for impairment loss recognised on security deposit Rs. 0.51 crores (March 31, 2020: Rs. 0.60 crores).

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
15	**CURRENT TAX ASSETS (NET)**		
	Advance income tax [net of provision for income tax Rs. 5,168.83 crores (March 31, 2020: Rs. 2,910.66 crores)]	171.73	249.10
	Total	**171.73**	**249.10**

(Rs. in crores)

	Particulars	As at March 31, 2021			As at March 31, 2020		
		Freehold Land	**Buildings**	**Total**	**Freehold Land**	**Buildings**	**Total**
16	**INVESTMENT PROPERTY**						
	Gross block at cost						
	Opening balance	**0.70**	**1.45**	**2.15**	**0.70**	**1.45**	**2.15**
	Additions	-	-	-	-	-	-
	Disposals	-	-	-	-	-	-
	Closing balance	**0.70**	**1.45**	**2.15**	**0.70**	**1.45**	**2.15**
	Accumulated depreciation						
	Opening balance	-	**0.12**	**0.12**	-	**0.09**	**0.09**
	Depreciation charge for the year	-	0.03	**0.03**	-	0.03	**0.03**
	Disposals	-	-	-	-	-	-
	Closing balance	-	**0.15**	**0.15**	-	**0.12**	**0.12**
	Net carrying amount	**0.70**	**1.30**	**2.00**	**0.70**	**1.33**	**2.03**

16 INVESTMENT PROPERTY (Contd.)

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

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rental income from investment property	0.21	0.22
Direct operating expenses arising from investment property that generated rental income during the year	0.02	0.06
Direct operating expenses arising from investment property that did not generate rental income during the year	-	-
Profit from investment property before depreciation	**0.19**	**0.16**
Depreciation charge for the year	0.03	0.03
Profit from investment property after depreciation	**0.16**	**0.13**

(ii) Contractual obligations

The Company has no contractual obligations to purchase, construct or develop investment property. However, the responsibility for its repairs, maintenance or enhancements is with the Company.

(iii) Fair value

The fair value of the investment property as at March 31, 2021 is Rs. 6.12 crores (March 31, 2020: Rs. 6.43 crores).

(iv) Pledged details

Investment property is not pledged.

(v) Estimation of fair value

The fair values of investment property is determined by guidance value given by the local government of the area where the investment properties are located.

(vi) Leasing arrangements

Investment properties are leased out to tenants. Agreements provide for cancellation by either party or contain clause for escalation and renewal of agreements. The non-cancellable operating lease agreement is for a period of 108 months.

17 PROPERTY, PLANT AND EQUIPMENT

(Rs. in crores)

Particulars	Freehold Land	Building	Plant and equipment	Computers	Office equipment	Furniture and fixtures	Vehicles	Leasehold improvement	Total
Gross block at cost									
As at April 01, 2019	**0.65**	**2.39**	**9.78**	**44.87**	**24.62**	**25.80**	**0.27**	**88.38**	**196.76**
Additions	-	-	1.53	17.66	9.12	5.38	-	22.74	**56.43**
Disposals	0.06	-	0.29	8.24	2.15	0.78	0.02	6.13	**17.67**
Adjustment*	-	-	0.07	-	-	0.29	-	(0.36)	-
As at March 31, 2020	**0.59**	**2.39**	**11.09**	**54.29**	**31.59**	**30.69**	**0.25**	**104.63**	**235.52**
Additions	-	-	0.70	10.03	2.61	1.58	-	9.49	**24.41**
Disposals	-	-	0.43	7.48	1.96	0.94	-	4.93	**15.74**
As at March 31, 2021	**0.59**	**2.39**	**11.36**	**56.84**	**32.24**	**31.33**	**0.25**	**109.19**	**244.19**
Accumulated depreciation and impairment losses									
As at April 01, 2019	-	**(0.08)**	**1.56**	**10.80**	**8.17**	**3.80**	**(0.15)**	**29.20**	**53.30**
Charge for the year	-	0.05	1.47	15.56	5.49	3.28	0.07	22.66	**48.58**
Disposals	-	-	0.23	7.44	1.98	0.66	0.01	5.92	**16.24**
Adjustment*	-	-	0.02	-	-	0.10	-	(0.12)	-
As at March 31, 2020	-	**(0.03)**	**2.82**	**18.92**	**11.68**	**6.52**	**(0.09)**	**45.82**	**85.64**
Charge for the year	-	0.05	1.54	15.50	5.67	3.48	0.08	21.94	**48.26**
Disposals	-	-	0.37	6.49	1.80	0.82	-	4.68	**14.16**
As at March 31, 2021	-	**0.02**	**3.99**	**27.93**	**15.55**	**9.18**	**(0.01)**	**63.08**	**119.74**
Net carrying amount as at March 31, 2020	**0.59**	**2.42**	**8.27**	**35.37**	**19.91**	**24.17**	**0.34**	**58.81**	**149.88**
Net carrying amount as at March 31, 2021	**0.59**	**2.37**	**7.37**	**28.91**	**16.69**	**22.15**	**0.26**	**46.11**	**124.45**

* Adjustment is on account of regrouping of property, plant and equipment and other intangible assets.

Carrying value of property, plant and equipment pledged as collateral for liabilities as at March 31, 2021 is Rs. 0.35 crores (March 31, 2020: Rs. 0.36 crores).

18 LEASES

A] This note provides information for leases where the Company is a lessee.

(i) Amounts recognised in the balance sheet

The Balance sheet shows the following amounts relating to leases

Right-of-use assets

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Office premises		
Opening balance	**334.29**	-
Right-of-use assets on transition	-	**371.83**
Additions	62.80	71.36
Depreciation charge for the year	(87.73)	(91.17)
Deletions	(0.85)	(17.73)
Net carrying amount	**308.51**	**334.29**

Lease liabilities

Maturity analysis of lease liabilities

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Less than 1 year	74.29	80.97
1 to 2 years	68.40	74.50
2 to 3 years	57.31	61.40
3 to 4 years	46.24	47.99
4 to 5 years	28.32	35.80
More than 5 years	74.93	62.15
Total	**349.49**	**362.81**

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

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
(ii)	**Amounts recognised in the Statement of Profit and Loss**		
	Depreciation charge of right-of-use assets (included in depreciation, amortisation and impairment)	87.73	91.17
	Interest expense (included in finance costs)	32.06	33.73
	Expense relating to short-term leases (included in other expenses)	9.24	9.88
	Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other expenses)	2.13	2.78
	Expense relating to variable lease payments not included in lease liabilities (included in other expenses).	-	-
	The Company had remeasured lease liability in respect of certain leases during the year and income on such remeasurement of leases as per Ind AS 116 is included in other income	2.66	-
	Income from subleasing right-of-use assets (included in other income)	7.94	8.61
(iii)	**Gains or losses arising from sale and leaseback transactions**	-	-
(iv)	**The total cash outflow for leases during the year**	96.16	110.46

18 LEASES (Contd.)

The weighted average incremental borrowing rate of 9.09% has been applied to lease liabilities recognised in the balance sheet as at April 01, 2019.

The difference between the operating lease commitments disclosed applying Ind AS 17 as of March 31, 2019 and the value of the lease liability arrived using the incremental borrowing rate as of April 01, 2019 is primarily on account of exclusion of short term leases in measuring the lease liability in accordance with Ind AS 116.

The Company does not face a significant liquidity risk with regard to its lease liabilities as the assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

B] **This note provides information for leases where the Company is a lessor.**

The Company had given office premises under lease. The income from lease recognised in the statement of profit and loss are Rs. 0.21 crore (March 31, 2020: Rs. 0.22 crore). Agreements provide for cancellation by either party or contain clause for escalation and renewal of agreements. The non-cancellable operating lease agreement is for a period of 108 months.

Future minimum lease receivables under non-cancellable leases as at March 31, 2021 are as follows:

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Within one year	0.17	0.16
After one year but not more than five years	0.25	0.42
More than five years	-	-
Total	**0.42**	**0.58**

(Rs. in crores)

Particulars	Computer software
19 OTHER INTANGIBLE ASSETS #	
Gross block at cost	
As at April 01, 2019	**2.06**
Additions	1.96
Disposals	-
As at March 31, 2020	**4.02**
Additions	1.06
Disposals	-
As at March 31, 2021	**5.08**
Accumulated amortisation and impairment losses	
As at April 01, 2019	**0.09**
Charge for the year	1.26
Disposals	-
As at March 31, 2020	**1.35**
Charge for the year	1.34
Disposals	0.00
As at March 31, 2021	**2.69**
Net carrying amount as at March 31, 2020	**2.67**
Net carrying amount as at March 31, 2021	**2.39**

Other than internally generated

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

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
20	**OTHER NON-FINANCIAL ASSETS**		
	Goods and services tax credit (input) receivable	100.96	66.86
	Prepaid expenses	7.80	8.21
	Capital advances	1.00	0.86
	Duties paid under protest	96.40	86.40
	Other non-financial assets	4.68	7.24
	Total	**210.84**	**169.57**

21 PAYABLES

Trade payables

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) total outstanding dues of micro enterprises and small enterprises (refer note 54)	-	0.40
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises *	255.51	143.44
Total	**255.51**	**143.84**

*Includes payable to associate Rs. 1.23 crores (March 31, 2020: Rs. 0.41 crores).

Other payables

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) total outstanding dues of micro enterprises and small enterprises (refer note 54)	0.37	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	0.54	1.13
Total	**0.91**	**1.13**

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
22	**DEBT SECURITIES**		
	At amortised cost		
	Secured		
	Redeemable non-convertible debentures		
	- Public issue ¥	5,776.24	5,796.78
	- Privately placed ¥¥	15,153.29	14,204.14
	External commercial bond	17,779.55	12,607.01
	Senior secured notes	888.35	1,204.92
	Unsecured		
	Redeemable non-convertible debentures		
	- Privately placed	464.44	454.11
	Total	**40,061.87**	**34,266.96**
	Debt securities in India	21,393.97	20,455.03
	Debt securities outside India	18,667.90	13,811.93
	Total	**40,061.87**	**34,266.96**

¥ includes Rs. 69.20 crores (March 31, 2020 Rs. 40.50 crores) issued to related parties including Directors.

¥¥ includes Rs. 10.01 crores (March 31, 2020 Rs. Nil crores) issued to related parties.

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
23	**BORROWINGS (OTHER THAN DEBT SECURITIES)**		
	At amortised cost		
	Secured		
	Term loan from banks - INR	13,304.70	13,259.27
	Term loan from financial institutions/corporates - INR	3,783.20	1,446.29
	External commercial borrowing - FCNR	4,122.49	4,300.61
	Loans repayable on demand from banks (Cash credit from banks)	667.38	2,016.39
	Other loans - INR -Securitisation liabilities	23,403.60	21,452.04
	Total	**45,281.37**	**42,474.60**
	Borrowings in India	41,158.88	38,173.99
	Borrowings outside India	4,122.49	4,300.61
	Total	**45,281.37**	**42,474.60**

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
24	**DEPOSITS**		
	At amortised cost		
	Unsecured		
	Deposits		
	i. Public deposits (refer note 65) *	15,790.71	11,768.48
	ii. Deposits from corporates **	392.11	152.22
	iii. Inter-corporate deposits ***	49.59	39.42
	Total	**16,232.41**	**11,960.12**

* includes Rs. 1.89 crores (March 31, 2020 Rs. 1.58 crores) accepted from related parties including Director.

** includes Rs. 34.34 crores (March 31, 2020 Rs. 1.55 crores) accepted from related parties.

*** includes Rs. 49.59 crores (March 31, 2020 Rs. 39.42 crores) accepted from associate.

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
25	**SUBORDINATED LIABILITIES**		
	At amortised cost		
	Unsecured		
	Subordinated debts - Debentures #	4,620.76	5,138.00
	Subordinated debts - Bonds ##	-	532.07
	Total	**4,620.76**	**5,670.07**
	Subordinated debts in India	4,620.76	5,670.07
	Subordinated debts outside India	-	-
	Total	**4,620.76**	**5,670.07**

includes Rs. 495.36 crores (March 31, 2020 Rs. 422.20 crores) issued to related parties.

includes Rs. Nil (March 31, 2020 Rs. 3.17 crores) issued to related parties.

The Company has not defaulted in the repayment of dues to its lenders.

I DEBT SECURITIES

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

i) Public issue of redeemable non-convertible debentures of Rs. 1,000/- each-(2013)-2

Terms of repayment as on March 31, 2021

Outstanding as on March 31, 2021: Nil

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
12-24 months	-	104.94	-	**104.94**
Total	**-**	**104.94**	**-**	**104.94**

Nature of security

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

The Company had utilised the entire sum of Rs. 500.00 crores raised from public issue (net off expenses) towards asset financing activities as per the objects stated in the prospectus for the issue.

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company.

As per the terms of the issue NCD 2013 (2) Rs. 91.30 crores were redeemed on October 23, 2020.

As per the terms of the issue NCD 2013 (2) Rs. 114.68 crores were redeemed on October 23, 2018.

As per the terms of the issue Rs. 294.01 crores were redeemed on October 24, 2016.

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

Terms of repayment as on March 31, 2021

(Rs. in crores)

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

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
12-24 months	35.05	198.45	-	**233.50**
Total	**35.05**	**198.45**	**-**	**233.50**

Nature of security

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

The Company had utilised the entire sum of Rs. 1,974.85 crores raised from public issue (net off expenses) towards asset financing activities as per the objects stated in the prospectus for the issue.

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company.

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

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

I DEBT SECURITIES (Contd.)

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

Terms of repayment as on March 31, 2021

(Rs. in crores)

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

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	496.11	-	-	**496.11**
36-48 months	825.13	-	-	**825.13**
12-24 months	2,427.46	-	-	**2,427.46**
Total	**3,748.70**	-	-	**3,748.70**

Nature of security

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

The Company had utilised the entire sum of Rs. 3,648.52 crores raised from public issue (net off expenses) towards repayment of borrowings as per the objects stated in the prospectus for the issue.

As per the terms of the issue Rs. 107.40 crores were redeemed on December 26, 2019.

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

Terms of repayment as on March 31, 2021

(Rs. in crores)

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

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	71.51	-	-	**71.51**
36-48 months	262.12	-	-	**262.12**
12-24 months	-	295.02	-	**295.02**
Total	**333.63**	**295.02**	-	**628.65**

I DEBT SECURITIES (Contd.)

Nature of security

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

The Company had utilised the entire sum of Rs. 606.79 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

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

Terms of repayment as on March 31, 2021

(Rs. in crores)

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

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	59.87	-	-	**59.87**
36-48 months	232.06	-	-	**232.06**
12-24 months	-	253.76	-	**253.76**
Total	**291.93**	**253.76**	**-**	**545.69**

Nature of security

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

The Company had utilised the entire sum of Rs. 537.32 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

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

Terms of repayment as on March 31, 2021

(Rs. in crores)

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

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	20.48	41.75	-	**62.23**
48-60 months	33.47	66.95	-	**100.42**
24-36 months	41.21	86.90	-	**128.11**
12-24 months	-	54.98	-	**54.98**
Total	**95.16**	**250.58**	**-**	**345.74**

I DEBT SECURITIES (Contd.)

Nature of security

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

The Company has utilised the entire sum of Rs. 339.94 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

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

Terms of repayment as on March 31, 2021

(Rs. in crores)

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

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
over 60 months	26.19	-	-	**26.19**
48-60 months	64.80	-	-	**64.80**
24-36 months	78.09	20.48	-	**98.57**
Total	**169.08**	**20.48**	**-**	**189.56**

Nature of security

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

The Company has utilised the entire sum of Rs. 193.67 crores raised from public issue (net off expenses) for the purpose of onward disbursements as per the objects stated in the prospectus for the issue.

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

Terms of repayment as on March 31, 2021

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest				Total
	< 10% ^	>= 10% < 12% ^	>= 12% < 14%	>=14% <16%	
over 60 months	3,613.48	-	-	-	**3,613.48**
48-60 months	302.37	-	-	-	**302.37**
36-48 months	154.79	1,299.99	-	-	**1,454.78**
24-36 months ^	863.19	172.21	-	-	**1,035.40**
12-24 months^	1,970.82	1,086.19	151.27	45.73	**3,254.01**
upto 12 months ^	4,627.44	865.81	-	-	**5,493.25**
Total	**11,532.09**	**3,424.20**	**151.27**	**45.73**	**15,153.29**

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

I DEBT SECURITIES (Contd.)

Terms of repayment as on March 31, 2020

(Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest				Total
	< 10%* ¥^	>= 10% < 12% *^	>= 12% < 14%	>=14% <16%	
over 60 months	524.89	-	-	-	**524.89**
48-60 months	154.80	1,299.08	-	-	**1,453.88**
36-48 months	210.38	172.02	-	-	**382.40**
24-36 months	1,780.18	202.41	148.38	-	**2,130.97**
12-24 months ^	4,481.32	804.89	-	-	**5,286.21**
upto 12 months *¥^	4,045.92	379.87	-	-	**4,425.79**
Total	**11,197.49**	**2,858.27**	**148.38**	-	**14,204.14**

* Includes 1 NCD of Rs. 666.00 crores partly paid to the extent of Rs. 666,000/- (50% redeemed)

* Includes 1 NCD of Rs. 25.00 crores partly paid to the extent of Rs. 111,111.11

^NCD amounting to Rs. 1,867.30 crores issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

¥ Out of the above NCDs having put/call option are as under (Rs. in crores)

Sr No	Rate of interest	Amount	Put/Call option date
1	8.87%	110.00	August 7, 2020
Total		**110.00**	

Nature of security

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

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company.

(Rs. in crores)

Total non-convertible debentures- secured	As at March 31, 2021	As at March 31, 2020
Public issue (i+ii+iii+iv+v+vi+vii)	5,776.24	5,796.78
Privately placed (viii)	15,153.29	14,204.14
Total non-convertible debentures - secured	**20,929.53**	**20,000.92**

B) External commercial bond (ED) Secured

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

Terms of repayment as on March 31, 2021

(Rs. in crores)

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

Terms of repayment as on March 31, 2020

(Rs. in crores)

Detail	< 10%	>= 10% < 12%	Total
36-48 months	3,808.17	-	**3,808.17**
24-36 months	5,772.26	-	**5,772.26**
12-24 months	-	3,026.58	**3,026.58**
Total	**9,580.43**	**3,026.58**	**12,607.01**

I DEBT SECURITIES (Contd.)

On March 31, 2021, the Company issued and allotted USD 225,000,000 4.40% senior secured notes due 2024 in offshore market (Social Bonds) for sum of Rs.1,630.35 crores to be consolidated and form a single series with the U.S.$500,000,000 4.40 per cent Senior Secured Notes due 2024 issued on January 13, 2021 under USD 3 Billion Global Medium Term Note Programme. The said Social Bonds were listed on Singapore Stock Exchange (SGX- ST) on April 01, 2021. The proceeds of the issue of the Social Bonds are being utilised as per the Company's Social Finance Framework, for onward lending and other activities as permitted by the RBI Master Direction — External Commercial Borrowings, Trade Credits and Structured Obligations.

On January 13, 2021, the Company issued and allotted USD 500,000,000 4.40% Senior Secured Notes due 2024 in offshore market (Social Bonds) for sum of USD 499,950,000 equivalent to Rs. 3,672.50 crores under USD 3 Billion GMTN Programme. The said Social Bonds were listed on Singapore Stock Exchange (SGX-ST) on January 14, 2021. The proceeds of the issue of the Social Bonds are being utilised as per the Company's Social Finance Framework, for onward lending and other activities as permitted by the RBI Master Direction – External Commercial Borrowings, Trade Credits, and Structured Obligations.

During the year ended March 31, 2020, the Company issued and allotted USD 250,000,000 5.3750% senior secured notes due 2022 in offshore market (notes) equivalent to Rs. 1,714.38 crores under USD 2,000,000,000 Global Medium Term Note Programme. The said notes are listed on Singapore Stock Exchange (SGX- ST). The proceeds of the issue of the notes have been utilised for the purpose of onward lending and other activities as may be permitted by the ECB Directions.

During the year ended March 31, 2020, the Company issued and allotted USD 500,000,000 5.100% senior secured notes due 2023 in offshore market (Social Bonds) equivalent to Rs. 3,541.75 crores under USD 3,000,000,000 Global Medium Term Note Programme. The said Social Bonds are listed on Singapore Stock Exchange (SGX- ST). The proceeds of the issue of the Social Bonds have been utilised for the purpose of onward lending and other activities as per the Company's Social Finance Framework and as may be permitted by the ECB Directions.

During the year ended March 31, 2019, the Company issued and allotted senior secured notes in offshore market (notes) aggregating to INR 2,849.90 crores consisting of 5.70% notes due 2022 under INR 5,000 crores Medium Term Note Programme. The notes issued by the Company are listed on Singapore Stock Exchange (SGX- ST). The proceeds of the issue have been utilised for the purpose of onward disbursements.

Nature of security

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

C) Senior secured notes

Senior secured notes of Rs. 10,000,000/- each

Terms of repayment

(Rs. in crores)

Detail	Rate of interest	As at March 31, 2021	As at March 31, 2020
36-48 months	<10%	-	885.54
24-36 months	<10%	888.35	-
12-24 months	<10%	-	-
upto 12 months	<10%	-	319.38
Total		**888.35**	**1,204.92**

During the year ended March 31, 2018, the Company had issued senior secured notes in offshore market (notes) aggregating to INR 1,160 crores consisting of INR 840 crores 8.10% notes due 2023 and INR 320 crores 7.90% notes due 2021 payable in US dollars under INR 5,000 crores Medium Term Note Programme. The notes issued by the Company are listed on Singapore Stock Exchange (SGX- ST).

The Company had utilised the entire sum of Rs. 1,160.00 crores raised from Senior secured notes towards asset financing activities as per the objects stated in the prospectus for the issue.

During the year ended March 31, 2017, the Company had issued Rs. 1,350.00 crores 8.25 % senior secured notes at the price of 100.18% that are due for repayment on February 18, 2020. The said notes (with ISIN - XS 1549374475) are listed and traded on the Singapore Exchange (SGX-ST) with a minimum board lot size of S $200,000.

I DEBT SECURITIES (Contd.)

The Company had utilised the entire sum of Rs. 1,350.00 crores raised from Senior secured notes towards asset financing activities as per the objects stated in the prospectus for the issue.

As per the terms of the issue, Rs. 1,350.00 crores were redeemed on February 18, 2020. .

As per the terms of the issue, Rs. 320.00 crores were redeemed on March 12, 2021.

Nature of security

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

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

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

Terms of repayment as on March 31, 2021

(Rs. in crores)

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

Terms of repayment as on March 31, 2020 (Rs. in crores)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest			Total
	< 10%	>= 10% < 12%	>= 12% < 14%	
48-60 months	-	-	454.11	**454.11**
Total	-	-	**454.11**	**454.11**

II BORROWINGS (other than debt securities)

A) Term loans from banks -secured (INR)

As at March 31, 2021

Terms of repayment # (Rs. in crores)

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

Loans are classified in respective time buckets based on option date.

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

II BORROWINGS (other than debt securities) (Contd.)

As at March 31, 2020

Terms of repayment # (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	8.50% to 9.50%	20 instalments of quarterly frequency	2,265.25
36-48 months	8.91% to 9.68%	20 instalments of quarterly frequency	583.49
24-36 months	8.11% to 9.63%	1 to 36 instalments of bullet, monthly, quarterly and specific frequency	2,469.48
12-24 months	7.00% to 9.90%	1 to 20 instalments of bullet, quarterly and specific frequency	3,112.87
upto 12 months	7.47% to 12.25%	1 to 36 instalments of bullet, monthly, quarterly, half-yearly and specific frequency	4,828.18
Total			**13,259.27**

Loans are classified in respective time buckets based on option date.

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

B) Term loans from financial institutions/corporates -secured (INR)

As at March 31, 2021

Terms of repayment # (Rs. in crores)

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

Loans are classified in respective time buckets based on option date.

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

As at March 31, 2020

Terms of repayment # (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
48-60 months	10.20%	11 instalments of specific frequency	227.76
36-48 months	10.50%	11 instalments of specific frequency	461.02
12-24 months	7.95% to 9.21%	11 to 20 instalments of quarterly and specific frequency	646.94
upto 12 months	8.60% to 9.29%	1 to 20 instalments of bullet and quarterly frequency	110.57
Total			**1,446.29**

Loans are classified in respective time buckets based on option date.

II BORROWINGS (other than debt securities) (Contd.)

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

C) External commercial borrowing

As at March 31, 2021

Terms of repayment (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
over 60 months	4.59% to 10.87%	11 to 13 instalments of half-yearly and specific frequency	1,566.94
24-36 months	9.83% to 10.02%	Bullet frequency	2,555.55
Total			**4,122.49**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

As at March 31, 2020

Terms of repayment (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
over 60 months	8.63% to 11.06%	11 to 13 instalments of half-yearly and specific frequency	1,694.61
36-48 months	9.83% to 10.02%	Bullet frequency	2,606.00
Total			**4,300.61**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

D) Loans repayable on demand from banks (Cash credit from banks)

(Rs. in crores)

Particulars	Rate of interest	As at March 31, 2021
Secured by hypothecation of specific assets covered under hypothecation loan agreements	8.20% to 11.70%	667.38
Total		**667.38**

(Rs. in crores)

Particulars	Rate of interest	As at March 31, 2020
Secured by hypothecation of specific assets covered under hypothecation loan agreements	8.00 % to 11.40 %	2,016.39
Total		**2,016.39**

II BORROWINGS (other than debt securities) (Contd.)

E) Other loans - INR -Securitisation liabilities

As at March 31, 2021

Terms of repayment (Rs. in crores)

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

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

As at March 31, 2020

Terms of repayment (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Amount
above 60 months	9.40% to 10.02%	1 to 57 instalments monthly frequency	676.13
48-60 months	7.99% to 10.97%	1 to 63 instalments monthly frequency	9,882.22
36 - 48 months	8.32% to 10.56%	1 to 61 instalments monthly frequency	6,053.47
24 - 36 months	6.90% to 8.87%	1 to 60 instalments monthly frequency	2,526.03
12 - 24 months	7.00% to 7.53%	1 to 55 instalments monthly frequency	303.11
upto 12 months	8.28% to 10.21%	1 to 57 instalments monthly frequency	2,011.08
Total			**21,452.04**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

III DEPOSITS

A) Deposits from public - unsecured -[refer note 65]

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

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

Terms of repayment as on March 31, 2020 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	1,010.22	-	**1,010.22**
36-48 months	1,140.06	-	**1,140.06**
24-36 months	3,089.58	-	**3,089.58**
12-24 months	3,766.77	-	**3,766.77**
upto 12 months	2,761.85	-	**2,761.85**
Total	**11,768.48**	-	**11,768.48**

III DEPOSITS (Contd.)

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Total Deposits from public	15,790.71	11,768.48

B) Deposits from corporates - unsecured

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

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

Terms of repayment as on March 31, 2020 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	< 10%	>= 10% < 12%	
48-60 months	4.53	-	**4.53**
36-48 months	2.16	-	**2.16**
24-36 months	18.08	-	**18.08**
12-24 months	71.44	-	**71.44**
upto 12 months	56.01	-	**56.01**
Total	**152.22**	**-**	**152.22**

C) Inter-corporate deposits (Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	As at March 31, 2021
upto 12 months	7.50%	Bullet repayment	49.59
Total			**49.59**

(Rs. in crores)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	As at March 31, 2020
upto 12 months	7.50%	Bullet repayment	39.42
Total			**39.42**

IV SUBORDINATED LIABILITIES

A) Subordinated liabilities -unsecured - Bonds

i) Privately placed subordinated debts of Rs. 1,000/- each

Terms of repayment as on March 31, 2021

Outstanding as on March 31, 2021: Nil

Terms of repayment as on March 31, 2020 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
upto 12 months	-	532.07	-	**532.07**
Total	**-**	**532.07**	**-**	**532.07**

IV SUBORDINATED LIABILITIES (Contd.)

(Rs. in crores)

Subordinated liabilities (unsecured) - Bonds	As at March 31, 2021	As at March 31, 2020
Privately placed	-	532.07
Total Subordinated liabilities (unsecured) - Bonds	**-**	**532.07**

B) Subordinated liabilities -unsecured - Debentures

i) Privately placed subordinated liabilities of Rs. 100,000/- each

Terms of repayment as on March 31, 2021

Outstanding as on March 31, 2021: Nil

Terms of repayment as on March 31, 2020 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
upto 12 months	-	74.94	-	**74.94**
Total	**-**	**74.94**	**-**	**74.94**

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

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

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
over 60 months	1,531.88	78.89	-	**1,610.77**
48-60 months	39.82	56.79	-	**96.61**
36-48 months	41.00	536.25	1,642.51	**2,219.76**
24-36 months	-	332.62	-	**332.62**
12-24 months	-	309.06	-	**309.06**
upto 12 months	-	-	51.94	**51.94**
Total	**1,612.70**	**1,313.61**	**1,694.45**	**4,620.76**

Terms of repayment as on March 31, 2020 (Rs. in crores)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			Total
	<10%	>=10% <12%	>=12% <14%	
over 60 months	1,570.91	135.51	-	**1,706.42**
48-60 months	40.97	531.22	1,609.30	**2,181.49**
36-48 months	-	332.37	-	**332.37**
24-36 months	-	308.85	-	**308.85**
12-24 months	-	-	51.86	**51.86**
upto 12 months	-	482.07	-	**482.07**
Total	**1,611.88**	**1,790.02**	**1,661.16**	**5,063.06**

(Rs. in crores)

Subordinated liabilities (unsecured) - Debentures	As at March 31, 2021	As at March 31, 2020
Privately placed (i+ii)	4,620.76	5,138.00
Total Subordinated liabilities (unsecured) - Debentures	**4,620.76**	**5,138.00**

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
26	**OTHER FINANCIAL LIABILITIES**		
	Investor education and protection fund shall be credited by the following amounts (as and when due)		
	- Unclaimed dividend	9.81	10.57
	- Unclaimed matured deposits and interest accrued thereon	106.74	150.02
	- Unclaimed matured debentures and interest accrued thereon	15.62	15.45
	- Unclaimed matured subordinated debts and interest accrued thereon	36.43	81.69
	Temporary credit balance in bank accounts	57.27	26.63
	Payable on account of assignment	178.07	78.78
	Payable to dealers	2.63	0.99
	Payable to employees	134.51	146.41
	Retention money and other sundry liabilities	156.69	217.27
	Interim dividend payable	151.84	-
	Other liabilities *	114.74	184.51
	Total	**964.35**	**912.32**

* Other liabilities include amount payable to Banks for credit card payments, settlement dues payable to resigned employees, etc,.

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
27	**CURRENT TAX LIABILITIES (NET)**		
	For taxation [net of advance tax Rs. 3.10 crores (March 31, 2020: Rs. 1,077.82 crores)]	102.02	102.02
	Total	**102.02**	**102.02**

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
28	**PROVISIONS**		
	For employee benefits		
	For gratuity (refer note 46)	2.07	3.37
	For compensated absences (leave encashment and availment)	37.02	34.06
	For others		
	For undrawn loan commitment	10.70	16.15
	For taxes- contested	92.75	92.75
	Total	**142.54**	**146.33**

28 PROVISIONS (Contd.)

Loan commitments

Credit quality of exposure

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 53.02 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 53.02.02.06.

(Rs. in crores)

	As at March 31, 2021	As at March 31, 2020
Particulars	**Stage 1 Collective**	**Stage 1 Collective**
Internal rating grade		
Performing		
High grade	148.66	311.87
Total	**148.66**	**311.87**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to other undrawn loan commitments is, as follows:

Gross exposure reconciliation

(Rs. in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
Particulars	**Stage 1**	**Stage 1**
Opening balance of outstanding exposure	311.87	471.92
New exposures	88.39	233.39
Exposures cancelled or disbursed (excluding writeoffs)	(251.60)	(393.44)
Closing balance of outstanding exposure	**148.66**	**311.87**

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

(Rs. in crores)

	Year ended March 31, 2021	Year ended March 31, 2020
	General approach	General approach
Particulars	**Stage 1**	**Stage 1**
ECL allowance - opening balance	16.15	11.76
New exposures	5.13	10.78
Exposures cancelled or disbursed (excluding writeoffs)	(10.58)	(6.39)
ECL allowance - closing balance	**10.70**	**16.15**

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
29 OTHER NON-FINANCIAL LIABILITIES		
Statutory dues payable	85.45	73.96
Advance from customers	13.81	9.32
Total	**99.26**	**83.28**

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
30	**EQUITY SHARE CAPITAL**		
	Authorised:		
	647,000,000 (March 31, 2020: 647,000,000) equity shares of Rs.10/- each	647.00	647.00
	95,000,000 (March 31, 2020: 95,000,000) preference shares of Rs.100/- each	950.00	950.00
		1,597.00	**1,597.00**
	Issued share capital		
	253,067,654 (March 31, 2020: 226,888,877) equity shares of Rs. 10/- each	253.07	226.89
	Subscribed share capital		
	253,061,513 (March 31, 2020: 226,882,736) equity shares of Rs. 10/- each	253.06	226.88
	Paid up (fully paid up)		
	Equity shares		
	253,061,513 (March 31, 2020: 226,882,736) equity shares of Rs. 10/- each fully paid up	253.06	226.88
		253.06	**226.88**
	Nil [March 31, 2020: Nil; equity shares of Rs.10/- each (Rs. 5/- each paid up forfeited)] *	-	-
	Total Equity	**253.06**	**226.88**

* The shareholders in their 40th annual general meeting held on June 27, 2019 considered and approved the cancellation of the forfeited shares from the issued and subscribed share capital of the Company.

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	Number of shares	(Rs. in crores)
As at March 31, 2019	**226,882,736**	**226.88**
Issued during the year	-	-
As at March 31, 2020	**226,882,736**	**226.88**
Issued during the year #	26,178,777	26.18
As at March 31, 2021	**253,061,513**	**253.06**

On August 06, 2020, the Company allotted fully paid-up 261,78,777 Equity Shares of face value of Rs. 10/- each to the eligible equity shareholders at an issue price of Rs. 570/- per Equity Share (including premium of Rs. 560/- per Equity Share) in the Rights Issue, which opened on July 16, 2020 and closed on July 30, 2020. The entire proceeds of the Rights Issue have been utilised as per the objects stated in the offer document for the Rights issue. The fresh allotment of equity shares through Rights Issue as stated above has resulted in an increase of equity share capital by Rs. 26.18 crores and securities premium reserve by Rs. 1,446.46 crores (net of share issue expenses of Rs. 19.55 crores).

30 EQUITY SHARE CAPITAL (Contd.)

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend is subject to the approval of the shareholders in the ensuing annual general meeting.

During the year ended March 31, 2021, the total dividend per equity share proposed for distribution to equity shareholders is Rs. 18.00 (March 31, 2020 : Rs. 5.00). Out of the said total dividend proposed for the year ended March 31, 2021, the total amount of interim dividend declared during the year was Rs. 12.00 (March 31, 2020 : Rs. 5.00) per equity share and amount of final dividend proposed by the Board of Directors is Rs. 6.00 (March 31, 2020: Rs. Nil) per equity share. The Board of Directors at its meeting held on October 29, 2020, had declared interim dividend of Rs. 6 /- per equity share of Rs. 10/- each for the financial year 2020-2021. The payment was made on November 26, 2020. The Board of Directors at its meeting held on March 25, 2021, had declared interim dividend of Rs. 6 /- per equity share of Rs. 10/- each for the financial year 2020-2021. The payment was made on April 16, 2021.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

Nil.

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

Details of shareholding	As at March 31, 2021		As at March 31, 2020	
Name of the shareholder	**Number of shares**	**% holding**	**Number of shares**	**% holding**
Equity shares of Rs. 10/- each				
Shriram Capital Limited	66,964,947	26.46%	59,504,947	26.23%

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

f. Proposed dividends on equity shares:

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Proposed dividend on equity shares for the year ended on March 31, 2021: Rs. 6.00 per share (March 31, 2020: Rs. Nil per share)	151.84	-
Total	**151.84**	-

(Rs. in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
31	**OTHER EQUITY**		
	Statutory reserve (Pursuant to Section 45-IC of The RBI Act, 1934)		
	Opening balance	**3,668.93**	**3,168.55**
	Add: Transfer from retained earnings	497.46	500.38
	Closing balance	**4,166.39**	**3,668.93**
	Securities premium		
	Opening balance	**1,754.81**	**1,754.81**
	Add: Premium on shares issued during the year	1,466.01	-
	Less: Rights issue expenses	(19.55)	-
	Closing balance	**3,201.27**	**1,754.81**
	Capital reserve		
	Opening balance	**27.64**	**27.62**
	Add: Transfer from share forfeiture account	-	0.02
	Closing balance	**27.64**	**27.64**
	Capital redemption Reserve	**53.88**	**53.88**
	Debenture redemption Reserve		
	Opening balance	**610.41**	**374.62**
	Add: Transfer from retained earnings	337.87	345.26
	Less: Transfer to retained earnings on account of redemption	(26.87)	(109.47)
	Closing balance	**921.41**	**610.41**
	General reserve		
	Opening balance	**2,414.54**	**2,164.35**
	Add: Transfer from retained earnings	248.73	250.19
	Closing balance	**2,663.27**	**2,414.54**
	Other comprehensive income		
	Opening balance	**(9.32)**	**(4.83)**
	Add: Remeasurement gain/(loss) on defined benefit plan (net of tax)	-	**(4.74)**
	Add : Gain/(loss) on effective portion of hedging instruments in a cash flow hedge (net of tax)	**(93.02)**	-
	Add: Share of other comprehensive income from associates (net of tax)	0.20	0.25
	Closing balance	**(102.14)**	**(9.32)**
	Retained earnings		
	Opening balance	**9,394.54**	**8,196.85**
	Add: Profit for the current year	2,498.83	2,512.27
	Add /(Less): Appropriations		
	Transfer to statutory reserve as per Section 45-IC of The RBI Act, 1934	(497.46)	(500.38)
	Transfer to general reserve	(248.73)	(250.19)
	Transfer to debenture redemption reserve	(311.00)	(235.79)
	Interim dividend	(303.67)	(113.44)
	Tax on interim dividend	-	(23.32)
	Final dividend	-	(158.82)
	Tax on final dividend	-	(32.64)
	Total appropriations	**(1,360.86)**	**(1,314.58)**
	Retained earnings	**10,532.51**	**9,394.54**
	Total	**21,464.23**	**17,915.43**

Nature and purpose of reserves

Securities premium account: The amount received in excess of face value of the equity shares is recognised in Securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

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

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

31 OTHER EQUITY (Contd.)

Debenture redemption reserve:

(1) Pursuant to Section 71 of the Companies Act, 2013 and circular 04/2013, read with notification issued date June 19, 2016 issued by Ministry of Corporate Affairs, the Company is required to transfer 25% of the value of the outstanding debentures issued through public issue as per the present SEBI (Issue and Listing of Debt Securities) Regulation, 2008 to Debenture redemption reserve (DRR) and no DRR is required in case of privately placed debenture. Also the Company is required before 30th day of April of each year to deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debenture issued through public issue maturing within one year from the Balance sheet date.

(2) As per the notification G.S.R. 574(E) dated August 16, 2019, the Ministry of Corporate Affairs has amended the Companies (Share Capital & Debentures) Rules, DRR need not be created for debentures issued by a Non-Banking Finance Company subsequent to the notification date. The Company has not created DRR on public issue of non-convertible debentures issued after the date of said notification.

(3) In respect of the debentures issued through public issue, the Company has created DRR of Rs. 337.87 crores (March 31, 2020: Rs. 345.26 crores). The Company subsequent to the year end has deposited a sum of Rs. 498.41 crores (March 31, 2020: Rs. 15.84 crores) in the form of fixed deposits with scheduled banks, representing 15% of the debenture issued through public issue, which are due for redemption within one year from the balance sheet date.

(4) On redemption of the debentures for which the DRR is created, the amounts no longer necessary to be retained in this account need to be transferred to the Retained earnings.

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

Statutory reserve: Every year the Company transfers a sum of not less than twenty per cent of net profit of that year as disclosed in the statement of profit and loss to its Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934.

The conditions and restrictions for distribution attached to statutory reserves as specified in Section 45-IC(1) in The Reserve Bank of India Act, 1934:

(1) Every non-banking financial company (NBFC) shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

(2) No appropriation of any sum from the reserve fund shall be made by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty-one days from the date of such withdrawal:

Provided that the RBI may, in any particular case and for sufficient cause being shown, extend the period of twenty-one days by such further period as it thinks fit or condone any delay in making such report.

(3) Notwithstanding anything contained in sub-section (1), the Central Government may, on the recommendation of the RBI and having regard to the adequacy of the paid-up capital and reserves of a NBFC in relation to its deposit liabilities, declare by order in writing that the provisions of sub-section (1) shall not be applicable to the NBFC for such period as may be specified in the order:

Provided that no such order shall be made unless the amount in the reserve fund under sub-section (1) together with the amount in the share premium account is not less than the paid-up capital of the NBFC.

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

Other comprehensive income: Other comprehensive income includes cash flow hedge reserve and remeasurement gain/(loss) on defined benefit plan.

a) Cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges, which shall be reclassified to the statement of profit and loss only when the hedged transaction affects the statement of profit and loss, or included as a basis adjustment to the non-financial hedged item, consistent with the Company accounting policies.

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

(Rs. in crores)

Particulars	Year ended March 31, 2021			Year ended March 31, 2020		
	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	Total	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	Total
32 INTEREST INCOME						
Interest on loans	16,611.31	-	**16,611.31**	15,690.72	-	**15,690.72**
Interest income from investments	264.82	3.75	**268.57**	214.53	1.00	**215.53**
Interest on deposits with banks						
- Margin money deposit	137.34	-	**137.34**	208.75	-	**208.75**
- Deposits with banks	37.22	-	**37.22**	66.95	-	**66.95**
Other interest income						
- delayed payments by customers	42.40	-	**42.40**	60.52	-	**60.52**
- unwinding of security deposit	3.07	-	**3.07**	3.05	-	**3.05**
- direct assignment	28.23	-	**28.23**	21.94	-	**21.94**
Total	**17,124.39**	**3.75**	**17,128.14**	**16,266.46**	**1.00**	**16,267.46**

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
33 FEE AND COMMISSION INCOME		
Income from commission services- life insurance	20.66	20.39
Income from commission services- general insurance	54.36	63.58
Income from loan related and other commission services	40.84	111.00
Total	**115.86**	**194.97**

Revenue from contracts with customers

Set out below is the revenue from contracts with customers and reconciliation to the statement of profit and loss

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Type of services or service		
Fee and commission income	115.86	194.97
Total revenue from contract with customers	**115.86**	**194.97**
Geographical markets		
India	115.86	194.97
Outside India	-	-
Total revenue from contract with customers	**115.86**	**194.97**
Timing of revenue recognition		
Services transferred at a point in time	115.86	194.97
Services transferred over time	-	-
Total revenue from contracts with customers	**115.86**	**194.97**

33 FEE AND COMMISSION INCOME (Contd.)

Contract balance

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables	8.92	10.50
Contract assets	-	-

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

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
34 NET GAIN/ (LOSS) ON FAIR VALUE CHANGES		
(A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	-	-
- Derivatives	-	-
- Others	-	-
(ii) On financial instruments designated at fair value through profit or loss	-	-
(B) Others:		
- Investment in shares, venture capital fund, mutual funds and certificate of deposits	22.87	17.80
- Direct assignment	(1.07)	-
- Derivatives	-	(5.88)
Total Net gain/(loss) on fair value changes (C)	**21.80**	**11.92**
Fair value changes:		
- Realised	20.02	18.67
- Unrealised	1.78	(6.75)
Total Net gain/(loss) on fair value changes(D)	**21.80**	**11.92**

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
35 OTHER OPERATING INCOME		
Bad debt recovery	95.59	80.73
Total	**95.59**	**80.73**

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
36 OTHER INCOME		
Interest on income tax refund	-	5.80
Interest others	1.74	-
Profit on sale of property, plant and equipment	-	1.17
Miscellaneous income	14.21	13.30
Total	**15.95**	**20.27**

(Rs. in crores)

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
37	**FINANCE COSTS**		
	On Financial liabilities measured at amortised cost		
	Interest on deposits	1,169.47	973.80
	Interest on borrowings (other than debt securities)		
	- Loans from banks	1,239.18	1,251.44
	- Loans from institutions and others	153.59	217.98
	- External commercial borrowings	381.57	461.83
	- Interest paid on securitisation	2,161.71	1,743.54
	Interest on debt securities		
	- Debentures	1,768.36	1,950.39
	- Senior secured notes	102.06	214.37
	- External commercial bond	1,517.36	656.82
	- Commercial paper	3.63	104.50
	Interest on subordinated liabilities	525.27	661.86
	Other interest expense		
	- Interest on lease liability	32.06	33.73
	Total	**9,054.26**	**8,270.26**

(Rs. in crores)

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
38	**FEE AND COMMISSION EXPENSE**		
	Brokerage	31.34	9.23
	Professional charges-resource mobilisation	28.47	29.29
	Processing charges on loans	1.85	1.89
	Professional charges on securitisation	17.23	16.47
	Total	**78.89**	**56.88**

(Rs. in crores)

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
39	**IMPAIRMENT ON FINANCIAL INSTRUMENTS**		
	On financial instruments measured at amortised cost		
	Loans (refer note 63)*	3,128.29	2,748.87
	Investments	(4.22)	42.22
	Others		
	Undrawn commitments	(5.45)	4.39
	Other assets	(0.22)	(0.60)
	Total	**3,118.40**	**2,794.88**

* Includes loss on disposal of repossessed vehicles Rs. 557.30 crores for the year ended March 31, 2021 (March 31, 2020: Rs. 699.00 crores).

39 IMPAIRMENT ON FINANCIAL INSTRUMENTS (Contd.)

The table below shows the ECL charges on financial instruments for the year recorded in the statement of profit and loss based on evaluation stage:

Year ended March 31, 2021

(Rs. in crores)

Particulars	General approach			Simplified approach	Total
	Stage 1 collective	Stage 2 collective	Stage 3 collective		
Loans and advances to customers	1,290.89	538.51	1,298.89	-	**3,128.29**
Debt instruments measured at amortised cost	14.22	(18.44)	-	-	**(4.22)**
Undrawn commitments	(5.45)	-	-	-	**(5.45)**
Others	-	-	-	(0.22)	**(0.22)**
Total impairment loss	**1,299.66**	**520.07**	**1,298.89**	**(0.22)**	**3,118.40**

Year ended March 31, 2020

(Rs. in crores)

Particulars	General approach			Simplified approach	Total
	Stage 1 collective	Stage 2 collective	Stage 3 collective		
Loans and advances to customers	1,088.82	(20.86)	1,680.91	-	**2,748.87**
Debt instruments measured at amortised cost	23.78	18.44	-	-	**42.22**
Undrawn commitments	4.39	-	-	-	**4.39**
Others	-	-	-	(0.60)	**(0.60)**
Total impairment loss	**1,116.99**	**(2.42)**	**1,680.91**	**(0.60)**	**2,794.88**

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
40 EMPLOYEE BENEFITS EXPENSES		
Salaries, other allowance and bonus	829.32	926.57
Contribution to provident and other funds	53.36	53.72
Staff welfare expenses	16.62	24.99
Gratuity expenses (refer note 46)	6.95	5.54
Total	**906.25**	**1,010.82**

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
41 DEPRECIATION, AMORTISATION AND IMPAIRMENT		
Depreciation of property, plant and equipment	48.26	48.59
Depreciation of investment property	0.03	0.03
Amortisation of intangible assets	1.34	1.26
Depreciation on Right-of-use assets (refer note 18)	87.73	91.17
Total	**137.36**	**141.05**

(Rs. in crores)

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
42	**OTHER EXPENSES**		
	Rent (refer note 18)	9.24	9.88
	Rates and taxes	5.04	2.56
	Energy costs	15.21	21.08
	Repairs and maintenance	58.81	56.76
	Communication costs	39.97	49.17
	Printing and stationery	11.57	19.33
	Advertisement and publicity	2.01	14.27
	Director's fees, allowances, and expenses	0.75	0.66
	Auditor fees and expenses (refer note 55, 56 and 57)		
	As Auditor:		
	- Audit fees	0.93	0.88
	- Tax audit fees	0.09	0.09
	- Out of pocket	-	0.04
	In any other manner:		
	- Certification	0.10	0.08
	Legal and professional charges	111.27	58.18
	Other expenditure:		
	Travelling and conveyance	95.34	123.22
	Business promotion	59.30	47.71
	Outsourcing expenses	76.47	75.99
	Royalty	188.95	180.75
	Insurance	2.07	1.38
	Bank charges	34.40	43.18
	Loss on sale of property, plant and equipment (net)	0.65	-
	Service charges	47.95	45.67
	CSR expenses (refer note 61)	64.96	53.16
	Miscellaneous expenses	38.15	59.16
	Total	**863.23**	**863.20**

43 INCOME TAX

The components of income tax expense for the year ended March 31, 2021 and year ended March 31, 2020 are:

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current tax	1,197.77	921.20
Adjustment in respect of current income tax of prior years	138.34	0.84
Deferred tax relating to origination and reversal of temporary differences	(545.36)	14.79
Total tax charge	**790.75**	**936.83**
Current tax	1,336.11	922.04
Deferred tax	(545.36)	14.79

43 INCOME TAX (Contd.)

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at Indian corporate tax rate.

A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2021 and year ended March 31, 2020 is, as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Accounting profit before tax	3,278.01	3,438.67
At India's statutory income tax rate of 25.168% (2020: 25.168%)	825.01	865.44
Adjustment in respect of current income tax of prior years	138.34	0.84
Income subject to tax at special rate		
Long term capital gain on sale of property	-	(0.07)
Non-deductible expenses		
Corporate social responsibility expenditure not allowable for tax purpose	16.35	13.38
Reversal of deferred tax no longer required	-	26.25
Reversal of deferred tax asset on account of adoption of new Income Tax rate	-	21.18
Adjustment in respect of prior years*	(138.34)	-
Others	(50.61)	9.81
Income tax expense reported in the statement of profit and loss	**790.75**	**936.83**

The effective income tax rate for is 24.12% (March 31, 2020: 27.24%).

* Includes adjustment on account of change in tax treatment of an item of deduction claimed in earlier assessment years under Income tax act, 1961 due to changes in facts and circumstances which has resulted in the reassessment of tax estimate as per Ind AS-12.

Deferred tax

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

(Rs. in crores)

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

43 INCOME TAX (Contd.)

(Rs. in crores)

Particulars	Deferred tax assets As at March 31, 2020	Deferred tax liabilities As at March 31, 2020	Statement of profit and loss Year ended March 31, 2020	OCI Year ended March 31, 2020
Property, plant and equipment, intangible assets and investment property - carrying amount other than on account of fair valuation	19.45	-	(2.65)	-
Provision for post retirement benefits	9.42	-	(0.56)	(1.59)
Expenses allowable for tax purposes when paid	25.45	-	-	-
Reversal of deferred tax no longer required	-	-	26.25	-
EIR impact on debt instrument in the nature of borrowings measured at amortised cost	-	14.21	(13.10)	-
Impairment allowance for undrawn commitments	10.05	-	(7.09)	-
Fair valuation of derivative financial instrument	-	1.48		-
Right-of-use assets	8.80	-	(4.78)	-
Reversal of deferred tax asset on account of adoption of new Income Tax rate	-	-	21.18	-
Other temporary differences	5.02	-	(4.45)	-
Total	**78.19**	**15.69**	**14.79**	**(1.59)**

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

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Amounts recognised in respect of current tax / deferred tax directly in equity	-	-

Tax losses

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Unused tax losses for which no deferred tax asset has been recognised	-	-

44 EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of Company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Net Profit after tax as per Statement of Profit and Loss (Rs. in crores) (A)	2,498.83	2,512.27
Weighted average number of equity shares for calculating basic EPS (in crores) (B)	24.63	23.29
Weighted average number of equity shares for calculating diluted EPS (in crores) (C)	24.63	23.29
Basic earnings per equity share (in Rupees) (face value of Rs. 10/- per share) (A) / (B)	101.44	107.89
Diluted earnings per equity share (in Rupees) (face value of Rs. 10/- per share) (A) / (C)	101.44	107.89

Pursuant to Ind AS 33, basic and diluted earnings per share for the year ended March 31, 2020, has been restated for the bonus element in respect of Right Issue made during the year ended March 31, 2021.

45 INVESTMENT IN ASSOCIATES AND STRUCTURED ENTITIES

Associate of the Company is:

Name of the associate	Country of incorporation	Principal place of business	Principal activities	% equity interest March 31, 2021	% equity interest March 31, 2020
Shriram Automall India Limited (SAMIL)	India	New Delhi	Market leader in physical bidding for acquisition and disposal of pre-owned vehicles and equipment.	44.56%	44.56%

The Company has recognised its investment in associate under equity method and not adjusted to fair value at the end of each reporting period.

The Company's share in the associate is as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2021*	Year ended March 31, 2020
(a) share in profit or loss from continuing operations.	11.57	10.43
(b) share in post-tax profit or loss from discontinued operations.	-	-
(c) share in other comprehensive income.	0.20	0.25
(d) share in total comprehensive income.	11.77	10.68

*The financial statements of the associate are as per unaudited financial statements provided by the management.

46 RETIREMENT BENEFIT PLAN

a) Defined contribution plan

A defined contribution plan is a pension plan under which the Company pays fixed contributions; there is no legal or constructive obligation to pay further contributions. The assets of the plan are held separately from those of the Company in a fund under the control of trustees.

The Company makes Provident fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs 42.95 crores (March 31, 2020: Rs. 41.06 crores) for Provident fund contributions and Rs. 10.30 crores (March 31, 2020: Rs. 12.54 crores) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

b) Defined benefit plan

Gratuity

The Company has a defined benefit gratuity plan (funded). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and last drawn salary. The fund is managed by third party fund managers.

Each year, the Board of Trustees reviews the level of funding in the gratuity plan. Such a review includes the asset-liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks. The Board of Trustees decides contribution to be made by the Company based on the results of this annual review. The trust is in process of investing entire funds in government securities through third party fund managers and as on March 31, 2021, 85.82 % funds are invested in government securities and balance 14.18 % funds are invested in other equity and debt instruments. The Board of Trustees aim to keep annual contributions of the Company relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

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46 RETIREMENT BENEFIT PLAN (Contd.)

The following tables summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

Amount recognised in the statement of profit and loss in respect of the defined benefit plan are as follows :

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Amounts recognised in statement of profit and loss in respect of defined benefit plans are as follows :		
Current service cost	6.73	5.45
Interest expense	4.15	3.78
Interest Income	(3.93)	(3.68)
Past service cost	-	-
Components of defined benefit costs recognised in profit or loss (A)	**6.95**	**5.55**
Remeasurement of gains/(losses) in other comprehensive income :		
Return on plan assets (excluding amounts included in net interest expense)	(0.66)	(1.18)
Actuarial changes arising from changes in demographic assumptions	(1.40)	-
Actuarial changes arising from changes in financial assumptions	1.34	4.80
Experience adjustments	0.72	2.71
Components of defined benefit costs recognised in other comprehensive income (B)	-	**6.33**
Total (A+B)	**6.95**	**11.88**

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

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Change in the obligation during the year ended		
Present value of defined obligation at the beginning of the year	63.25	49.43
Expenses recognised in statement of profit and loss :		
Current service cost	6.73	5.45
Interest expense/(income)	4.15	3.78
Recognised in other comprehensive income remeasurement gains/(losses)	0.66	7.51
Past service cost	-	-
Liability transferred in/acquisitions	0.01	-
Benefits paid from the fund	(1.92)	(2.92)
Present value of defined obligation at the end of the year	**72.88**	**63.25**

Change in the Fair value of plan assets :

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Fair value of plan assets at the beginning of the year	59.88	48.15
Interest income	3.93	3.68
Contributions by the employer	8.25	9.79
Benefits paid from the fund	(1.92)	(2.92)
Return on plan assets excluding interest income	0.66	1.18
Fair value of plan assets at the end of the year	**70.80**	**59.88**

46 RETIREMENT BENEFIT PLAN (Contd.)

Calculation of benefit liability/(asset) :

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Defined benefit obligation	72.88	63.25
Fair value of plan assets	70.80	59.88
Benefit liability	**2.08**	**3.37**

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

Particulars	As at March 31, 2021	As at March 31, 2020
Expected return on plan assets	6.33%	6.56%
Rate of discounting	6.33%	6.56%
Expected rate of salary increase	5.00%	5.00%
Rate of employee turnover	For service 4 years and below 25.00% p.a. and for service 5 years and above 6.50% p.a.	For service 4 years and below 20.00% p.a. and for service 5 years and above 7.50% p.a.
Mortality rate during employment	Indian Assured Lives mortality (2006-08)	Indian Assured Lives mortality (2006-08)
Mortality rate after employment	N.A.	N.A.

Investments quoted in active markets:

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Government securities	60.76	49.00
Debt and other instruments	10.05	10.88
Total	**70.81**	**59.88**

(Rs. in crores)

Assumptions	Sensitivity level	Impact on defined benefit obligation March 31, 2021	Impact on defined benefit obligation March 31, 2020
Discount rate	1% increase	(5.50)	(4.47)
	1% decrease	6.37	5.14
Future salary increases	1% increase	6.32	5.10
	1% decrease	(5.55)	(4.51)
Attrition rate	1% increase	0.56	0.49
	1% decrease	(0.64)	(0.57)

46 RETIREMENT BENEFIT PLAN (Contd.)

(Rs. in crores)

Expected payment for future years	As at March 31, 2021	As at March 31, 2020
Within the next 12 months (next annual reporting period)	7.30	6.35
Between 2 and 5 years	22.48	21.74
Between 5 and 10 years	28.17	25.62
Beyond 10 years	80.13	64.26
Total expected payments	**138.08**	**117.97**

The Company expects to contribute Rs. 10.09 crores to the fund in the next financial year.

The weighted average duration of the defined benefit obligation as at March 31, 2021 is 9 years (March 31, 2020: 9 years)

Asset liability matching strategies

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

c) **Compensated Absences**

The principal assumptions used in determining obligations for the Company are shown below:

Particulars	As at March 31, 2021	As at March 31, 2020
Rate of discounting	6.33%	6.56%
Expected rate of salary increase	5.00%	5.00%
Rate of employee turnover		
Service 4 years and below	25.00%	20.00%
Service 5 years and above	6.50%	7.50%
Mortality	Indian Assured Lives mortality (2006-08)	Indian Assured Lives mortality (2006-08)

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Expenses recognised in statement of profit and loss	15.33	17.94

The Company has not funded its compensated absences liability and the same continues to remain as unfunded as at March 31, 2021.

The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.

Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.

47 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(Rs. in crores)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	11,050.93	-	**11,050.93**	3,088.99	-	**3,088.99**
Bank balance other than above	4,886.78	504.11	**5,390.89**	4,204.15	21.78	**4,225.93**
Derivative financial instruments	100.51	68.74	**169.25**	758.73	-	**758.73**
Receivables						
(I) Trade receivables	8.92	-	**8.92**	10.50	-	**10.50**
(II) Other receivables	49.90	-	**49.90**	5.64	-	**5.64**
Loans	37,930.19	70,372.85	**108,303.04**	28,287.31	73,944.32	**102,231.63**
Investments	523.21	2,823.56	**3,346.77**	361.47	2,574.16	**2,935.63**
Other financial assets	2.07	46.96	**49.03**	-	38.70	**38.70**
Non-financial Assets						
Current tax asset	-	171.73	**171.73**	-	249.10	**249.10**
Deferred tax assets (net)	-	639.14	**639.14**	-	62.50	**62.50**
Investment property	-	2.00	**2.00**	-	2.03	**2.03**
Property, plant and equipment	-	124.44	**124.44**	-	149.88	**149.88**
Right-of-use assets	-	308.51	**308.51**	-	334.29	**334.29**
Other intangible assets	-	2.39	**2.39**	-	2.67	**2.67**
Other non-financial assets	41.68	169.16	**210.84**	44.10	125.47	**169.57**
Total assets	**54,594.19**	**75,233.59**	**129,827.78**	**36,760.89**	**77,504.90**	**114,265.79**
Liabilities						
Financial Liabilities						
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	**-**	0.40	-	**0.40**
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	255.51	-	**255.51**	143.44	-	**143.44**
(II) Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	0.37	-	**0.37**	-	-	**-**
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	0.54	-	**0.54**	1.13	-	**1.13**
Debt securities	12,471.61	27,590.26	**40,061.87**	6,484.83	27,782.13	**34,266.96**
Borrowings (other than debt securities)	20,285.69	24,995.68	**45,281.37**	16,550.38	25,924.22	**42,474.60**
Deposits	5,494.92	10,737.49	**16,232.41**	2,857.28	9,102.84	**11,960.12**
Subordinated liabilities	69.31	4,551.45	**4,620.76**	1,114.07	4,556.00	**5,670.07**
Lease liabilities	74.29	275.20	**349.49**	80.97	281.84	**362.81**
Other financial liabilities	829.50	134.85	**964.35**	787.82	124.50	**912.32**
Non-financial Liabilities						
Current tax liabilities (net)	102.02	-	**102.02**	102.02	-	**102.02**
Provisions	105.52	37.02	**142.54**	112.27	34.06	**146.33**
Other non-financial liabilities	99.26	-	**99.26**	83.28	-	**83.28**
Total Liabilities	**39,788.54**	**68,321.95**	**108,110.49**	**28,317.89**	**67,805.59**	**96,123.48**
Net	**14,805.65**	**6,911.64**	**21,717.29**	**8,443.00**	**9,699.31**	**18,142.31**

48 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

(Rs. in crores)

Particulars	As at March 31, 2020	Cash flows	Changes in fair value	Exchange difference	Other	As at March 31, 2021
Debt securities	34,266.96	4,838.70	-	-	956.21	40,061.87
Borrowings (other than debt securities)	42,474.60	2,447.10	-	-	359.67	45,281.37
Deposits	11,960.12	4,206.86	-	-	65.43	16,232.41
Subordinated liabilities	5,670.07	(1,069.27)	-	-	19.96	4,620.76
Lease liabilities	362.81	(96.16)	-	-	82.84	349.49
Total liabilities from financing activities	**94,734.56**	**10,327.23**	**-**	**-**	**1,484.11**	**106,545.90**

(Rs. in crores)

Particulars	As at March 31, 2019	Cash flows	Changes in fair value	Exchange difference	Other	As at March 31, 2020
Debt securities	34,181.76	353.95	-	-	(268.75)	34,266.96
Borrowings (other than debt securities)	37,189.30	3,326.77	-	-	1,958.53	42,474.60
Deposits	10,341.46	1,661.62	-	-	(42.96)	11,960.12
Subordinated liabilities	6,201.88	487.32	-	-	(1,019.13)	5,670.07
Lease liabilities	-	(110.46)	-	-	473.27	362.81
Total liabilities from financing activities	**87,914.40**	**5,719.20**	**-**	**-**	**1,100.96**	**94,734.56**

49 CONTINGENT LIABILITIES AND COMMITMENTS

(A) Contingent liabilities

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
a. In respect of Income tax demands where the Company and its associate have filed appeal before various authorities	133.64	133.80
b. VAT demand where the Company and its associate have filed appeal before various appellates	117.54	117.54
c. Service tax demands where the Company and its associate have filed appeal before various authorities	1,976.63	326.21
d. Penalty levied for Contravention of provisions of Section 6(3)(b) of FEMA, 1999 read with Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000	5.00	5.00
Total	**2,232.81**	**582.55**

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

Disputed income tax demands are on account of royalty, disallowance of ESOP expenses, 14A, derivatives etc.

(B) Commitments not provided for

(Rs. in crores)

	As at March 31, 2021	As at March 31, 2020
a. Estimated amount of contracts remaining to be executed on capital account, net of advances	3.82	4.52
b. Commitments related to loans sanctioned but undrawn	148.66	311.87

50 RELATED PARTY DISCLOSURES

Relationship		Name of the party
I	Promoter	: Shriram Capital Limited
II	Promoter group	: Shriram Financial Ventures (Chennai) Private Limited Shriram Value Services Limited Novac Technology Solutions (P) Limited Shriram Fortune Solutions Limited Shriram General Insurance Company Limited Shriram Insight Share Brokers Limited Shriram Life Insurance Company Limited Shriram Asset Management Company Limited Shriram Financial Products Solutions (Chennai) Private Limited Insight Commodities and Futures Private Limited Shriram Credit Company Limited Shriram Overseas Investments Private Limited Shriram Wealth Advisors Limited Bharath Investments Pte. Ltd., Singapore SGI Philippines General Insurance Co. Inc. Novac Digital Service Private Limited Snotter Technology Services Private Limited SEA funds Management India Private Limited Way2wealth Insurance Brokers Private Limited Way2wealth Securities Private Limited Way2wealth Brokers Private Limited Way2wealth Commodities Private Limited
III	Associates	: Shriram Automall India Limited (SAMIL) Cartradeexchange Solutions Private Limited Adroit Inspection Service Private Limited Augeo Asset Management Private Limited (from January 08, 2020)
IV	Key Management Personnel	: Mr. Umesh Revankar, Managing Director & CEO Mr. S. Lakshminarayanan Mrs. Kishori Udeshi Mr. S. Sridhar Mr. Pradeep Kumar Panja Mr. D. V. Ravi Mr. Ignatius Michael Viljoen (from May 14, 2019) Mr. Puneet Bhatia (upto August 19, 2020) Mr. Sumatiprasad M. Bafna (upto March 31, 2019) Mr. Amitabh Chaudhry (upto October 25, 2018)
V	Relatives of Key Management Personnel	: Mrs. Suchita U. Revankar (spouse of Managing Director & CEO) Mrs. Geeta G. Revankar (mother of Managing Director & CEO) Mr. Anil G. Revankar (brother of Managing Director & CEO) Mr. Shreyas U. Revankar (son of Managing Director & CEO) Mr. Shirish U. Revankar (son of Managing Director & CEO)
VI	Employees' benefit plan	Shriram Transport Finance Co. Ltd. Employees Group Gratuity Assurance Scheme

50 RELATED PARTY DISCLOSURES (Contd.)

Summary of related party transactions

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Payments/Expenses														
Payment to key management personnel	-	-	-	-	-	-	-	-	1.68	1.76	-	-	**1.68**	**1.76**
Royalty	-	-	173.35	86.87	-	-	-	-	-	-	-	-	**173.35**	**86.87**
Service charges	43.99	41.90	-	-	-	-	-	-	-	-	-	-	**43.99**	**41.90**
I.T. and BPO charges	-	-	68.03	68.88	-	-	-	-	-	-	-	-	**68.03**	**68.88**
Rent	0.26	0.78	0.02	0.02	7.94	7.04	-	-	-	-	-	-	**8.22**	**7.84**
Business mobilisation expenses	-	-	-	-	0.02	0.04	-	-	-	-	-	-	**0.02**	**0.04**
Other administrative expenses	0.03	0.04	-	-	10.28	11.11	-	-	-	-	-	-	**10.31**	**11.15**
Insurance premium	-	-	9.46	8.91	-	-	-	-	-	-	-	-	**9.46**	**8.91**
Commission	-	-	67.55	34.97	-	-	-	-	-	-	-	-	**67.55**	**34.97**
Sales promotion	-	-	21.20	1.92	-	-	-	-	-	-	-	-	**21.20**	**1.92**
Valuation charges	-	-	-	-	0.44	0.09	-	-	-	-	-	-	**0.44**	**0.09**
Interest	0.01	0.26	47.17	53.74	5.46	2.97	-	-	0.20	-	0.01	0.01	**52.85**	**56.99**
Equity dividend	37.17	71.17	0.03	-	-	-	-	-	-	-	0.00	0.00	**37.20**	**71.17**
Non-convertible debenture (secured) matured	-	-	0.19	80.11	-	-	-	-	-	-	-	-	**0.19**	**80.11**
Fixed deposit matured	-	-	-	14.00	-	-	-	-	0.75	-	0.03	0.01	**0.78**	**14.01**
Subordinated debt matured	0.37	1.72	31.50	45.00	1.39	1.39	-	-	-	-	-	-	**33.26**	**48.11**
Employer contribution to employees group gratuity assurance scheme	-	-	-	-	-	-	8.25	9.79	-	-	-	-	**8.25**	**9.79**
Inter-corporate deposit repaid	-	74.00	-	-	90.85	51.50	-	-	-	-	-	-	**90.85**	**125.50**
Receipts/Income														
Common sharing expenses	0.01	0.01	1.12	1.17	0.47	0.65	-	-	-	-	-	-	**1.60**	**1.83**
Rent and electricity	0.16	0.15	-	-	4.67	4.64	-	-	-	-	-	-	**4.83**	**4.79**
Other administrative expenses	-	-	-	-	-	0.14	-	-	-	-	-	-	**-**	**0.14**
Commission	-	-	71.46	79.11	-	-	-	-	-	-	-	-	**71.46**	**79.11**
Non-convertible debenture (secured)	-	-	35.00	2.86	-	-	-	-	-	0.10	-	-	**35.00**	**2.96**
Fixed deposit	-	-	12.30	1.50	20.00	-	-	-	1.08	-	0.08	0.05	**33.46**	**1.55**
Unsecured loan and advances repaid	-	-	-	-	15.06	14.44	-	-	-	-	-	-	**15.06**	**14.44**
Received towards right issue	425.22	-	0.39	-	-	-	-	-	-	-	0.00	-	**425.61**	**-**
Inter-corporate deposit received	-	74.00	-	-	102.30	63.40	-	-	-	-	-	-	**102.30**	**137.40**
Balance outstanding at the year end														
Share capital	66.96	59.50	0.06	0.05	-	-	-	-	-	-	0.00	0.00	**67.02**	**59.56**
Investment in equity shares	-	-	-	-	162.29	150.52	-	-	-	-	-	-	**162.29**	**150.52**
Unsecured loan and advances payable	-	-	-	-	1.23	0.41	-	-	-	-	-	-	**1.23**	**0.41**
Commission receivable	-	-	8.16	9.56	-	-	-	-	-	-	-	-	**8.16**	**9.56**
Prepaid for insurance premium	-	-	2.73	2.84	-	-	-	-	-	-	-	-	**2.73**	**2.84**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Outstanding expenses	11.16	10.43	72.96	44.13	0.03	-	-	-	-	-	-	-	**84.15**	**54.55**
Fixed deposit *	-	-	14.34	1.55	20.00	-	-	-	1.70	1.45	0.19	0.13	**36.23**	**3.13**
Subordinated debt *	-	0.41	495.36	422.19	-	2.76	-	-	-	-	-	-	**495.36**	**425.37**
Non-convertible debenture (secured)*	-	-	53.19	15.12	23.17	22.77	-	-	2.86	2.61	-	-	**79.22**	**40.50**
Inter-corporate deposit *	-	-	-	-	49.59	39.42	-	-	-	-	-	-	**49.59**	**39.42**

Income /expenses are presented excluding GST

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

There were no guarantees given on behalf of related parties during the year.

* Refer note 22 Debt securities, note 24 Deposits and note 25 Subordinated liabilities, for terms and conditions of non-convertible debentures, fixed deposit, inter-corporate deposit and subordinated debt respectively.

Breakup of related party transactions

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Payments/Expenses														
Employee benefits for key management personnel														
- Short term benefits	-	-	-	-	-	-	-	-	0.83	0.97	-	-	**0.83**	**0.97**
- Post employment benefits	-	-	-	-	-	-	-	-	0.16	0.19	-	-	**0.16**	**0.19**
Commission and sitting fee paid to directors														
- Mr. Amitabh Chaudhry	-	-	-	-	-	-	-	-	-	0.04	-	-	-	**0.04**
- Mr. S. Lakshminarayanan	-	-	-	-	-	-	-	-	0.16	0.12	-	-	**0.16**	**0.12**
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	0.18	0.14	-	-	**0.18**	**0.14**
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.17	0.10	-	-	**0.17**	**0.10**
- Mr. Sumatiprasad M. Bafna	-	-	-	-	-	-	-	-	-	0.09	-	-	-	**0.09**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.18	0.11	-	-	**0.18**	**0.11**
License fees														
- Shriram Value Services Limited	-	-	173.35	86.87	-	-	-	-	-	-	-	-	**173.35**	**86.87**
Service charges														
- Shriram Capital Limited	43.99	41.90	-	-	-	-	-	-	-	-	-	-	**43.99**	**41.90**
Voice call services charges														
- Shriram Value Services Limited	-	-	-	21.26	-	-	-	-	-	-	-	-	-	**21.26**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
- Novac Technology Solutions (P) Limited	-	-	24.37	7.43	-	-	-	-	-	-	-	-	**24.37**	**7.43**
I.T. and BPO charges														
- Novac Technology Solutions (P) Limited	-	-	43.66	40.18	-	-	-	-	-	-	-	-	**43.66**	**40.18**
Rent				-										
- Shriram Automall India Limited	-	-	-	-	7.94	7.04	-	-	-	-	-	-	**7.94**	**7.04**
- Shriram Capital Limited	0.26	0.78	-	-	-	-	-	-	-	-	-	-	**0.26**	**0.78**
- Shriram Asset Management Company Limited	-	-	0.02	0.02	-	-	-	-	-	-	-	-	**0.02**	**0.02**
Business mobilisation expenses														
- Shriram Automall India Limited	-	-	-	-	0.02	0.04	-	-	-	-	-	-	**0.02**	**0.04**
Other administrative expenses														
- Shriram Capital Limited	0.03	0.04	-	-	-	-	-	-	-	-	-	-	**0.03**	**0.04**
- Shriram Automall India Limited	-	-	-	-	10.28	11.11	-	-	-	-	-	-	**10.28**	**11.11**
Insurance premium														
- Shriram Life Insurance Company Limited	-	-	5.40	5.63	-	-	-	-	-	-	-	-	**5.40**	**5.63**
- Shriram General Insurance Company Limited	-	-	4.06	3.28	-	-	-	-	-	-	-	-	**4.06**	**3.28**
Commission														
- Shriram Fortune Solutions Limited	-	-	51.21	26.03	-	-	-	-	-	-	-	-	**51.21**	**26.03**
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	9.10	3.31	-	-	-	-	-	-	-	-	**9.10**	**3.31**
- Shriram Insight Share Brokers Limited	-	-	6.56	5.63	-	-	-	-	-	-	-	-	**6.56**	**5.63**
-Shriram Wealth Advisors Limited	-	-	0.68	-	-	-	-	-	-	-	-	-	**0.68**	**-**
Sales promotion														
- Shriram Fortune Solutions Limited	-	-	15.91	-	-	-	-	-	-	-	-	-	**15.91**	**-**
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	3.48	0.75	-	-	-	-	-	-	-	-	**3.48**	**0.75**
- Shriram Insight Share Brokers Limited	-	-	1.68	1.17	-	-	-	-	-	-	-	-	**1.68**	**1.17**
- Shriram Wealth Advisors Limited	-	-	0.13	-	-	-	-	-	-	-	-	-	**0.13**	**-**
Interest on inter-corporate Deposit														
- Shriram Automall India Limited	-	-	-	-	3.63	2.34	-	-	-	-	-	-	**3.63**	**2.34**
- Shriram Capital Limited	-	0.17	-	-	-	-	-	-	-	-	-	-	**-**	**0.17**
Valuation charges														
- Adroit Inspection Service Private Limited	-	-	-	-	0.44	0.09	-	-	-	-	-	-	**0.44**	**0.09**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Interest on fixed deposit														
- Key management personnel														
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	0.20	-	-	-	**0.20**	-
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.01	0.01	**0.01**	**0.01**
- Shriram Fortune Solutions Limited	-	-	-	0.38	-	-	-	-	-	-	-	-	-	**0.38**
- Shriram Asset Management Company Limited	-	-	-	0.05	-	-	-	-	-	-	-	-	-	**0.05**
Interest on subordinated debt														
- Shriram Automall India Limited	-	-	-	-	0.17	0.44	-	-	-	-	-	-	**0.17**	**0.44**
- Shriram Capital Limited	0.01	0.09	-	-	-	-	-	-	-	-	-	-	**0.01**	**0.09**
- Shriram Life Insurance Company Limited	-	-	10.36	9.53	-	-	-	-	-	-	-	-	**10.36**	**9.53**
- Shriram General Insurance Company Limited	-	-	32.27	37.17	-	-	-	-	-	-	-	-	**32.27**	**37.17**
Interest on non-convertible debenture (secured)														
- Shriram Life Insurance Company Limited	-	-	3.22	4.18	-	-	-	-	-	-	-	-	**3.22**	**4.18**
- Shriram General Insurance Company Limited	-	-	-	1.32	-	-	-	-	-	-	-	-	-	**1.32**
- Shriram Asset Management Company Limited	-	-	1.27	1.10	-	-	-	-	-	-	-	-	**1.27**	**1.10**
- Shriram Insight Share Brokers Limited	-	-	0.05	-	-	-	-	-	-	-	-	-	**0.05**	-
- Shriram Automall India Limited	-	-	-	-	1.66	0.19	-	-	-	-	-	-	**1.66**	**0.19**
Equity dividend														
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.00	0.00	**0.00**	**0.00**
- Shriram Capital Limited	37.17	71.17	-	-	-	-	-	-	-	-	-	-	**37.17**	**71.17**
- Shriram Financial Ventures (Chennai) Private Limited	-	-	0.03	-	-	-	-	-	-	-	-	-	**0.03**	-
Non-convertible debenture (secured) matured														
- Shriram Life Insurance Company Limited	-	-	-	58.90	-	-	-	-	-	-	-	-	-	**58.90**
- Shriram General Insurance Company Limited	-	-	-	21.10	-	-	-	-	-	-	-	-	-	**21.10**
- Shriram Insight Share Brokers Limited	-	-	0.19	0.11	-	-	-	-	-	-	-	-	**0.19**	**0.11**
Fixed deposit matured														
- Key management personnel														
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	0.75	-	-	-	**0.75**	-

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.03	0.01	**0.03**	**0.01**
- Shriram Fortune Solutions Limited	-	-	-	14.00	-	-	-	-	-	-	-	-	-	**14.00**
Subordinated debt matured														
- Shriram Capital Limited	0.37	1.72	-	-	-	-	-	-	-	-	-	-	**0.37**	**1.72**
- Shriram Automall India Limited	-	-	-	-	1.39	1.39	-	-	-	-	-	-	**1.39**	**1.39**
- Shriram General Insurance Company Limited	-	-	25.00	45.00	-	-	-	-	-	-	-	-	**25.00**	**45.00**
- Shriram Life Insurance Company Limited	-	-	6.50	-	-	-	-	-	-	-	-	-	**6.50**	-
Employer contribution to employees group gratuity assurance scheme	-	-	-	-	-	-	8.25	9.79	-	-	-	-	**8.25**	**9.79**
Inter-corporate deposit repaid														
- Shriram Automall India Limited	-	-	-	-	90.85	51.50	-	-	-	-	-	-	**90.85**	**51.50**
- Shriram Capital Limited	-	74.00	-	-	-	-	-	-	-	-	-	-	-	**74.00**
TOTAL	**81.83**	**189.87**	**418.50**	**394.40**	**116.38**	**74.14**	**8.25**	**9.79**	**2.63**	**1.76**	**0.04**	**0.02**	**627.63**	**669.99**
Receipts/Income														
Recovery of common sharing expenses														
- Shriram Automall India Limited	-	-	-	-	0.47	0.58	-	-	-	-	-	-	**0.47**	**0.58**
- Shriram Capital Limited	0.01	0.01	-	-	-	-	-	-	-	-	-	-	**0.01**	**0.01**
- Shriram Asset Management Company Limited	-	-	0.06	0.06	-	-	-	-	-	-	-	-	**0.06**	**0.06**
- Shriram Insight Share Brokers Limited	-	-	0.02	0.03	-	-	-	-	-	-	-	-	**0.02**	**0.03**
- Shriram Fortune Solutions Limited	-	-	1.04	1.08	-	-	-	-	-	-	-	-	**1.04**	**1.08**
- Adroit Inspection Service Private Limited	-	-	-	-	-	0.07	-	-	-	-	-	-	-	**0.07**
Rent and electricity														
- Shriram Capital Limited	0.16	0.15	-	-	-	-	-	-	-	-	-	-	**0.16**	**0.15**
- Shriram Automall India Limited	-	-	-	-	4.67	4.64	-	-	-	-	-	-	**4.67**	**4.64**
Other administrative expenses														
- Shriram Automall India Limited	-	-	-	-	-	0.14	-	-	-	-	-	-	-	**0.14**
Commission														
- Shriram General Insurance Company Limited	-	-	50.80	58.71	-	-	-	-	-	-	-	-	**50.80**	**58.71**
- Shriram Life Insurance Company Limited	-	-	20.66	20.39	-	-	-	-	-	-	-	-	**20.66**	**20.39**

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Non-convertible debenture (secured)														
- Key management personnel														
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	-	0.10	-	-	**-**	**0.10**
- Shriram Asset Management Company Limited	-	-	-	2.16	-	-	-	-	-	-	-	-	**-**	**2.16**
- Shriram Insight Share Brokers Limited	-	-	-	0.70	-	-	-	-	-	-	-	-	**-**	**0.70**
- Shriram Life Insurance Company Limited	-	-	35.00	-	-	-	-	-	-	-	-	-	**35.00**	-
Fixed deposit														
- Key management personnel														
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	0.93	-	-	-	**0.93**	-
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.05	-	-	-	**0.05**	-
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.10	-	-	-	**0.10**	-
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.08	0.05	**0.08**	**0.05**
- Shriram Asset Management Company Limited	-	-	12.30	1.50	-	-	-	-	-	-	-	-	**12.30**	**1.50**
- Shriram Automall India Limited	-	-	-	-	20.00		-	-	-	-	-	-	**20.00**	-
Unsecured loan and advances repaid														
- Shriram Automall India Limited	-	-	-	-	15.06	14.44	-	-	-	-	-	-	**15.06**	**14.44**
Received towards right issue			-											
- Shriram Capital Limited	425.22	-	-	-	-	-	-	-	-	-	-	-	**425.22**	-
- Shriram Financial Ventures (Chennai) Private Limited	-	-	0.39	-	-		-	-	-	-	-	-	**0.39**	-
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	**0.00**	-	**0.00**	-
Inter-corporate deposit received														
- Shriram Automall India Limited	-	-	-	-	102.30	63.40	-	-	-	-	-	-	**102.30**	**63.40**
- Shriram Capital Limited	-	74.00	-	-	-	-	-	-	-	-	-	-	**-**	**74.00**
TOTAL	**425.39**	**74.16**	**120.27**	**84.63**	**142.50**	**83.28**	**-**	**-**	**1.08**	**0.10**	**0.08**	**0.05**	**689.32**	**242.22**

Income /expenses are presented excluding GST

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

50 RELATED PARTY DISCLOSURES (Contd.)

Breakup of related party transactions

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Balance outstanding at the year end														
Share capital														
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.00	0.00	**0.00**	**0.00**
- Shriram Capital Limited	66.96	59.50	-	-	-	-	-	-	-	-	-	-	**66.96**	**59.50**
- Shriram Financial Ventures (Chennai) Private Limited	-	-	0.06	0.05	-	-	-	-	-	-	-	-	**0.06**	**0.05**
Investment in equity shares														
- Shriram Automall India Limited	-	-	-	-	162.29	150.52	-	-	-	-	-	-	**162.29**	**150.52**
Unsecured loan and advances payable														
- Shriram Automall India Limited	-	-	-	-	1.23	0.41	-	-	-	-	-	-	**1.23**	**0.41**
Commission receivable														
- Shriram General Insurance Company Limited	-	-	6.10	7.65	-	-	-	-	-	-	-	-	**6.10**	**7.65**
- Shriram Life Insurance Company Limited	-	-	2.06	1.91	-	-	-	-	-	-	-	-	**2.06**	**1.91**
Prepaid for insurance premium														
- Shriram General Insurance Company Limited	-	-	1.71	1.78	-	-	-	-	-	-	-	-	**1.71**	**1.78**
- Shriram Life Insurance Company Limited	-	-	1.02	1.06	-	-	-	-	-	-	-	-	**1.02**	**1.06**
Outstanding expenses														
- Shriram Capital Limited	11.16	10.43	-	-	-	-	-	-	-	-	-	-	**11.16**	**10.43**
- Shriram Value Services Limited	-	-	50.35	40.07	-	-	-	-	-	-	-	-	**50.35**	**40.07**
- Novac Technology Solutions (P) Limited	-	-	8.19	1.80	-	-	-	-	-	-	-	-	**8.19**	**1.80**
- Shriram Fortune Solutions Limited	-	-	11.05	1.27	-	-	-	-	-	-	-	-	**11.05**	**1.27**
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	2.17	0.31	-	-	-	-	-	-	-	-	**2.17**	**0.31**
- Shriram Insight Share Brokers Limited	-	-	1.03	0.65	-	-	-	-	-	-	-	-	**1.03**	**0.65**
- Adroit Inspection Service Private Limited	-	-	-	-	0.03	-	-	-	-	-	-	-	**0.03**	-
- Shriram Asset Management Company Limited	-	-	-	0.02	-	-	-	-	-	-	-	-	-	**0.02**
- Shriram Wealth Advisors Limited	-	-	0.17	-	-	-	-	-	-	-	-	-	**0.17**	-
Fixed deposit														
- Key management personnel														
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	1.55	1.45	-	-	**1.55**	**1.45**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.05	-	-	-	**0.05**	-
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.10	-	-	-	**0.10**	-

50 RELATED PARTY DISCLOSURES (Contd.)

(Rs. in Crores)

Particulars	Promoter		Promoter group		Associates		Employees' benefit plan		Key management personnel		Relative of key management personnel		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	0.19	0.13	**0.19**	**0.13**
- Shriram Asset Management Company Limited	-	-	14.34	1.55	-	-	-	-	-	-	-	-	**14.34**	**1.55**
- Shriram Automall India Limited	-	-	-	-	20.00	-	-	-	-	-	-	-	**20.00**	-
Non-convertible debenture (secured)														
-Key management personnel														
- Mr.Umesh Revankar	-	-	-	-	-	-	-	-	2.49	2.27	-	-	**2.49**	**2.27**
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.13	0.12	-	-	**0.13**	**0.12**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.24	0.22	-	-	**0.24**	**0.22**
- Shriram Life Insurance Company Limited	-	-	36.71	-	-	-	-	-	-	-	-	-	**36.71**	-
- Shriram Asset Management Company Limited	-	-	15.85	14.49	-	-	-	-	-	-	-	-	**15.85**	**14.49**
- Shriram Insight Share Brokers Limited	-	-	0.63	0.63	-	-	-	-	-	-	-	-	**0.63**	**0.63**
- Shriram Automall India Limited	-	-	-	-	23.17	22.77	-	-	-	-	-	-	**23.17**	**22.77**
Subordinated debt														
- Shriram Automall India Limited	-	-	-	-	-	2.76	-	-	-	-	-	-	-	**2.76**
- Shriram Capital Limited	-	0.41	-	-	-	-	-	-	-	-	-	-	-	**0.41**
- Shriram Life Insurance Company Limited	-	-	126.63	103.15	-	-	-	-	-	-	-	-	**126.63**	**103.15**
- Shriram General Insurance Company Limited	-	-	368.73	319.04	-	-	-		-	-	-	-	**368.73**	**319.04**
Inter-corporate deposit received														
- Shriram Automall India Limited	-	-	-	-	49.59	39.42	-	-	-	-	-	-	**49.59**	**39.42**

Income /expenses are presented excluding GST

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

50 RELATED PARTY DISCLOSURES (Contd.)

Disclosure pursuant to Schedule V of Clause A.2 of Regulation 34 (3) and Regulation 53(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I. Disclosures relating Loans and Advances /Investments

(Rs. in crores)

Sl No.	Loans and Advances in the nature of Loans	Maximum Amount Outstanding during the year March 2021	Maximum Amount Outstanding during the year March 2020
A)	To Associate		
	- Shriram Automall India Limited	0.38	3.98

II. Shriram Transport Finance Company Limited (STFC) holds 44.56 % of equity shares of the company. Disclosure relating to transactions with STFC is given above.

51 CAPITAL MANAGEMENT

The Company maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company.

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years except those incorporated on account of regulatory amendments. . However, they are under constant review by the Board.

52 FAIR VALUE MEASUREMENT

52.01: Valuation principle

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained in Note 6.1 (xiii).

52.02: Fair value hierarchy of assets and liabilities

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

As at March 31, 2021

(Rs. in crores)

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Derivative financial instruments				
Forward contracts	-	79.37	-	**79.37**
Currency swaps	-	(103.23)	-	**(103.23)**
Interest rate swaps	-	9.72	-	**9.72**
Cross currency interest rate swaps	-	181.54	-	**181.54**
Interest rate caps	-	1.85	-	**1.85**
Total derivative financial instruments	**-**	**169.25**	**-**	**169.25**

52 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Financial assets held for trading				
Equity instruments	-	-	6.74	**6.74**
Venture capital fund	-	1.54	-	**1.54**
Total financial assets held for trading	-	**1.54**	**6.74**	**8.28**
Total assets measured at fair value on a recurring basis	-	**170.79**	**6.74**	**177.53**
Assets measured at fair value on a non-recurring basis				
Non-current assets and disposals held for sale	-	-	-	-
Total assets measured at fair value on a non-recurring basis	-	-	-	-
Total assets measured at fair value	-	**170.79**	**6.74**	**177.53**

(Rs. in crores)

Liabilities measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Total financial liabilities measured at fair value on a recurring basis	-	-	-	-
Liabilities measured at fair value on a non-recurring basis				
Non-current liabilities and disposals held for sale	-	-	-	-
Total financial liabilities measured at fair value on a non-recurring basis	-	-	-	-
Total liabilities measured at fair value	-	-	-	-

As at March 31, 2020

(Rs. in crores)

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Derivative financial instruments				
Forward contracts	-	378.05	-	**378.05**
Currency swaps	-	11.50	-	**11.50**
Interest rate swaps	-	45.77	-	**45.77**
Cross currency interest rate swaps	-	319.50	-	**319.50**
Interest rate caps	-	3.91	-	**3.91**
Total derivative financial instruments	-	**758.73**	-	**758.73**
Financial assets held for trading				
Mutual funds	-	3.02	-	**3.02**
Equity instruments	-	-	3.36	**3.36**
Venture capital fund	-	1.04	-	**1.04**
Total financial assets held for trading	-	**4.06**	**3.36**	**7.42**
Total assets measured at fair value on a recurring basis	-	**762.79**	**3.36**	**766.15**
Assets measured at fair value on a non-recurring basis				
Non-current assets and disposals held for sale	-	-	-	-
Total assets measured at fair value on a non-recurring basis	-	-	-	-
Total assets measured at fair value	-	**762.79**	**3.36**	**766.15**

52 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

Liabilities measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Total financial liabilities measured at fair value on a recurring basis	-	-	-	-
Liabilities measured at fair value on a non-recurring basis				
Non-current liabilities and disposals held for sale	-	-	-	-
Total financial liabilities measured at fair value on a non-recurring basis	-	-	-	-
Total liabilities measured at fair value	-	-	-	-

52.03: Valuation techniques

Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:

Equity instruments

Investment in units of mutual funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are generally Level 2. Equity instruments in non-listed entities are initially recognised at transaction price and re-measured (to the extent information is available) and valued on a case-by-case and classified as Level 3.

Derivative Financial Instruments

Foreign exchange contracts include foreign exchange forward and swap contracts, interest rate swaps and over- the-counter foreign exchange options. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points and option valuation models. With the exception of contracts where a directly observable rate is available which are disclosed as Level 1, the Company classifies derivative financial instruments as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole).

Certificate of deposits (CDs)

Certificate of deposits are short-term financial instruments issued by Banks. Financial Benchmark India Private Ltd (FBIL) has developed the FBIL- CD, a new benchmark for the money market based on traded CDs reported on the FIMMDA Trade Reporting and Confirmation System (FTRAC) platform of The Clearing Corporation of India Ltd (CCIL). FBIL-CD is announced for seven tenors of 14 days, 1 month, 2 months, 3 months, 6 months, 9 months and 12 months. For valuation, the Company uses FBIL-CD benchmark and based on that benchmark the Company interpolates and calculates CD prices corresponding to their residual maturities and such instruments are classified as Level 2.

52.04: Transfer between fair value hierarchy levels

During the year there were no transfers between level 1 and level 2. Similarly, there were no transfers from or transfer to level 3.

52.05: Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value. Transfers from Level 3 to Level 2 occur when the market for some securities became more liquid, which eliminates the need for the previously required significant unobservable valuation inputs. Since the transfer, these instruments have been valued using valuation models incorporating observable market inputs. Transfers into Level 3 reflect changes in market conditions as a result of which instruments become less liquid. Therefore, the Company requires significant unobservable inputs to calculate their fair value.

52 FAIR VALUE MEASUREMENT (Contd.)

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

(Rs. in crores)

Particulars	Equity instruments As at March 31, 2021	Equity instruments As at March 31, 2020
Opening balance	**3.36**	**3.58**
Purchase	-	-
Sales	-	-
Issuances	-	-
Settlements	-	-
Transfers into level 3	-	-
Transfers from level 3	-	-
Net interest income, net trading income and other income	-	-
Other comprehensive income	-	-
Unrealised gains and losses related to balances held at the end of the year	**3.38**	**(0.22)**
Closing balance	**6.74**	**3.36**

52.06: Impact of changes to key assumptions on fair value of level 3 financial instruments measured at fair value

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Company's level 3 assets and liabilities. The range of values indicates the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation. Relationships between unobservable inputs have not been incorporated in this summary.

(Rs. in crores)

Particulars	Fair value Level 3 assets As at March 31, 2021	Fair value Level 3 assets As at March 31, 2020	Valuation technique	Significant unobservable inputs
Equity instruments	6.74	3.36	Based on the discounted cashflow	Based on the discounted cashflow

52.07: Sensitivity of fair value measurements to changes in unobservable market data

The table below describes the effect of changing the significant unobservable inputs to reasonable possible alternatives. All changes would be reflected in the Statement of profit and loss. Sensitivity data are calculated using a number of techniques, including analysing price dispersion of different price sources, adjusting model inputs to reasonable changes within the fair value methodology.

The ranges are not comparable or symmetrical as the model inputs are usually not in the middle of the favourable/ unfavourable range.

The table below shows data in relation to level 3 inputs that are already aggregated on the underlying product levels without assuming any potential diversification effect, but including potential off-sets from economic or accounting hedge relationships in place. The Company is of the opinion that, whilst there may be some diversification benefits, incorporating these would not be significant to the analysis.

(Rs. in crores)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Favourable changes 5% increase	Unfavourable changes 5% decrease	Favourable changes 5% increase	Unfavourable changes 5% decrease
Equity instruments based on the discounted cashflow	7.11	6.39	3.51	3.18

52 FAIR VALUE MEASUREMENT (Contd.)

52.08: Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non–financial assets and non-financial liabilities.

(Rs. in crores)

As at March 31, 2021	Carrying amount	Fair value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	11,050.93	7,599.40	3,449.44	-	**11,048.84**
Bank balance other than cash and cash equivalents	5,390.89	161.65	5,126.81	-	**5,288.46**
Trade receivables	8.92	-	-	8.92	**8.92**
Other receivables	49.90	-	-	49.90	**49.90**
Loans (excluding impairment loss allowance)	116,191.59	-	-	114,238.50	**114,238.50**
Investments at amortised cost (excluding impairment loss allowance)	3,214.21	2,159.91	-	903.27	**3,063.18**
Other investments	162.29	-	-	162.29	**162.29**
Other financial assets	49.03	-	-	39.68	**39.68**
Total financial assets	**136,117.76**	**9,920.96**	**8,576.25**	**115,402.56**	**133,899.77**
Financial liabilities:					
Trade payables	255.51	-	-	255.51	**255.51**
Other payables	0.91	-	-	0.91	**0.91**
Debt securities	40,061.87	-	47,326.64	-	**47,326.64**
Borrowings (other than debt securities)	45,281.37	-	51,089.94	-	**51,089.94**
Deposits	16,232.41	-	-	16,559.97	**16,559.97**
Subordinated liabilities	4,620.76	-	6,265.88	-	**6,265.88**
Lease liabilities	349.49	-	-	349.49	**349.49**
Other financial liabilities	964.35	-	-	964.35	**964.35**
Total financial liabilities	**107,766.67**	**-**	**104,682.46**	**18,130.23**	**122,812.69**
Off balance sheet items					
Other commitments	148.66	-	-	148.66	**148.66**
Total off-balance sheet items	**148.66**	**-**	**-**	**148.66**	**148.66**

(Rs. in crores)

As at March 31, 2020	Carrying amount	Fair value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	3,088.99	1,854.21	1,232.41	-	**3,086.62**
Bank balance other than cash and cash equivalents	4,225.93	10.57	4,163.23	-	**4,173.80**
Trade receivables	10.50	-	-	10.50	**10.50**
Other receivables	5.64	-	-	5.64	**5.64**
Loans (excluding impairment loss allowance)	108,501.71	-	-	103,070.32	**103,070.32**
Investments at amortised cost (excluding impairment loss allowance)	2,819.92	1,912.92	-	979.04	**2,891.96**
Other investments	150.52	-	-	150.52	**150.52**
Other financial assets	38.70	-	-	28.87	**28.87**
Total financial assets	**118,841.91**	**3,777.70**	**5,395.64**	**104,244.89**	**113,418.23**

52 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

As at March 31, 2020	Carrying amount	Fair value Level-1	Fair value Level-2	Fair value Level-3	Fair value Total
Financial liabilities:					
Trade payables	143.84	-	-	143.84	**143.84**
Other payables	1.13	-	-	1.13	**1.13**
Debt securities	34,266.96	-	36,510.59	-	**36,510.59**
Borrowings (other than debt securities)	42,474.60	-	42,704.86	-	**42,704.86**
Deposits	11,960.12	-	-	12,161.38	**12,161.38**
Subordinated liabilities	5,670.07	-	5,367.03	722.40	**6,089.43**
Lease liabilities	362.81	-	-	362.81	**362.81**
Other financial liabilities	912.32	-	-	912.32	**912.32**
Total financial liabilities	**95,791.85**	**-**	**84,582.48**	**14,303.88**	**98,886.36**
Off balance sheet items					
Other commitments	311.87	-	-	311.87	**311.87**
Total off-balance sheet items	**311.87**	**-**	**-**	**311.87**	**311.87**

Note:

The management assessed that cash and cash equivalents, trade receivables, trade payables, other receivables, other payables, bank overdrafts and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

52.09: Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: trade receivables, other receivables, balances other than cash and cash equivalents and trade payables without a specific maturity.

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models based on contractual cash flows using actual yields.

Pass through certificates

These instruments include asset backed securities. The market for these securities is not active. Therefore, the Company uses a variety of valuation techniques to measure their fair values. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers such as loan-to-value ratios, emergence period estimation, indebtedness and rental income levels. Instruments with no comparable instruments or valuation inputs are classified as Level 3.

Investment in associate at cost

Investment in associate: As per Ind AS 28 Interest in associate are recognised at cost and not adjusted to fair value at the end of each reporting period. Cost represents amount paid for acquisition of the said investments. Loan and other similar arrangements with subsidiaries which are probable to be settled for a fixed number of equity share of the borrower for a fixed price are classified as equity investment. The Company assesses at the end of each reporting period, if there are any indications that the said investments may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

Investment in government securities at amortised cost

The fair values financial assets held-to-maturity investments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

Issued debt and borrowings

The fair value of issued debt is estimated by a discounted cash flow model incorporating interest rate from market-observable data such as secondary prices for its traded debt.

52 FAIR VALUE MEASUREMENT (Contd.)

Deposits

The fair value of public deposits and deposit from corporates is estimated by discounting the future cash flows considering the interest rate applicable on the reporting date for deposits of similar tenure and scheme (cumulative/non-cumulative). Inter-corporate deposits are estimated at their carrying amounts due to the short-term maturities of these deposits.

Off-balance sheet positions

Estimated fair values of off-balance sheet positions are based on the carrying amounts due to the short-term maturities of these positions.

53 RISK MANAGEMENT

Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

53.01: Introduction and risk profile

53.01.01: Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Board has constituted the Risk Management Committee which is responsible for monitoring the overall risk process within the Company.

The Risk Management Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Risk Management Committee is responsible for managing risk decisions and monitoring risk levels.

The Chief Risk officer is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The Risk owners within each department will report to the Risk Committee.

The Risk owners are responsible for monitoring compliance with risk principles, policies and limits across the Company. Each department has its Risk owner who is responsible for the control of risks, including monitoring the actual risk of exposures against authorised limits and the assessment of risks.

The Company's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

The Company's policy is that risk management processes throughout the Company are audited annually by the Internal Audit function, which examines both the adequacy of the procedures and the Company's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to Risk Management Committee.

53.01.02: Risk mitigation and risk culture

As part of its overall risk management, the Company can use derivatives and other instruments to manage exposures resulting from changes in interest rates and foreign currencies associated with foreign currency transactions.

53.01.03: Risk measurement and reporting systems

The Company's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment, as necessary.

The Company's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Information compiled from all the departments is examined and processed in order to analyse, control and identify risks on a timely basis. This information is presented and explained to the Risk Management Committee and the head of each department.

The Risk Management Committee receives a comprehensive risk report once a quarter which is designed to provide all the necessary information to assess and conclude on the risks of the Company.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to that they decide to take on. The Company's continuous training and development emphasises that employees are made aware of the Company's risk

53 RISK MANAGEMENT (Contd.)

appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Company's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

53.01.04: Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on spreading its lending portfolio across all the states with a cap on maximum limit of exposure for a state and also for an individual/Group.

53.02: Credit risk

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

Credit risk is monitored by the credit department of the Company. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit manager, as well as the business with tools like credit risk systems, policies, models and reporting.

The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties.

The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

The Company's internal credit rating grades on days past due(dpd) basis:

Internal rating grade	Internal rating description
Performing	
High grade	0 dpd
Standard grade	1 to 30 dpd
Sub-standard grade	31 to 60 dpd
Past due but not impaired	61 to 90 dpd
Non-performing	90+ dpd

53.02.01: Derivative financial instruments

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet.

With gross–settled derivatives, the Company is also exposed to a settlement risk, being the risk that the Company honours its obligation, but the counterparty fails to deliver the counter value.

53.02.02: Impairment assessment

The references below show where the Company's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the Summary of significant accounting policies.

The Company's definition and assessment of default (Note 53.02.02.01).

- How the Company defines, calculates and monitors the probability of default, exposure at default and loss given default (Notes 53.02.02.02 to 53.02.02.04)
- When the Company considers there has been a significant increase in credit risk of an exposure (Note 53.02.02.05)
- The Company's policy of segmenting financial assets where ECL is assessed on a collective basis (Note 53.02.02.06)
- The details of the ECL calculations for stage 1, stage 2 and stage 3 assets (Note 6.1.xi)

53 RISK MANAGEMENT (Contd.)

53.02.02.01: Definition of default

The Company considers a financial instrument defaulted and therefore stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as stage 3 for ECL calculations or whether stage 2 is appropriate. Such events include:

- The borrower requesting emergency funding from the Company.
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral.
- A covenant breach not waived by the Company.
- The debtor (or any legal entity within the debtor's Company) filing for bankruptcy application/protection.
- All the facilities of a borrower are treated as stage 3 when one of his facility becomes 90 days past due i.e. credit impaired.
- The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise.

53.02.02.02: PD estimation process

It is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Company. While arriving at the PD, the Company also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. Company calculates the 12 month PD by taking into account the past historical trends of the portfolio and its credit performance. In case of assets where there is a significant increase in credit risk, lifetime PD has been applied which is computed based on survival analysis. For credit impaired assets, a PD of 100% has been applied.

53.02.02.03: Exposure at Default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 months ECL.

For stage 2 and stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

In case of undrawn loan commitments, a credit conversion factor of 100% is applied for expected drawdown.

53.02.02.04: Loss Given Default (LGD)

LGD is an estimate of the loss arising in case where a default occurs. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any security.

53.02.02.05: Significant increase in credit risk(SICR)

The Company continuously monitors all assets subject to ECLs in order to determine whether an instrument or a portfolio of instruments is subject to 12 month ECL or lifetime ECL. The Company assesses whether there has been an event which could cause a significant increase in the credit risk of the underlying asset or the customers' ability to pay and accordingly change the 12 month ECL to a lifetime ECL.

In certain cases, the Company may also consider that events explained in Note 53.02.02.01 are a significant increase in credit risk as opposed to a default. Regardless of the above, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

When estimating ECLs on a collective basis for a Company of similar assets (as set out in Note 53.02.02.06), the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

53 RISK MANAGEMENT (Contd.)

53.02.02.06: Forward looking information

The Company has incorporated forward looking information and macro-economic factors while calculating PD and LGD rate. Refer note 63 for impact of COVID-19 on estimate of PD, LGD and SICR.

53.02.02.07: Grouping financial assets measured on a collective basis

As explained in Note 6.1.(xi) dependent on the factors below, the Company calculates ECLs only on a collective basis.

The Company segments the exposure into smaller homogeneous portfolios, based on a combination of internal and external characteristics of the loans as described below.

1. New vehicle finance
2. Pre owned vehicle finance
3. Business Loans

53.02.03: Analysis of risk concentration

The maximum credit exposure to any individual client or counterparty as of March 31, 2021 was Rs. 52.22 crores (March 31, 2020: Rs. 51.01 crores).

Credit risk exposure analysis

(Rs. in crores)

Particulars	As at March 31, 2021			
	Stage 1 collective	Stage 2 collective	Stage 3 collective	Total
Credit risk exposure	93,915.66	13,983.12	8,292.81	**116,191.59**

53.03: Liquidity risk and funding management

In assessing the company's liquidity position, consideration shall be given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds. The Company maintains a portfolio of marketable assets that are assumed to be easily liquidated and undrawn cash credit limits which can be used in the event of an unforeseen interruption in cash flow. The Company also enters into securitisation deals (direct assignment as well as pass through certificates) of their loan portfolio, the funding from which can be accessed to meet liquidity needs. In accordance with the Company's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company. Net liquid assets consist of cash, short–term bank deposits and investments in mutual fund available for immediate sale, less issued securities and borrowings due to mature within the next month. Borrowings from banks and financial institutions, issue of debentures and bonds and acceptance of public deposits are considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings. 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 RMC and the Board of Directors in its next meeting for its ratification.

53 RISK MANAGEMENT (Contd.)

53.03.01: Analysis of financial assets and liabilities by remaining maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities as at March 31. All derivatives used for hedging and natural hedges are shown by maturity. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Company expects that many customers will not request repayment on the earliest date it could be required to pay and the table does not reflect the expected cash flows indicated by its deposit retention history.

Maturity pattern of assets and liabilities as on March 31, 2021:

(Rs. in crores)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents	11,050.93	-	-	-	-	-	**11,050.93**
Bank balance other than above	2,250.28	1,543.15	1,093.35	450.85	53.26	-	**5,390.89**
Derivative assets	-	-	100.51	38.26	-	30.48	**169.25**
Financial assets at fair value through profit and loss	-	-	-	-	-	8.28	**8.28**
Loans *	13,358.17	15,198.43	24,695.47	66,062.15	18,404.12	3,131.92	**140,850.26**
Financial investments at amortised cost	153.19	134.26	235.76	832.05	169.15	1,689.80	**3,214.21**
Trade receivables	8.92	-	-	-	-	-	**8.92**
Other receivables	49.90	-	-	-	-	-	**49.90**
Other financial assets	2.07	-	-	-	-	46.96	**49.03**
Total discounted financial assets	**26,873.46**	**16,875.84**	**26,125.09**	**67,383.31**	**18,626.53**	**4,907.44**	**160,791.67**
Financial liabilities							
Deposits *	920.83	1,541.32	3,817.22	9,090.96	3,814.50	-	**19,184.83**
Debt securities *	3,433.09	4,954.30	5,893.54	24,240.95	3,320.04	5,428.64	**47,270.56**
Borrowings (other than debt securities) *	6,348.78	5,469.99	11,980.12	23,455.05	4,790.82	365.83	**52,410.59**
Subordinated liabilities *	86.83	86.23	341.79	1,493.08	2,828.52	1,880.28	**6,716.73**
Trade payables	181.16	7.26	67.09	-	-	-	**255.51**
Other payables	0.91	-	-	-	-	-	**0.91**
Lease liabilities	18.76	18.33	37.20	125.71	74.56	74.93	**349.49**
Other financial liabilities	813.59	0.76	15.15	99.85	30.91	4.09	**964.35**
Total discounted financial liabilities	**11,803.95**	**12,078.19**	**22,152.11**	**58,505.60**	**14,859.35**	**7,753.77**	**127,152.97**
Net discounted financial assets/ (liabilities)	**15,069.51**	**4,797.65**	**3,972.98**	**8,877.71**	**3,767.18**	**(2,846.33)**	**33,638.70**

*** includes future interest**

53 RISK MANAGEMENT (Contd.)

Maturity pattern of assets and liabilities as on March 31, 2020:

(Rs. in crores)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents	3,088.99	-	-	-	-	-	**3,088.99**
Bank balance other than above	2,480.60	934.41	789.14	21.78	-	-	**4,225.93**
Derivative assets	758.73	-	-	-	-	-	**758.73**
Financial assets at fair value through profit and loss	-	-	-	-	-	7.42	**7.42**
Loans *	6,915.77	14,216.43	23,589.62	64,954.52	25,558.69	1,634.19	**136,869.22**
Financial investments at amortised cost	80.29	101.63	179.55	519.43	364.27	1,574.75	**2,819.92**
Trade receivables	10.50	-	-	-	-	-	**10.50**
Other receivables	5.64	-	-	-	-	-	**5.64**
Other financial assets	-	-	-	-	-	38.70	**38.70**
Total discounted financial assets	**13,340.52**	**15,252.47**	**24,558.31**	**65,495.73**	**25,922.96**	**3,255.06**	**147,825.05**
Financial liabilities							
Deposits *	768.95	954.94	1,704.67	8,155.32	2,701.97	-	**14,285.85**
Debt securities *	1,506.34	1,740.07	3,943.97	22,256.44	9,096.87	1,532.02	**40,075.71**
Borrowings (other than debt securities) *	3,191.71	5,818.22	10,169.69	20,844.94	7,639.45	581.01	**48,245.02**
Subordinated liabilities *	929.67	326.89	325.03	1,283.78	3,324.54	2,122.82	**8,312.73**
Trade payables	143.84	-	-	-	-	-	**143.84**
Other payables	1.13	-	-	-	-	-	**1.13**
Lease liabilities	24.31	20.24	36.42	135.90	83.79	62.15	**362.81**
Other financial liabilities	581.20	147.66	58.96	81.48	41.92	1.10	**912.32**
Total discounted financial liabilities	**7,147.15**	**9,008.02**	**16,238.74**	**52,757.86**	**22,888.54**	**4,299.10**	**112,339.41**
Net discounted financial assets/ (liabilities)	**6,193.37**	**6,244.45**	**8,319.57**	**12,737.87**	**3,034.42**	**(1,044.04)**	**35,485.64**

*** includes future interest**

53 RISK MANAGEMENT (Contd.)

The table below shows the expiry by maturity of the contingent liabilities and commitments of the Company and its associate: Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

As at March 31, 2021

(Rs. in crores)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
As at March 31, 2021							
In respect of Income tax demands where the Company and its associate have filed appeal before various authorities	-	-	-	-	-	133.64	**133.64**
VAT demand where the Company and its associate have filed appeal before various appellates	-	-	-	-	-	117.54	**117.54**
Service tax demands where the Company and its associate have filed appeal before various authorities	-	-	-	-	-	1,976.63	**1,976.63**
Penalty levied for Contravention of provisions of Section 6(3)(b) of FEMA, 1999 read with Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000	-	-	-	-	-	5.00	**5.00**
Estimated amount of contracts remaining to be executed on capital account, net of advances	3.82	-	-	-	-	-	**3.82**
Commitments related to loans sanctioned but undrawn	148.66	-	-	-	-	-	**148.66**
Total commitments	**152.48**	**-**	**-**	**-**	**-**	**2,232.81**	**2,385.29**
As at March 31, 2020							
In respect of Income tax demands where the Company and its associate have filed appeal before various authorities	-	-	-	-	-	133.80	**133.80**
VAT demand where the Company and its associate have filed appeal before various appellates	-	-	-	-	-	117.54	**117.54**
Service tax demands where the Company and its associate have filed appeal before various authorities	-	-	-	-	-	326.21	**326.21**
Penalty levied for Contravention of provisions of Section 6(3)(b) of FEMA, 1999 read with Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000	-	-	-	-	-	5.00	**5.00**
Estimated amount of contracts remaining to be executed on capital account, net of advances	4.52	-	-	-	-	-	**4.52**
Commitments related to loans sanctioned but undrawn	311.87	-	-	-	-	-	**311.87**
Total commitments	**316.39**	**-**	**-**	**-**	**-**	**582.55**	**898.94**

53 RISK MANAGEMENT (Contd.)

53.04: Market Risk

Market risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately.

Interest rate risk

The Company's exposure to changes in interest rates relates to the Company's outstanding floating rate liabilities. Most of the Company's outstanding liability is on fixed rate basis and hence not subject to interest rate risk. Some of the borrowings of the Company are linked to rate benchmarks such as Bank Marginal Cost of Funds based Lending Rate (MCLR) or London Inter-bank Offered Rate (LIBOR) and Mumbai Inter-Bank Offer Rate (MIBOR) and hence subject to interest rate risk. The Company hedges interest rate risks of foreign currency borrowings through derivative transactions. The sensitivity of the Company's floating rate borrowings to change in interest rate (assuming all other variables constant) is given below:

As at March 31, 2021 (Rs. in crores)

Particulars	Carrying amount	Favourable change 1% increase	Unfavourable change 1% decrease
Debt instrument	5,776.24	572.78	(644.49)
Term loans	9,723.08	707.21	(665.36)
Total floating rate borrowings	**15,499.32**	**1,279.99**	**(1,309.85)**

As at March 31, 2020 (Rs. in crores)

Particulars	Carrying amount	Favourable change 1% increase	Unfavourable change 1% decrease
Debt instrument	175.00	8.48	(9.01)
Term loans	9,941.92	640.63	(875.54)
Total floating rate borrowings	**10,116.92**	**649.11**	**(884.55)**

Fair value sensitivity analysis for fixed rate instruments

The Company's fixed rate instruments are carried at amortised cost and are not measured for interest rate risk, as neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

Inter-bank Offered Rate (IBOR) reform

Following the decision by global regulators to phase out Inter-bank Offered Rate (IBORs) and replace them with alternative reference rates, the Company is closely monitoring the global and local developments in respect of the IBOR transition and is in the process of establishing a project to manage the transition of its contracts.

The table below shows the Company's exposure at the year end to significant IBORs subject to reform that have yet to transition to alternative Risk Free Rates (RFRs). These exposures will remain outstanding until the IBOR ceases and will therefore transition in future and the table excludes exposures to IBOR that will expire before transition is required. The derivative hedging instruments provide a close approximation to the extent of the risk exposure the Company manages through hedging relationships.

(Rs. in crores)

Particulars	As at March 31, 2021		
	Rate of interest	Notional Amounts	Maturity date
(i) Currency derivatives:			
-Spots and forwards	3 months LIBOR + 1.95%	22.19	June 10, 2022 to August 10, 2023
-Cross currency interest rate swaps	3 months LIBOR + 1.95%	2,402.33	August 10, 2023
-Cross currency interest rate swaps	6 months EURIBOR + 1.15%	837.69	April 25, 2026
-Cross currency interest rate swaps	6 months LIBOR + 2.50%	147.00	December 11, 2026
(ii) Interest rate derivatives:			
-Interest rate caps	6 months EURIBOR + 1.15%	-	April 25, 2026
TOTAL		**3,409.21**	

53 RISK MANAGEMENT (Contd.)

Foreign Currency risk

Foreign Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency fluctuation risk for its foreign currency borrowing. The Company's borrowings in foreign currency are governed by RBI Master Direction External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019 (as and when updated) which requires entities raising External Commercial Borrowings (ECB) for an average maturity of less than 5 years to hedge minimum 70% of the its ECB exposure. The Company hedges its entire ECB and external commercial bond exposure as per Board approved hedging policy and resource mobilisation policy. The Company manages foreign currency risk by entering in to cross currency swaps and forward contract. When a derivative is entered in to for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match with the terms of the hedge exposure. The Company holds derivative financial instruments such as Cross currency interest rate swap to mitigate risk of changes in exchange rate in foreign currency and floating interest rate. The Counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in market place. Refer Note 22 B and 23 C, respectively for terms and conditions of external commercial bonds and external commercial borrowings.

Exposure to currency risk:

The summary quantitative data about exposure to Currency risk (based on Notional amounts) as reported :

(Amount in crores)

Particulars	As at March 31, 2021			
	Contracts in EURO		Contracts in USD	
	EURO	INR	USD	INR
Total foreign currency exposure in respect of recognised assets and liabilities	10.58	837.69	479.50	35,593.99
Cross currency Interest rate swap /Forward exchange contracts	10.58	837.69	479.50	35,593.99
Net Exposure	-	-	-	-

Movement in Cash flow hedge reserve

(Rs. in crores)

Cash flow hedge reserve	As at March 31, 2021		
	Realised	Unrealised	Total
Balance at the beginning of the year	-	-	-
Add: Changes in the Fair Value during the year	-	(124.31)	(124.31)
Less: Income tax relating to items that will be reclassified to profit or loss	-	31.29	31.29
Less: Amounts reclassified to Statement of profit and loss	-	-	-
Balance at the end of the year	-	**(93.02)**	**(93.02)**

Nature and terms and conditions of outstanding derivative contract

(Rs. in crores)

Particulars	As at March 31, 2021			
	Rate of interest	Maturity date	Notional Amounts	Fair Value - Assets
(i) Currency derivatives:				
-Spots and forwards	3 months LIBOR + 1.95%	June 10, 2021 to August 10, 2023	37.05	(0.30)
-Spots and forwards	4.15% to 5.95%	June 15, 2021 to June 15, 2027	13,789.85	79.67
-Currency swaps	4.40% to 5.10%	July 14, 2023 to March 13, 2024	2,320.38	(103.23)
-Cross currency interest rate swaps	3 months LIBOR + 1.95%	10-Aug-2023	2,402.33	32.81
-Cross currency interest rate swaps	6 months EURIBOR + 1.15%	25-Apr-2026	837.69	49.24
-Cross currency interest rate swaps	6 months LIBOR + 2.50%	11-Dec-2026	147.00	(1.76)
-Cross currency interest rate swaps	5.70%	28-Feb-2022	2,849.90	101.25

53 RISK MANAGEMENT (Contd.)

(Rs. in crores)

Particulars	As at March 31, 2021			
	Rate of interest	Maturity date	Notional Amounts	Fair Value - Assets
(ii) Interest rate derivatives:				
-Interest rate swaps	4.40% to 5.95%	October 24, 2022 to March 13, 2024	14,047.48	9.72
-Interest rate caps	6 months EURIBOR + 1.15%	April 26, 2021 to 25 April 2026	-	1.85
TOTAL			**36,431.68**	**169.25**

Price -risk

The Company's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Company uses the hypothetical derivative method to assess effectiveness.

Ineffectiveness is recognised on a cash flow hedge where the cumulative change in the designated component value of the hedging instrument exceeds on an absolute basis the change in value of the hedged item attributable to the hedged risk. In such cases, ineffectiveness may arise if:

(a) The critical terms of the hedging instrument and the hedged item differ (i.e. nominal amounts, timing of the forecast transaction, interest resets changes from what was originally estimated), or

(b) differences arise between the credit risk inherent within the hedged item and the hedging instrument.

There were no ineffectiveness recognised in the statement of profit and loss during March 31, 2021.

There were no other sources of ineffectiveness in these hedge relationships.

54 DISCLOSURE UNDER THE MSME ACT 2006, (AS PER THE INTIMATION RECEIVED FROM THE VENDOR)

Based on the intimation received by the Company, some of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
The principal amount remaining unpaid to supplier as at the end of the year	0.37	0.40
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	-	-

55 DISCLOSURE REGARDING AUDITORS REMUNERATION DISCLOSED UNDER LEGAL AND PROFESSIONAL FEES

In addition to the auditors remuneration shown in note 42 Other expenses, the Company has also incurred auditors remuneration in connection with audit and related statutory services to be performed by auditors in connection with issue of senior secured notes of Rs. 0.34 crores (March 31, 2020: Rs. 0.83 crores) shown under Legal and professional fees in note 42 Other expenses.

56 DISCLOSURE REGARDING AUDITORS REMUNERATION DISCLOSED UNDER FINANCE COST

In addition to the auditors remuneration shown under note 42 Other expenses, the Company has also incurred auditors remuneration in connection with audit and related statutory services to be performed by auditors in connection with public issue of non-convertible debentures of Rs. Nil (March 31, 2020: Rs.0.36 crores) amortised portion of which is included in note 37 Finance Costs under interest on debentures and unamortised portion of which is included in note 22 Debt securities under Redeemable non-convertible debentures - Secured -Public issue.

57 DISCLOSURE REGARDING AUDITORS REMUNERATION DISCLOSED UNDER RIGHT ISSUE EXPENSES

In addition to the auditors remuneration shown in note 42 Other expenses, the Company has also incurred auditors remuneration in connection with audit and related statutory services to be performed by auditors in connection with issue of Right Shares of Rs. 0.27 crores (March 31, 2020: Rs. Nil) netted off against Securities premium under Other equity in note 31 Other equity.

58 SEGMENT REPORTING

The Company operates in a single reporting segment i.e. financing. Its associate is primarily engaged in the business of facilitation service. Since, it does not meet the quantitative thresholds laid down under the Ind AS 108 – "Segment Reporting" for reportable segments, it has not been considered for segment reporting.

59 TRANSFER OF FINANCIAL ASSETS

Note 59.01: Transferred financial assets that are not derecognised in their entirety

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Securitisation		
Carrying amount of transferred assets measured at amortised cost (held as collateral)	23,687.13	21,612.72
Carrying amount of associated liabilities (Borrowings (other than debt securities)-measured at amortised cost)	23,403.60	21,452.04
Fair value of assets	25,124.28	20,054.22
Fair value of associated liabilities	27,825.65	20,358.45
Net position at fair value	**(2,701.37)**	**(304.23)**

Note 59.02: Transferred financial assets that are derecognised in their entirety

The Company has assigned loans (earlier measured at amortised cost) by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 90% of the assets transferred to the buyer, the assets have been de-recognised from the Company's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets :

(Rs. in crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Direct assignment		
Carrying amount of transferred assets measured at amortised cost	1,300.31	1,427.81
Carrying amount of exposures retained by the Company at amortised cost	130.03	142.78

Note 59.03: Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

60 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Resource mobilisation	23.03	148.09
Membership fees	-	0.00
Total	**23.03**	**148.09**

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

Remittances in foreign currencies

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Right issue expenses	0.26	-
Total	**0.26**	-

61 DETAILS OF CSR EXPENSES

(Rs. in crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
a) Gross amount required to be spent by the Company during the year	62.91	52.82
b) Amount spent during the year		
- On purposes other than construction/acquisition of any asset		
Paid in cash	64.96	53.16
Yet to be paid in cash	-	-
Total	**64.96**	**53.16**

62 MOVEMENT IN PROVISIONS

(Rs. in crores)

Particulars	As at March 31, 2020	Additional provision made during the year	Utilisation/ reversal during the year	As at March 31, 2021
Provision for taxes- contested	92.75	-	-	92.75

(Rs. in crores)

Particulars	As at April 01, 2019	Additional provision made during the year	Utilisation/ reversal during the year	As at March 31, 2020
Provision for taxes- contested	92.75	-	-	92.75

The above provisions relate to disputed tax demands in relation to VAT and Service tax. Due to the very nature of such provisions and the litigations involved, it is not possible to estimate the timing/ uncertainties relating to their outflows.

63 NOTE ON COVID

The Company had granted moratorium upto six months on the payment of installments falling due between March 01, 2020 and August 31, 2020 to all eligible borrowers based on the Board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated March 27, 2020 and May 23, 2020 relating to 'COVID-19 - Regulatory Package' and RBI guidelines on EMI moratorium dated April 17, 2020. Further, period for which moratorium was granted had not been considered for computing days past due (DPD) as on March 31, 2021. Extension of such moratorium benefit to borrowers as per the COVID-19 Regulatory package of the RBI and DPD freeze for such period by itself is not considered to result in significant increase in credit risk as per Ind AS 109 for staging of accounts. The Company continued to recognise interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria.

The COVID -19 pandemic has significantly affected various sectors of Indian economy. The prolonged lockdown imposed by the government due to Covid-19 pandemic has affected the Company's business operations. The Company has considered an additional Expected Credit Loss (ECL) provision on Loans of Rs. 1,681.84 crores on account of COVID – 19 during the year ended March 31, 2021. As at March 31, 2021, additional ECL provision on Loan Assets as management overlay on account of COVID - 19 stood at Rs. 2,591.48 crores. The additional ECL provision on account of COVID – 19 is based on the Company's historical experience, collection efficiencies post completion of Moratorium period, internal assessment and other emerging forward looking factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic. The Company's management is continuously monitoring the situation and the economic factors affecting the operations of the Company.

64 EVENTS AFTER REPORTING DATE

There have been no events after the reporting date.

65 FLOATING CHARGE ON INVESTMENT IN GOVERNMENT SECURITIES

In accordance with the Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 dated August 25, 2016, the Company has created a floating charge on the statutory liquid assets comprising of investment in government securities (face value) to the extent of Rs. 2,003.76 crores (March 31, 2020: Rs. 1,758.76 crores) in favour of trustees representing the public deposit holders of the Company.

66 During the year ended March 31, 2021, the Company has 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. The staging of accounts and provisioning for the eligible accounts where the resolution plans are invoked and implemented is in accordance with the Board Approved Policy in this regard.

Disclosure as per the format prescribed as per the notification no. RBI/2020-21/16 DOR.NO.BP.BC/3/21.04.048/2020-21 for the year ended March 31, 2021

(Rs. in crores)

Type of borrower	(A)	(B)	(C)	(D)	(E)
	Number of accounts where resolution plan has been implemented under this window	Exposure to accounts mentioned at (A) before implementation of the plan	Of (B), aggregate amount of debt that was converted into other securities	Additional funding sanctioned, if any, including between invocation of the plan and implementation	Increase in provisions on account of the implementation of the resolution plan
Personal Loans #	21,460	481.05	-	70.18	39.50
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**21,460**	**481.05**	-	**70.18**	**39.50**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

pertains to automobile loans

The above increase in provisions of Rs. 39.50 crores on account of the implementation of the resolution plan is as per Ind AS.

66 **(Contd.)**

Disclosure as per the format prescribed as per the notification no. RBI/2020-21/17 DOR.NO.BP.BC/4/21.04.048/2020-21 on "Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances" having exposure less than or equal to Rs. 25 crores for the year ended March 31, 2021:

(Rs. in crores)

No. of accounts restructured	Amount
1,275	32.39

67 Hon'ble Supreme Court, in a public interest litigation (Gajendra Sharma vs. Union of India & Anr.) vide an interim order dated September 3, 2020, has directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. However, such accounts had been classified as stage 3 in accordance with Note No.63 and provision had been made accordingly. The interim order stood vacated on March 23, 2021 vide the judgement of the Hon'ble Supreme Court in the matter of Small Scale Industrial manufacturers Association v/s UOI & Ors. and other connected matters. In accordance with the instructions in paragraph 5 of the RBI circular no. RBI/2021-22/17 DOR. STR. REC. 4/ 21.04.048/ 2021-22, dated April 07, 2021 issued in this connection, the Company was already classifying the NPA accounts as Stage 3 and provision was made accordingly, without considering the above mentioned asset classification benefit for accounting purpose, there is no change in asset classification on account of the interim order dated March 23, 2021.

68 The Company had credited an ex-gratia amount of Rs. 231.28 crores for the payment of difference between the compound interest and simple interest to the accounts of borrowers in specified loan accounts between March 1, 2020 and August 31, 2020 as per the eligibility criteria and other features as mentioned in the notification dated October 23, 2020 issued by Government of India, Ministry of Finance, Department of Financial Services. The Company had filed a claim with the State Bank of India for reimbursement of the said ex-gratia amount as specified in the notification and same was received on March 31, 2021.

69 In accordance with the instructions in aforementioned RBI circular dated April 07, 2021, and the Indian Banks' Association ('IBA') advisory letter dated April 19, 2021, the Company has put in place a Board approved policy to refund/ adjust the interest on interest charged during the moratorium period of March 01, 2020 to August 31, 2020 to the eligible borrowers under the abovementioned circular and advisory. The Company has estimated the benefit to be extended to the eligible borrowers at Rs. 36.54 crores and created a liability / credited the Borrower's account towards the estimated interest relief and reduced the same from the interest income.

70 The Company manages its foreign currency risks through foreign exchange forward contracts and interest rate swaps. Till March 31, 2020, the Company was following derivative accounting where changes in fair value were recognised in the statement of profit and loss. Effective April 01, 2020, the Company has adopted hedge accounting. Had the Company not followed hedge accounting, profit before tax for the year ended March 31, 2021 would have been lower by Rs. 124.31 crores and other comprehensive income for the year ended March 31, 2021 would have been higher by Rs. 124.31 crores respectively.

71 The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Company towards Provident Fund and Gratuity. The effective date from which changes are applicable is yet to be notified and the rules thereunder are yet to be announced. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.

72 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 **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Sumant Sakhardande
Partner

Membership No. 034828
Mumbai
April 29, 2021

For **Pijush Gupta & Co.**
Chartered Accountants
ICAI Firm Registration No. 309015E

Pijush Kumar Gupta
Partner

Membership No. 015139
Gurugram
April 29, 2021

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

S. Lakshminarayanan
Chairman

DIN: 02808698
New Delhi
April 29, 2021

Umesh Revankar
Vice Chairman &
Managing Director
DIN: 00141189
Mumbai
April 29, 2021

Parag Sharma
Joint Managing Director & CFO
Mumbai
April 29, 2021

Vivek M. Achwal
Company Secretary
Mumbai
April 29, 2021

Additional information as required by paragraph 2 of the general instructions for preparation of Consolidated Financial statements to schedule III to the Companies Act, 2013.

Name of the entity in the Group	Net Asset, i.e, total assets minus total liabilities		Shares in profit or loss	
	As % of Consolidated net assets	Amount (Rs. in crore)	As % of Consolidated profit or loss	Amount (Rs. in crore)
1	2	3	4	5
Parent				
Shriram Transport Finance Company Limited	99.31%	21,568.37	99.54%	2,487.26
Subsidiaries				
Indian	Not applicable	Not applicable	Not applicable	Not applicable
Foreign	Not applicable	Not applicable	Not applicable	Not applicable
Minority interests in all subsidiaries	Not applicable	Not applicable	Not applicable	Not applicable
Associates (Investment as per the equity method)				
Indian				
Shriram Automall India Limited	0.63%	137.15	0.46%	11.57
Foreign	Not applicable	Not applicable	Not applicable	Not applicable
Inter-company eliminations and consolidation adjustments	0.05%	11.77	0.00%	-
Joint Ventures (as per proportionate consolidation / investment as per the equity method)				
Indian	Not applicable	Not applicable	Not applicable	Not applicable
Foreign	Not applicable	Not applicable	Not applicable	Not applicable
Total	**100.00%**	**21,717.29**	**100.00%**	**2,498.83**

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

S. Lakshminarayanan
Chairman
DIN: 02808698
New Delhi
April 29, 2021

Umesh Revankar
Vice Chairman &
Managing Director
DIN: 00141189
Mumbai
April 29, 2021

Parag Sharma
Joint Managing Director & CFO
Mumbai
April 29, 2021

Vivek M. Achwal
Company Secretary
Mumbai
April 29, 2021

SHRIRAM
Transport Finance Company Limited
A WINNING RELATIONSHIP

SHRIRAM TRANSPORT FINANCE COMPANY LIMITED

CIN: L65191TN1979PLC007874

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

Website: **www.stfc.in Email id: secretarial@stfc.in.**

NOTICE

NOTICE is hereby given that the Forty-Second Annual General Meeting of the Members of SHRIRAM TRANSPORT FINANCE COMPANY LIMITED (the Company) will be held on Thursday, June 24, 2021 at 2.00 p.m. through Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM') facility to transact the following business:

ORDINARY BUSINESS

1. **To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2021, together with the Reports of the Board of Directors and the Auditors thereon and in this regard, pass the following resolution as an Ordinary Resolution:**

   "**RESOLVED THAT** the audited financial statements including Balance Sheet of the Company as at March 31, 2021, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement for the year ended on that date together with all the notes annexed and the Directors' and Auditors' Reports thereon, placed before the meeting, be and are hereby considered and adopted."

2. **To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021, together with the Report of the Auditors thereon and in this regard, pass the following resolution as an Ordinary Resolution:**

   "**RESOLVED THAT** the audited consolidated financial statements including Balance Sheet of the Company as at March 31, 2021, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Cash Flow Statement for the year ended on that date together with all the notes annexed and the Auditors' Reports thereon, placed before the meeting, be and are hereby considered and adopted."

3. **To declare a Final Dividend of Rs. 6/- per Equity Share of Rs. 10/- each and to confirm the payment of two interim dividends aggregating to Rs. 12/- per Equity Share of Rs. 10/- each, first interim dividend of Rs. 6/- per Equity Share of Rs.10/- each and second interim dividend of Rs. 6/- per Equity share of Rs. 10/- each declared by the Board of Directors in their meetings held on October 29, 2020 and on March 25, 2021 respectively, for the financial year ended March 31, 2021 and in this regard, pass the following resolution as an Ordinary Resolution:**

   "**RESOLVED THAT** the Company do declare and pay a final dividend of Rs. 6/- per equity share of face value of Rs. 10/- each on 253061513 equity shares of face value of Rs. 10/- each fully paid-up absorbing Rs. 151,83,69,078/, subject to deduction of tax at source, as applicable for the financial year ended March 31, 2021 to those Members whose names will appear on the Register of Members or who will be the beneficial owners of equity shares of the Company on June 17, 2021.

   RESOLVED FURTHER THAT the First Interim Dividend of Rs. 6/- per equity share of face value of Rs. 10/- each on 253061513 equity shares of face value of Rs. 10/- each fully paid-up absorbing Rs.151,83,69,078/- for the financial year ended March 31, 2021, paid to the eligible Members on November 26, 2020, subject to deduction of tax at source, as applicable be and is hereby noted and confirmed."

   RESOLVED FURTHER THAT the Second Interim Dividend of Rs. 6/- per equity share of face value of Rs. 10/- each on 253061513 equity shares of face value of Rs.10/- each fully paid-up absorbing Rs. 151,83,69,078/- for the financial year ended March 31, 2021, paid to the eligible Members on April 16, 2021, subject to deduction of tax at source, as applicable be and is hereby noted and confirmed."

4. **To appoint a director in place of Mr. D. V. Ravi (DIN 00171603), who retires by rotation at this meeting, and being eligible offers himself for re-appointment as a Director of the Company and in this regard, pass the following resolution as an Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. D. V. Ravi (DIN 00171603), who retires by rotation at this meeting, and being eligible, has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

5. **To fix remuneration of M/s Haribhakti & Co. LLP, Chartered Accountants Firm (Firm Registration No.103523W/W100048), Joint Statutory Auditors of the Company and in this regard, pass the following resolution as an Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 142 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and Circular RBI/2021-22/25 Ref. No. DoS. CD.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 ('Circular'/'Guidelines') issued by Reserve Bank of India (RBI), M/s Haribhakti & Co. LLP, Chartered Accountants Firm (Firm Registration No.103523W/W100048) (hereinafter referred to as 'the Joint Statutory Auditors') be paid remuneration of Rs. 62,00,000/- (exclusive of certification fees, good and services tax and reimbursement of out of pocket expenses) for holding the office for the entire financial year ending March 31, 2022 and in the event the Joint Statutory Auditors hold the office for a part of the Financial Year ending March 31, 2022, they be paid remuneration depending upon scope of their work on pro-rata basis as may be fixed by the Board Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts, deeds, matters and things and to take all decisions as it may deem fit in its absolute discretion to give effect to the above resolution."

6. **To fix remuneration of M/s Pijush Gupta & Co. Chartered Accountants (Firm Registration No. 309015E), Joint Statutory Auditors of the Company and in this regard, pass the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 142 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and Circular RBI/2021-22/25 Ref. No. DoS. CD.ARG/SEC.01/08.91.001/2021-22 dated April 27,2021 ('Circular'/'Guidelines') issued by Reserve Bank of India (RBI), M/s Pijush Gupta & Co. Chartered Accountants, Gurugram (Firm Registration No. 309015E) (hereinafter referred to as 'the Joint Statutory Auditors') be paid remuneration of Rs. 37,00,000/- (exclusive of certification fees, good and services tax and reimbursement of out of pocket expenses) for holding the office for the entire financial year ending March 31, 2022 and in the event the Joint Statutory Auditors hold the office for a part of the Financial Year ending March 31, 2022, they shall be paid remuneration depending upon scope of their work on pro-rata basis as may be fixed by the Board Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts, deeds, matters and things and to take decisions as it may deem fit in its absolute discretion to give effect to the above resolution."

SPECIAL BUSINESS

7. **To renew authorization for raising capital through issuance of Equity Shares and/or other Eligible Securities with an enhanced limit up to Rs. 4,000/- crores and in this regard, to pass the following resolution as a Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 23, 42, 62,71 and other applicable provisions, if any, of the Companies Act, 2013 (the **"Companies Act"**), the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules made thereunder (including any amendment(s), statutory modification(s) or re-enactment thereof), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the **"SEBI ICDR Regulations"**), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the **"SEBI LODR Regulations"**), the enabling provisions of the Memorandum of Association and Articles of Association of the Company, the uniform listing agreements entered into by the Company with the BSE Limited and National Stock Exchange of India Limited, (the **"Stock Exchanges"**), the Foreign Exchange Management Act, 1999 and the rules and regulation framed thereunder, as amended, including Foreign Exchange Management (Non-debt Instruments) Rules, 2019, the Depository Receipts Scheme, 2014, as amended, the current Consolidated FDI Policy and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by Government of India (the **"GoI"**), the Reserve Bank of India (the **"RBI"**), and the Securities and Exchange Board of India (the **"SEBI"**), Stock Exchanges, Ministry of Corporate Affairs (**"MCA"**), the Registrar of Companies, Tamil Nadu at Chennai and/ or any other competent authorities, whether in India or abroad, (hereinafter singly or collectively referred to as the **"Appropriate Authorities"**) and subject to necessary approvals, permissions, consents and sanctions as may be necessary from the Appropriate Authorities in this regard and further subject to such terms, conditions, alterations, corrections, changes, variations and/ or modifications as may be prescribed or imposed by the Appropriate Authorities while granting any such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall include Securities Issuance Committee constituted by the Board to exercise its powers, including the powers conferred by this resolution), the approval of the Members of the Company be and is hereby accorded to the Board and the Board be and is hereby authorised on behalf of the Company to create, offer, issue and allot (including with provisions for reservation on firm and/or competitive basis, of such part of the Issue and for such categories of persons as maybe permitted), such number of equity shares of the Company of face value of Rs. 10/- each (**"Equity Shares"**) and/or other Eligible Securities defined under Regulation 171(a) of SEBI ICDR Regulations, including Foreign Currency Convertible Bonds (FCCBs), fully convertible debentures/partly convertible debentures, non-convertible debentures with warrants convertible into Equity Shares, preference shares convertible into Equity Shares, and/or any other financial instruments convertible into Equity Shares (including warrants, or otherwise, in registered or bearer form) and/or any security convertible into Equity Shares and/or securities linked to Equity Shares and/or securities with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to Equity Shares (other **"Eligible Securities"**) up to an aggregate amount of Rs. 4,000/- crore (Rupees Four Thousand crore only) or equivalent thereof in one or more currencies, at such price or prices, at a discount or premium to market price or prices, as permitted under applicable laws (Issue), in any combination in one or more tranches, whether Rupee denominated or denominated in foreign currency, in the course of international and/or domestic offering(s) in one or more foreign markets and/or domestic market, through one or more public issue(s), private placement(s), qualified institutions placement(s) and/or any combination thereof or any other method as may be permitted under applicable laws to eligible investors in the course of domestic or international offerings through issue of placement document and/or a letter of offer and /or circular or other permissible/requisite offer document to Qualified Institutional Buyers (QIBs) as defined under the SEBI ICDR Regulations in accordance with Chapter VI of the SEBI ICDR Regulations including resident or non-resident/foreign investors (whether institutions and/or incorporated bodies and/or trusts or otherwise), venture capital funds (foreign or Indian), alternate investment funds, foreign institutional investors, foreign portfolio investors, banks, qualified foreign investors, Indian and/or multilateral financial institutions, mutual funds, pension funds and/or any other categories of investors or persons who are authorized to invest in the Company's Equity Shares or other Eligible Securities as per the extant regulations or guidelines, whether they be holders of Equity Shares of the Company or not (collectively referred to as "Investors") or any combination of the above as may be deemed appropriate by the Board in its absolute discretion in consultation with book running lead managers appointed for this purpose on such terms and conditions including securities premium and green shoe option attached thereto, at such price or prices (at prevailing market price or at permissible discount or premium to market price in terms of applicable regulations) at the Board's absolute discretion including the discretion to decide the categories of Investors to whom the offer, issue and allotment of Equity Shares and/or other Eligible Securities shall be made to the exclusion of others, subject to applicable law, considering prevailing market conditions and other relevant factors wherever necessary.

RESOLVED FURTHER THAT subject to the provisions of the SEBI ICDR Regulations, in the event the Issue is undertaken by way of Qualified Institutions Placement ("QIP") to Qualified Institutional Buyers (**"QIBs"**) in terms of Chapter VI of the SEBI ICDR Regulations:

(a) the allotment of Equity Shares and/or other Eligible Securities shall only be to Qualified Institutional Buyers as defined in the SEBI ICDR Regulations ("QIBs")

(b) the allotment of such Equity Shares and/or other Eligible Securities, or any combination of Eligible Securities as may be decided by the Board to be completed within a period of 365 days from the date of passing of the Special Resolution by the Members or such other time as may be allowed under the SEBI ICDR Regulations from time to time;

(c) The Equity Shares and/or other Eligible Securities (excluding warrants) shall be allotted as fully paid up.

(d) in case of allotment of Equity Shares, the relevant date for the purpose of pricing of the Equity Shares to be issued, shall be the date of the meeting in which the Board decides to open the QIP for subscription and in case of allotment of eligible convertible securities, either the date of the meeting in which the Board decides to open the Issue of such other Eligible Securities or the date on which the holders of such other Eligible Securities become entitled to apply for Equity Shares, as may be determined by the Board;

(e) no single allottee shall be allotted more than fifty per cent of the Issue size and the minimum number of allottees shall be as per the SEBI ICDR Regulations;

(f) To determine and finalize price for issuance of any Equity Shares and/or other Eligible Securities, subject to the price being not less than the price determined in accordance with the pricing formula provided under Chapter VI of the SEBI ICDR Regulations (the QIP Floor Price); Provided however, that the Board may, at its absolute discretion, in consultation with the book running lead managers, offer a discount of not more than 5% or such other discount as permitted under applicable law on the QIP Floor Price, calculated in accordance with the pricing formula provided under the SEBI ICDR Regulations;

(g) Any subsequent QIP of Equity Shares and/or other Eligible Securities shall not be made until the expiry of two weeks or such other period as may be permitted by SEBI, from the date of the prior QIP made pursuant to this Special Resolution.

(h) The Equity Shares and/or other Eligible Securities shall not be eligible to be sold by the allottee(s) for a period of one year from the date of allotment, except on a recognized stock exchange, or except as may be permitted from time to time.

RESOLVED FURTHER THAT in case of offering of any other Eligible Securities convertible into Equity Shares, consent of the shareholders be and is hereby accorded to the Board to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion, redemption or cancellation of any such Eligible Securities referred to above in accordance with the terms of issue/ offering in respect of such Eligible Securities.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Equity Shares and/or other Eligible Securities or instruments representing the same, as described above, the Board be and is hereby authorized on behalf of the Company to seek listing of any or all of such Equity Shares and/ or other Eligible Securities on one or more Stock Exchanges in India or abroad, as necessary.

RESOLVED FURTHER THAT the Equity Shares that may be issued and allotted, including upon conversion of any other Eligible Securities in accordance with the terms of the offering, shall rank pari passu with the existing Equity Shares of the Company in all respects including entitlement to dividend, voting rights or otherwise.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Equity Shares and/or other Eligible Securities or instruments representing the same, as described above, the Board be and is hereby authorized to (i) do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of terms and conditions for issuance of the Equity Shares and/or other Eligible Securities, the number of Equity Shares and/or Eligible Securities that may be offered in domestic and international markets and proportion thereof, timing for issuance of such Equity Shares and/or other Eligible Securities (ii) to vary, modify or alter any of the terms and conditions as it may deem expedient, (iii) entering into and executing agreements in relation to arrangements made for managing, marketing, listing, trading and providing legal advice as well as acting as depository, custodian, registrar, trustee, escrow agent (iv) to execute any amendments or supplements thereto, as may be necessary or appropriate (v) to finalize, approve and issue placement document(s), prospectus and/or offer document and/or circular(vi) filing of placement documents(s), prospectus and other documents (in preliminary or final form) with any Indian or foreign regulatory authority or stock exchanges (vii) to sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto (viii) to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Equity Shares and/or other Eligible Securities and (ix) take all steps which are incidental and ancillary in this connection, including in relation to utilization of the Issue proceeds, as it may in its absolute discretion deem fit without being required to seek further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to seek any approval that is required in relation to the creation, issuance and allotment and listing of the Equity Shares and/or other Eligible Securities, from any statutory or regulatory authority or the stock exchanges in India or abroad, as necessary and that any approvals that may have been applied for by the Board in relation to the creation, issuance and allotment and listing of the Equity Shares and/ or other Eligible Securities be and are hereby approved and ratified by the members."

8. Payment of commission to the Independent Directors of the Company and in this regard, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Regulation 17(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable provisions, if any, of the

Companies Act, 2013 (hereinafter referred to as the "Act") and Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded, for payment of commission to Independent Directors of the Company as may be decided by the Board of directors of the Company for each financial year for a period of three financial years commencing from April 01, 2022 of a sum not exceeding Rs.75 lakhs in aggregate or 1% of the net profits of the Company in any financial year in terms of Section 197 of the Act and computed in the manner referred to in Section 198 of the Act , whichever is lower."

9. Elevation and re-designation of Mr. Umesh Revankar (DIN 00141189) as Vice Chairman and Managing Director and in this regard, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT in partial modification of the ordinary resolution passed by the Members of the Company at the 40th Annual General Meeting held on June 27, 2019, for appointment of Mr. Umesh Revankar (DIN 00141189) as Managing Director, designated as Managing Director & CEO ,of the Company for the tenure of five years from October 26, 2019 up to October 25, 2024, consent of the Members be and is hereby accorded for elevation and re-designation of Mr. Umesh Revankar as Vice Chairman and Managing Director of the Company with effect from 1st April, 2021, for the remainder of his tenure i.e. from April 01, 2021 to October 25, 2024."

Notes:

1. In view of the COVID-19 pandemic, the regulatory authorities viz.the Ministry of Corporate Affairs ("MCA") and Securities and Exchange Board of India ("SEBI") have permitted conducting the Annual General Meeting through video conferencing ("VC") or other audio-visual means ("OAVM") upto 31st December, 2021. In this regard, the regulatory authorities have issued various Circulars prescribing the procedure and manner of conducting the Annual General Meeting through VC/OAVM Vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021. SEBI has provided certain relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") ("SEBI Circulars"). In this regard, MCA has issued Circular No. 14/2020 dated 8th April 2020, Circular No.17/2020 dated 13th April 2020, Circular No.20/2020 dated 5th May, 2020 and Circular No.02/2021 dated 13th January, 2021 ("MCA Circulars"). In compliance with MCA Circulars and SEBI Circulars, the 42nd Annual General Meeting ("42nd AGM" or "Meeting") of the Members of the Company will be held through VC/ OAVM, without the physical presence of the Members at a common venue. The venue of the Meeting shall be deemed to be the registered office of the Company.
2. A Member entitled to attend and vote at the annual general meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the company. Since this 42nd AGM is being held through VC / OAVM, in terms of the MCA Circulars and SEBI Circulars, the facility for appointment of proxies by the Members will not be available for this 42nd AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the 42nd AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said resolution/authorization shall be sent to the Scrutinizer by email through its registered email address to srirampcs@gmail.com and may also upload the same at https://evoting.kfintech.com.
4. The Explanatory Statement pursuant to Section 102(1) of the Act, in respect of the special business set out under item nos. 7 to 9 is annexed and forms a part of this Notice.
5. Pursuant to the provisions of Section 91 of the Act, the Register of Members and the Share Transfer Books of the Company will remain closed from Friday, June 18, 2021 to Thursday, June 24, 2021 (both days inclusive) for the purpose of 42nd AGM of the Company.
6. The payment of final equity dividend, if approved by the Members at the 42nd Annual General Meeting subject to deduction of tax at source will be made on or after Wednesday, July 07, 2021 as under :
   a) to all those beneficial owners holding shares in electronic form as per the beneficial ownership data as may be made available to the Company by the National Securities Depository Ltd (NSDL) and the Central Depository Services (India) Ltd (CDSL) as of the end of business hours on Thursday, June 17, 2021 and
   b) To all those Members holding shares in physical form after giving effect to all valid share transmission and transposition requests lodged with the Company before the closing hours on Thursday, June 17, 2021.
7. A brief detail of the director, who is being re-appointed, is annexed hereto as per the requirements of Regulation

36(3) of the SEBI Listing Regulations, as amended and the Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India ('ICSI').

8. At the 38th AGM held on June 29, 2017 the Members approved appointment of M/s. Haribhakti & Co. LLP, Chartered Accountants Firm (Firm Registration No.103523W/W100048) and M/s. Pijush Gupta & Co. Chartered Accountants, Gurugram (Firm Registration No. 309015E) as joint Auditors of the Company to hold office from the conclusion of 38th AGM till the conclusion of the 43rd AGM, subject to ratification of their appointment by Members at every AGM. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of joint auditors at the 42nd AGM.

9. The facility of joining the 42nd AGM through VC/ OAVM will be opened 30 minutes before and will be open upto 15 minutes after the scheduled start time of the 42nd AGM, i.e. from 01.30 p.m. to 02.15 p.m. and will be available for members on a first-come first-served basis. This rule would however not apply to participation of shareholders holding 2% or more shareholding, promoters, institutional investors, directors, key and senior managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc., who are allowed to attend the AGM without restriction on account of first come first served basis.

10. Institutional investors, who are members of the Company, are encouraged to attend and vote at the 42nd AGM of the Company.

11. In terms of sections 101 and 136 of the Act read with the rules made thereunder, the listed companies may send the notice of 42nd AGM and the annual report, including financial statements, boards' report, etc. by electronic mode. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the 42nd AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report for F.Y.2020-21 will also be available on the Company's website www.stfc.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of KFin Technologies Private Limited ('KFin') at https://evoting.kfintech.com.

12. Further, those members who have not registered their email addresses and in consequence could not be served the Annual Report for F.Y.2020-21 and Notice of 42nd AGM, may temporarily get themselves registered with Company's Registrar and Transfer Agent, Integrated Registry Management Services Private Limited ("Integrated") by clicking the link: https://bit.ly/3i4agag for receiving the same.

13. Members attending the 42nd AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

14. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on June 17, 2021 being Cut-off Date.

15. a) For non-individual members, who acquires shares of the Company and becomes a Member after despatch of the Notice, but holds shares as on the Cut-off Date for remote e-voting i.e. June 17, 2021, may obtain the login Id and password by sending a request at evoting@kfintech.com or csdstd@integratedindia.in.

    b) For Individual members who acquires shares of the Company and becomes a Member after despatch of the Notice, but holds shares as on the Cut-off Date for remote e-voting i.e. June 17, 2021 on NSDL & CDSL should login through the sites of NSDL and CDSL to cast the votes during remote e-voting period.

    c) However, for VC/OAVM meeting all the members should login at https://emeetings.kfintech.com to participate in the meeting and also to cast vote in case they have not voted during remote e-voting period.

    For details on login method of e-voting please refer the instructions below under the head "**Voting through electronic means**"

16. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the 42nd AGM.

17. Since the 42nd AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

18. On August 19, 2020, the Registered office of the Company was shifted from the premises at Mookambika Complex, 3rd Floor, No.4, Lady Desika Road, Mylapore, Chennai – 600 004 to the new premises at Sri Towers, Plot No.14A, South Phase, Industrial Estate, Guindy, Chennai – 600 032 within the local limits of City.

19. The Company has been maintaining, inter alia, the following statutory registers at its registered office at Chennai, Tamil Nadu - 600 032:

    i) Register of contracts or arrangements in which directors are interested under Section 189 of the Act.

    ii) Register of directors and key managerial personnel and their shareholding under Section 170 of the Act.

In accordance with the MCA Circulars, the Statutory Registers will be made accessible for inspection through electronic mode and shall remain open and be accessible to any Member during the continuance of the 42nd AGM.

20. The Board of Directors has appointed Mr. P. Sriram, Practising Company Secretary (Membership No. FCS 4862), Chennai as the Scrutinizer to scrutinize the remote e-voting process and at the 42nd AGM in a fair and transparent manner and he has consented to act as scrutinizer.

21. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. 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 dematerialized form. Members can contact the Company or Integrated for assistance in this regard.

22. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register their e-mail address with their Depository Participant(s) (DP) in case the shares are held by them in electronic form and with Integrated in case the shares are held by them in physical form for receiving all communication including Annual Report, Notices, Financial Results etc. from the Company electronically.

23. As per the Income-tax Act, 1961 ('the Act'), as amended by the Finance Act, 2020, dividends declared or distributed or paid by a Company on or after April 1, 2020 shall be taxable in the hands of the Members and the Company shall be required to deduct tax at source ('TDS') at the prescribed rates from the dividend to be paid to members at the time of distribution or payment of dividend. The tax so deducted will be paid to the credit of the Central Government. The TDS rate would vary depending on the residential status of the Members and the documents submitted by them and accepted by the Company in accordance with the applicable provisions of the Act. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC, etc., to their Depository Participants in case the shares are held by them in electronic form and to Integrated in case the shares are held by them in physical form. A separate email will be sent at the registered email id of the members describing about the detailed process to submit the documents/declarations alongwith the formats in respect of deduction of tax at source of the final equity dividend payout. The intimation will also be uploaded on the website of the Company www.stfc.in.

    A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G / 15H, to avail the benefit of non-deduction of tax at source in the link : https://bit.ly/3fWgshS on or before June 17, 2021. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders [including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors(FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose the shareholder may submit the above documents (PDF / JPG Format) under the link : https://bit.ly/3fWgshS. The aforesaid declarations and documents need to be submitted by the shareholders on or before June 17, 2021. For further details, please refer to FAQs on Taxation of Dividend https://bit.ly/3whsNDJ

24. Loss of Shares: In case of loss/misplacement of share certificates, Members should immediately lodge a complaint/FIR with the police and inform the Company's Registrar and Transfer Agent, Integrated for the procedure of obtaining the duplicate share certificates.

25. Nomination Facility: As per the provisions of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, as amended, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with Company's Registrar and Transfer Agent, Integrated. In respect of shares held in dematerialized form, the nomination form may be filed with the respective Depository Participant.

26. Non-Resident shareholders: Non-Resident shareholders are requested to immediately notify the following to the Company in respect of shares held in Physical form and to their DPs in respect of shares held in Dematerialized form:

- Indian address for sending all communications, if not provided so far;
- Change in their residential status on return to India for permanent settlement;

- Particulars of the Bank Account maintained with a bank in India, if not furnished earlier; and
- RBI Permission number with date to facilitate prompt credit of dividend in their Bank Accounts

27. Members holding shares in physical form, are requested to convert their physical shareholding in to dematerialized shareholding. Please note that transfer of shares in physical form is not permissible as per SEBI guidelines. In this regard, the Members/legal heirs of deceased members are also requested to open demat account simultaneously for dematerializing the shares to their demat account(s) after transmission of shares in their name by the Registrar and Transfer Agent of the Company.

28. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/ shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in. For details, please refer to corporate governance report which is a part of this Annual Report.

29. Transfer of unclaimed dividend transferred to Investor Education and Protection Fund

i. Pursuant to the provisions of Section 125 of the Companies Act, 2013, the dividends which remain unclaimed for a period of 7 years will be transferred by the Company to the "Investor Education and Protection Fund" (IEPF) established by the Central Government as and when they fall due. Shareholders who have not encashed their dividend warrant/ payment instrument(s) so far are requested to make their claim to the Company's Corporate Office or to Integrated Registry Management Services Private Limited, 2nd Floor, Kences Towers, No. 1, Ramakrishna Street North Usman Road, T Nagar, Chennai - 600 017 before transfer to IEPF on the respective dates mentioned below. The intimation in this regard is being sent to the concerned shareholders.

Year ending on March 31	Dividend to be transferred to IEPF		Year ending on March 31	Dividend to be transferred to IEPF	
	Final Dividend	Interim Dividend		Final Dividend	Interim Dividend
2014	14/08/2021	-	2018	31/08/2025	07/12/2024
2015	05/09/2022	25/11/2021	2019	02/08/2026	30/11/2025
2016	01/09/2023	04/12/2022	2020	-	29/11/2026
2017	04/08/2024	30/11/2023	2021	-	1. 04/12/2027
					2. 30/04/2028

ii) Transfer of Equity Shares to Investor Education and Protection Fund – As per Government of India Gazette notification No. REGD. NO. D. L.-33004/99 dated February 28, 2017 issued by Ministry of Corporate Affairs(MCA), the Company is required to transfer the shares to Investor Education and Protection Fund Authority (IEPF Authority), the shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF Authority as per Section 124 of the Act, and the applicable rules. Accordingly, during the financial year 2020-2021 the Company had transferred 52,211 Equity shares of Rs. 10/- each in respect of which the following dividend was not claimed/remained unpaid for seven consecutive years as per the below mentioned table.

Financial Year	Type of Dividend	No. of Shares Transferred to IEPF Authority	IEPF 4 Form Filing date
2012-2013	Final Dividend	22,447	07/09/2020
2013-2014	Interim Dividend	29,764	01/01/2021

The Members who have a claim on above dividends and equity shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5. During the financial year ended March 31, 2021, the Company had received requests from investors for claiming dividends, fixed deposits and equity shares from IEPF Authority. Information on the procedures to be followed for claiming the dividend/shares/fixed deposits are available on the weblink: http://www.iepf.gov.in/IEPF/refund.html

No claims shall lie against the Company in respect of the dividend, shares, etc. so transferred.

Voting through electronic means

In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations, and in terms of Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 issued by SEBI in relation to e-Voting Facility, the Members are provided the facility to cast their vote electronically, through the remote e-voting services. The e-voting facility on the date of AGM will be provided to the members by M/s KFin Technologies Private Limited ('KFin'), for voting on all the resolutions set out in this Notice.

The remote e-voting period commences on Monday, June 21, 2021 (9.00 a.m. IST) and ends on Wednesday, June 23, 2021 (5:00 p.m. IST). During this period, members holding shares either in physical form or in dematerialized form, as on Thursday, June 17, 2021 i.e. Cut-off Date, may cast their vote electronically. Person who is not a Member as on the Cut-off Date should treat this Notice for information purpose only. The e-voting module shall be disabled by Kfin for voting thereafter. Those members, who will be present in the 42nd AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the 42nd AGM.

The details of the process and manner for remote e-voting for individuals, non- individuals and members holding in physical form are explained herein below:

LOGIN METHOD FOR E-VOTING :

I) Applicable only for Individual shareholders holding securities in Demat

As per the SEBI circular dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual members holding securities in Demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are advised to update their mobile number and email Id in their demat accounts in order to access e-voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

NSDL	CDSL
1. User already registered for IDeAS facility:	**1. Existing user who have opted for Easi / Easiest**
I. URL: https://eservices.nsdl.com	I. URL: https://web.cdslindia.com/myeasi/home/login
II. Click on the "Beneficial Owner" icon under 'IDeAS' section.	or URL: www.cdslindia.com
III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting"	II. Click on New System Myeasi
IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.	III. Login with user id and password.
2. User not registered for IDeAS e-Services	IV. Option will be made available to reach e-Voting page without any further authentication.
I. To register click on link : https://eservices.nsdl.com	V. Click on e-Voting service provider name to cast your vote.
II. Select "Register Online for IDeAS"	**2. User not registered for Easi/Easiest**
III. Proceed with completing the required fields.	I. Option to register is available at
3. User not registered for IDeAS e-Services	https://web.cdslindia.com/myeasi/Registration/EasiRegistration
I. **To register click on link :**	II. Proceed with completing the required fields.
https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp	**3. By visiting the e-Voting website of CDSL**
ii. Proceed with completing the required fields.	I. URL: www.cdslindia.com
4. By visiting the e-Voting website of NSDL	II. Provide demat Account Number and PAN No.
I. URL: https://www.evoting.nsdl.com/	III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account.
II. Click on the icon "Login" which is available under 'Shareholder/Member' section.	IV. After successful authentication, user will be provided links for the respective ESP where the e- Voting is in progress.
III. Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.	
IV. Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page.	
V. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.	

Individual Members (holding securities in demat mode) login through their depository participants.

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Click on e-Voting option and you will be redirected to NSDL/CDSL Depository site after successful authentication. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

IMPORTANT NOTE:

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Members facing any technical issue - NSDL	Members facing any technical issue - CDSL
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43.

II) Applicable for non-Individual members and members holding shares in physical form

Login method for non-individual members and members holding shares in physical form are given below :

Procedure and Instructions for remote e-voting are as under:

(i) Initial password is provided in the body of the email.

(ii) Launch internet browser and type the URL: https://evoting.kfintech.com in the address bar.

(iii) Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./ DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, use your existing User ID and password for casting your votes.

(iv) After entering the details appropriately, click on LOGIN.

(v) You will reach the password change menu wherein you will be required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$,etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) You need to login again with the new credentials.

(vii) On successful login, the system will prompt you to select the EVENT i.e. Shriram Transport Finance Company Limited.

(viii) On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.

(ix) Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.

(x) Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.

(xi) Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (pdf/jpg format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutinizer through email at srirampcs@gmail.com and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'STFCL_EVENT No.'.

(xii) In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for members and e-voting User Manual available at the 'download' section of https://evoting.kfintech.com or call KFin on 18003094001(toll free). You may also contact Mr. Vivek Achwal, Company Secretary to address the grievances connected with remote e-voting at Corporate Office, Tel. No. +91-022-40959508, Email-id- secretarial@stfc.in.

III) Process for those members whose email addresses are not registered with the depositories for obtaining login credentials for e-voting for the resolutions proposed in this Notice:

1. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to evoting@kfintech.com/ csdstd@integratedindia.in

2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to secretarial@stfc.in/csdstd@integratedindia.in

IV) Instructions for attending/joining the 42nd AGM through VC/OAVM are as under:

1. Members will be able to attend the 42nd AGM through VC/OAVM facility provided by KFin at https://emeetings.kfintech.com by clicking on the tab 'Video Conference' and using their remote e-voting login credentials. The link for 42nd AGM will be available in members login where the EVENT and the name of the Company can be selected.
2. Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned under heading 'I' above.
3. Members are encouraged to join the meeting through Laptops with Google Chrome for better experience.
4. Further, members will be required to allow camera, if any, and hence use internet with a good speed to avoid any disturbance during the meeting.
5. While all efforts will be made to make the VC/ OAVM meeting smooth, participants connecting through mobile devices, tablets, laptops, etc. may, at times, experience audio/video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.
6. **AGM Questions prior to 42nd AGM:** Members who would like to express their views/ask questions during the 42nd AGM may log into https://emeetings.kfintech.com/ and click on "Post your Questions". Thereafter, the Members may post their queries/views in the window provided by mentioning the name, demat account number/folio number, email id, mobile number. "Post your Questions" shall commence on Saturday, June 19, 2021 (9:00 a.m. IST) and close on Tuesday, June 22,2021 (5:00 p.m. IST). Please note that only questions of the members holding the shares as on cut-off date will be considered.
7. **Speaker Registration during 42nd AGM session:** Members who would to express their views/ ask questions during the 42nd AGM may log into https://emeetings.kfintech.com and click on "Speaker Registration" by mentioning the demat account number/folio number, city, email id, mobile number and submit. The speaker registration shall commence on Saturday, June 19, 2021 (9:00 a.m. IST) and close on Tuesday, June 22, 2021 (5:00 p.m. IST). Only those Members who have registered themselves as a speaker will be allowed to express their views/ask questions during the 42nd AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the 42nd AGM.
8. A video guide assisting the members attending 42nd AGM either as a speaker or participant is available for quick reference at: https://emeetings.kfintech.com/video/howitworks.aspx
9. Members who need technical assistance before or during the 42nd AGM can contact KFin at evoting@ kfintech.com or helpline – 1800 309 4001.

V) Instructions for e-voting at the 42nd AGM are as under:-

1. The e-Voting "Thumb sign" on the left hand corner of the video screen shall be activated upon instructions of the Chairman during the 42nd AGM proceedings. Members shall click on the same to take them to the "instapoll" page.
2. Members to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.
3. Only those Members, who will be present in the 42nd AGM through VC/OAVM facility and have not cast their vote through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting at the 42nd AGM.

VI) Scrutinizer's Report and declaration of results:

i. The Scrutinizer shall, immediately after the conclusion of voting at the 42nd AGM, first count the votes cast at the meeting, thereafter unblock the votes through e-voting and make a consolidated Scrutinizers' report of the total votes cast in favour or against, not later than 48(forty eight) hours of the conclusion of the 42nd AGM, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

ii. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.stfc.in and on the website of Kfin at https://evoting.kfintech.com immediately after the declaration of results by the Chairman and communicate to the National Stock Exchange of India Limited and BSE Limited. The resolutions shall be deemed to be passed at the 42nd AGM of the Company.

By Order of the Board
For Shriram Transport Finance Company Ltd.
Vivek Achwal
Company Secretary
Membership No. : ACS 8061

Mumbai
April 29, 2021
CIN: L65191TN1979PLC007874

Regd. Office: Sri Towers, Plot No.14A, South Phase,
Industrial Estate, Guindy, Chennai 600 032
Tel No: +91 44 4852 4666 Fax: +91 44 4852 5666.
Website: www.stfc.in Email id: secretarial@stfc.in.

ANNEXURE TO NOTICE

Explanatory Statement

ITEM NOS. 5 & 6

Pursuant to the provisions of Section 139 of the Companies Act, 2013 ("the Act") and the Companies (Audit and Auditors) Rules, 2014, M/s Haribhakti & Co. LLP, Chartered Accountants, Mumbai (Firm Registration No. 103523W/ W100048) and M/s Pijush Gupta & Co. Chartered Accountants, Gurugram (Firm Registration No. 309015E) have been appointed as Joint Statutory Auditors of the Company at the 38th Annual General Meeting held on June 29, 2017 to hold office from the conclusion of the 38th Annual General Meeting until the conclusion of the 43rd Annual General Meeting of the Company.

The Company seeks approval of Members every year at the Annual General Meeting for payment of remuneration (exclusive of certification fees, good and services tax and reimbursement of out of pocket expenses) to the Joint Statutory Auditors for the financial year based on recommendation of the Audit Committee and approval of the Board of Directors pursuant to Section 142 of the Act.

Reserve Bank of India (RBI) issued guidelines on appointment of statutory auditor (s) by Non-Banking Financial Company (NBFC) vide Circular RBI/2021-22/25 Ref. No. DoS. CD.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 (**'Circular'/'Guidelines'**). RBI has given flexibility to Non-Banking Financial Companies (NBFCs) to adopt these Guidelines from H2 (second half) of the Financial Year 2021-22 in order to ensure that there is no disruption. Accordingly, the NBFCs shall appoint Statutory Auditors for a continuous period of three years from Financial Year 2021-22.

The current Joint Statutory Auditors of the Company have conducted audit of the accounts of the Company for four consecutive financial years ending March 31, 2021.

In order to give time to NBFCs for smooth transition, Finance Industry Development Council (FIDC), a representative body of asset and loan financing NBFCs, has made request to RBI that the Circular shall be made applicable to NBFCs from April 1, 2022 i.e. from Financial Year 2022-23.

In the event RBI accedes to the request of FIDC, it is proposed that the current Joint Statutory Auditors of the Company will continue to hold their office till end of such period as may be permitted by the law. In that event, it is proposed that they shall be paid the remuneration for conducting audit of Company's accounts for the full financial year ending March 31, 2022. Otherwise, it is proposed that the Joint Auditors shall be paid remuneration as may be fixed by the Board of Directors of the Company depending upon scope of their work on pro-rata basis for holding the office of Joint Statutory Auditors for part of the Financial year 2021-22 as mentioned in the resolution at Item Nos.5 and 6 of this Notice

The Audit Committee and the Board of Directors commends passing of the resolution as set out in Nos.5 & 6 of the Notice. None of the Directors or Key Managerial Personnel nor their relatives are concerned or interested financially or otherwise in the proposed resolution.

IITEM NO. 7

The Board of Directors in its meeting held on June 15, 2020 approved fund raising through issuance of Equity Shares and/or other Eligible Securities aggregating to Rs. 2,500/- crores through various permissible modes including qualified institution placement (QIP), public issue, private placement, etc. In this regard, the Members of the Company in the last 41st Annual General Meeting held on August 19, 2020 had passed a Special Resolution accorded their approval to the issuance of the Equity shares and/or Eligible Securities. The said approval is valid for a period of 365 days from the date of passing of the said Special Resolution.

The Board of Directors in its meeting held on April 29, 2021 approved renewal of authorization for raising capital through issuance of Equity Shares and/or other Eligible Securities with an enhanced limit up to Rs. 4,000/- crores through various permissible modes including qualified institution placement (QIP), preferential issue and private placement.

The Board considers that strengthening the Company's capital base and balance sheet is important and the proposal of fund raising up to Rs. 4,000/- crores will help the Company to augment the long-term resources for meeting funding requirements of its business activities, financing the future growth opportunities, general corporate purposes and other purposes including effectively facing challenges of the uncertainties and disruptions caused by COVID-19 pandemic.

The type of securities could be Equity shares and/or fully convertible debentures/partly convertible debentures, secured and/or unsecured Foreign Currency Convertible Bonds (FCCBs), non-convertible debentures with warrants convertible into Equity Shares, preference shares convertible into Equity Shares, and/or any other financial instruments convertible into Equity Shares (including warrants, or otherwise, in registered or bearer form) and/or any security convertible into Equity Shares and/or securities linked to Equity Shares and/or securities with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to Equity Shares or any combination thereof ('other Eligible Securities') depending upon the prevailing market conditions. One or more Qualified Institutions Placement(s), public issue(s), private placement(s) could be used to issue such Equity shares or other Eligible Securities in one or more tranches and/or one or more issuances for an aggregate amount up to and not exceeding Rs. 4,000/- crores.

The issue of Equity Shares and /or other Eligible Securities shall be made having due regard to the prevailing market conditions and any other relevant factors. The detailed terms and conditions for the issue(s)/offering(s) including price and timing of the Issue will be determined by the Board (which shall mean and include the Securities Issuance Committee) in its sole discretion in consultation with the advisors, book running lead managers and such other authority or authorities as may be necessary.

The allotment of the Equity Shares and/or other Eligible Securities shall be completed within a period of 365 days from passing of this resolution or such other time as may be allowed under SEBI-ICDR Regulations.

The resolutions proposed are enabling approvals and the exact combination of instrument(s), exact price, proportion and timing of the issue of the Equity Shares and/or or other Eligible Securities in one or more tranches and/or issuances and the detailed terms and conditions of such tranche(s)/ issuances will be decided by the Board in consultation with lead managers, advisors and such other authorities and agencies as may be required to be consulted by the Company in due consideration of prevailing market conditions and other relevant factors after meeting the specific requirements in a manner that the aggregate amount of proceeds in one or more issuances or tranches shall not exceed overall limit of Rs. 4,000/- crores or its equivalent in other currency(ies).

The proposals therefore seek to confer upon the Board the absolute discretion and adequate flexibility to determine the terms of issue(s) and to take all steps which are incidental and ancillary. As the pricing of the offer cannot be decided except at a later stage, it is not possible to state upfront the price of Equity Shares and/or other Eligible Securities to be issued. However, the same would be in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "ICDR Regulations"), the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Foreign Exchange Management Act, 1999, the Companies Act, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, the Depository Receipts Scheme, 2014, the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, the Master Direction - External Commercial Borrowings, Trade Credits and Structured Obligations, 2019, the Foreign Exchange Management (Debt Instruments) Regulations, 2019, the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 or any other guidelines/ regulations/ consents, each as amended, as may be applicable or required.

In the event of the issue of the Equity Shares and/or other Eligible Securities as aforesaid by way of a QIP, the Special Resolution also seeks to empower the Board to undertake a QIP as defined by ICDR Regulations, where pricing will be determined in terms of the SEBI ICDR Regulations.

The 'relevant date' shall be determined in accordance with Regulation 171 of the SEBI ICDR Regulations, that is, for Equity Shares, it shall be the date of the meeting of the Board (which term also includes any committee constituted by the Board) where the decision for opening of the QIP issue for subscription is taken. For other Eligible Securities, the 'relevant date' shall be the date of the meeting of the Board decides to open the issue of such Eligible Securities or the date on which the holders of such other Eligible Securities become entitled to apply for the Equity Shares.

Further, Section 62(1)(a) of the Companies Act, 2013 (the "Companies Act") provides, inter alia, that when it is proposed to increase the subscribed capital of the company by issue of further shares, such further shares shall be offered to existing Members of such company in the manner laid down therein unless the Members by way of a Special Resolution decide otherwise. Since the Special Resolution proposed at item No. 7 of the Notice may result in the issue of Equity shares of the Company to persons other than existing Members of the Company, approval of Members is being sought pursuant to provisions of Section 62(1)(c) and other applicable provisions of the Companies Act as well as applicable rules notified by the Ministry of Corporate Affairs and in terms of SEBI-LODR Regulations. The approval of the Members is being sought pursuant to the provisions of Section 23, 42, 71 and other applicable provisions of the Companies Act and Rules notified under the Act, applicable regulations of SEBI including the SEBI ICDR Regulations, to the extent applicable.

The Board will take all steps to implement the proposal including but not limited to appointment of merchant bankers, book running lead managers, lead managers, legal advisors, depository, custodians, registrar, escrow agents and other intermediaries to advise and assist the Company regarding the issue of Equity Shares and/or other Eligible Securities, meeting and negotiating with the potential investors.

The Equity Shares to be allotted would be listed on one or more stock exchanges. The offer/ issue/ allotment of the Equity Shares and/or other Eligible Securities would be subject to the availability of the regulatory approvals, if any.

In connection with the proposed issue of the Equity Shares and/ or the other Eligible Securities, the Company is required, inter alia, to prepare various documentations and execute various agreements. The Company is yet to identify the investor(s) and decide the quantum of Equity Share and/ or other Eligible Securities to be issued to them. Hence, the details of the proposed allottees, percentage of post offer holding that may be held by them and post offer holding pattern of Equity Shares and /or other Eligible Securities of the Company and other details are not available at this point of time and shall be disclosed by the Company under the applicable regulations in due course (at appropriate times and modes). Accordingly, it is proposed to authorize the Board to identify the investor(s), issue such number of Equity Shares and/or other Eligible Securities, negotiate, finalize and execute such documents and agreements as may be required and do all such acts, deeds and things in this regard for and on behalf of the Company. The issue/ allotment/ conversion would be subject to the applicable regulatory approvals, if any. The conversion of other Eligible Securities held by foreign investors into Equity Shares would be subject to the applicable foreign investment cap and relevant foreign exchange regulations.

The Board commends passing of the Special Resolution as per item 7 of the Notice.

None of the Directors, key managerial personnel of the Company and their relatives is concerned or interested in this resolution, except to the extent of Equity Shares and / or other Eligible Securities issued/allotted to the entities in which they are directors or members.

This Notice does not constitute an offer or invitation or solicitation of an offer of securities to the public within or outside India. Nothing in this Notice constitutes an offer of securities for sale or solicitation in any jurisdiction in which such offer or solicitation is not authorized or where it is unlawful to do so.

This announcement is not an offer of securities for sale in the United States. Any securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended ('the Securities Act') or any United States state securities laws, and may not be offered or sold in the United States except pursuant to an exemption from or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable United States state securities laws. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States.

ITEM NO. 8

At the Thirty Eighth Annual General Meeting held on June 29, 2017, the Members of the Company approved payment of commission to Non-Executive Independent Directors up to 1% of the net profits of the Company for each financial year, for a period of five years commencing from April 01, 2017 and ending with March 31, 2022. Accordingly, the Board of Directors approved payment of following commission to Independent Directors:

Financial Year	Commission paid/ to be paid* to the Independent Director who held office for full financial year	Total Amount of Commission
2017-18	Rs. 7,50,000/-	Rs. 37,50,000/-
2018-19	Rs. 7,50,000/-	Rs. 37,50,000/-
2019-20	Rs. 7,50,000/-	Rs. 30,00,000/-
2020-21	Rs. 10,00,000/-	Rs. 40,00,000/-

* Commission for FY 2020-21 will be paid after 42nd AGM of the Company

As per Remuneration policy of the Company the Independent Directors who were appointed during any financial year were paid commission on pro-rata basis.

The Company paid following Sitting fees to Independent Directors for every meeting of the Board/Committee attended by the Independent Directors:

Financial Year	Total Amount of Sitting fee
2017-18	Rs. 19,85,000/-
2018-19	Rs. 21,50,000/-
2019-20	Rs. 23,10,000/-
2020-21	Rs. 38,95,000/-

The Sitting fee was paid to independent directors for attending Board/committee meetings during the period from October 29, 2015 up to January 27, 2021

1. Board Meeting – Rs. 50,000/-
2. Committee Meeting - Rs. 25,000/-
3. Independent Directors' Meeting - Rs. 15,000/-

The Board of Directors in its meeting held on January 28, 2021 approved increase in the Sitting fees of Independent Director from January 28, 2021 as under:

1 Board Meeting – Rs. 1,00,000/-
2. Audit Committee Meeting - Rs. 50,000/-
3. Other Committee Meeting – Rs. 35,000 /-
4. Independent Directors' Meeting - Rs. 35,000/-

The Company is being immensely benefited from the expertise, advice and inputs provided by the Independent Directors during the meetings.The Independent directors devote their valuable time meetings Joint Statutory Auditors and Rating Agencies. The Independent Directors deliberate with senior management personnel on the strategic and critical issues in the course of the Board and Committee meetings of the Company and give their valuable advices, suggestion and guidance to the management of the Company from time to time. Taking into account of their roles and responsibilities, the Board of Directors of the Company at its meeting held on April 29, 2021 have recommended for the approval of the Members payment of commission to Independent directors for a further period of three financial years with effect from April 01, 2022 up to March 31, 2025 as set out in the resolution, subject to the limit as set out in the Resolution at item No. 8 of this Notice. The commission is proposed to be paid in addition to sitting fees paid to independent directors for attending the Board / Committee meetings. It is hereby clarified that the limit for payment of commission as set out in the Ordinary Resolution at Item No.8 of this Notice does not include the amount of Sitting Fee to be paid to Independent Directors. The amount of commission is determined by the Board of Director every Financial year as per Remuneration policy of the Company. The Remuneration Policy forms part of this 42nd Annual Report for the Financial Year 2020-21.

The Board of Directors consider that the commission proposed to be paid to Independent Directors is reasonable and commensurate with the experience, expertise, skills and time devoted by Independent Directors for the business affairs of the Company. The Board of Directors recommend passing of this resolution as set out in item No. 8 of this Notice.

Mr. S. Lakshminarayanan, Mr. S. Sridhar, Mrs. Kishori Udeshi and Mr. Pradeep Kumar Panja being Independent Directors may be considered as concerned or interested in this matter and passing of the Ordinary Resolution. No other director, Key Managerial Personnel of the Company nor their relative are concerned or interested, financially or otherwise in the proposed resolution.

ITEM NO. 9

The Members of the Company vide an ordinary resolution passed at the 40th Annual General Meeting held on June 29, 2019 approved the re-appointment of Mr. Umesh Revankar (DIN 00141189) as Managing Director & CEO of the Company for a period of five years with effect from October 26, 2019 up to October 25, 2024. The terms and conditions of his re-appointment, including remuneration have been approved by the Members in accordance with the provisions contained in Sections 196, 197 and 203 read with Schedule V to the Companies Act, 2013 (the "Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions of the Act. The Members had also authorized the Board of Directors and the Nomination and Remuneration Committee to revise, alter and vary the terms and conditions of his re-appointment, including his remuneration, in accordance with the general policy of the Company, subject to the applicable provisions of Schedule V to the Act. Accordingly, the Board of Directors are authorized to approve elevation/re-designation of Mr. Umesh Revankar during the tenure of his appointment. This resolution is being proposed as a matter of abundant caution.

Mr. Umesh Revankar has been playing a significant role in planning/implementing the Company's future growth strategies. During his long association with the Company, he has built a robust organization structure and a team of leaders to implement the Company's future growth strategies. During the challenging and critical period of ongoing COVID-19 pandemic, the Company's performance and liquidity position has been satisfactory due to his strong leadership.

Mr. Umesh Revankar have been working in Shriram Group for more than 25 years, in various capacities and had consistently demonstrated excellent performance throughout his carrier.

Pursuant to the recommendation by the Nomination and Remuneration Committee, the Board of Directors unanimously passed resolution in its meeting held on March 25, 2021 for elevation / re-designation of Mr. Umesh Revankar as Vice Chairman and Managing Director of the Company effective, April 01, 2021.

Except for the change in designation, all other terms and conditions of appointment and remuneration of Mr. Umesh Revankar remain same as approved by the Members of the Company in the 40th Annual General Meeting held on June 27, 2019.

The Board of Directors recommend passing of this resolution as set out in Item no. 9 of this Notice.

Except Mr. Umesh Revankar, none of the Directors, Key Managerial Personnel of the Company nor their relatives are concerned or interested, financially or otherwise in the proposed resolution.

By Order of the Board

For Shriram Transport Finance Company Ltd.

Mumbai
April 29, 2021

Vivek Achwal
Company Secretary
Membership No. : ACS 8061

CIN: L65191TN1979PLC007874
Regd. Office: Sri Towers, Plot No.14A, South Phase,
Industrial Estate, Guindy, Chennai 600 032,
Tel No:+91 44 4852 4666 Fax:+91 44 4852 5666.
Website: www.stfc.in Email id: secretarial@stfc.in.

Information as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and SS2 - Secretarial Standard on General Meetings with respect to Director's re-appointment:

Name of Director	Mr. D. V. Ravi
Date of Birth and Age	September 05, 1964, Age - 56 years
DIN	00171603
Date of appointment / first appointment on the Board	June 18, 2015
Nationality	Indian
Expertise in specific functional areas	Wide experience in financial service industry, corporate finance, strategic and business planning, governance, ethics and regulatory oversight, Audit & Risk Management, Sustainability, Human Resource, Information Technology, synergy creation and leadership development
Qualifications	Commerce Graduate from the University of Bangalore, Post Graduate Diploma in Management from the Institute of Rural Management, Anand (IRMA).
Directorship held in other companies	1. Shriram Capital Ltd. 2. DRP Consultants Pvt. Ltd. 3. Shriram Properties Holding Pvt. Ltd. 4. Shriram Financial Ventures (Chennai) Pvt. Ltd. 5. Envestor Ventures Ltd. 6 Shriram Credit Company Ltd. 7. Shrilekha Business Consultancy Private Ltd. 8. Take Sports Management Private Ltd. 9. APA Engineering Pvt. Ltd. 10. Eywa Pharma Pte Ltd.
Membership/ Chairmanship of Committees of other public companies (includes only Audit Committees and Stakeholders Relationship Committee)	Audit Committee Member: - Shriram Capital Ltd.
Shareholdings in the Company including shareholding as a beneficial owner	NIL
Disclosure of relationships between directors/Key Managerial Personnel inter-se.	There is no inter-se relationship between Mr. D. V. Ravi and the directors on the Board of Directors of the Company and Key Managerial Personnel.
Remuneration to be paid and received from the Company in the F.Y. 2020-21	Nil. The Company does not pay any remuneration to non-executive non- independent director.
Terms and conditions of re-appointment along with details of remuneration sought to be paid	Mr. D. V. Ravi, Director is liable to retirement by rotation. No Remuneration is proposed to be paid to him.
The number of Meetings of the Board attended during the F.Y. 2020-21	Attended all Board Meeting during the Financial Year 2020-21 i.e. Attended 9 out 9 Board Meetings held during FY 2020-21

Mr. D V Ravi, a non-executive non-independent Director, is Managing Director of Shriram Capital Limited, Promoter of the Company. Mr. Ravi is playing key role in formulating and monitoring the implementation of the Group's strategy. He has spearheaded several successful mergers and acquisitions. The Group has made rapid growth under his able leadership. Our Company continues to immensely benefit from his guidance in strategic matters and expert knowledge and advice.

SHRIRAM
Transport Finance Company Limited
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