SHRIRAM HOUSING FINANCE LIMITED

Corporate Identification Number: U65929TN2010PLC078004
National Housing Bank Registration Number: 08.0094.11, dated August 4, 2011
Permanent Account Number: AAPCS3213D
Date and Place of Incorporation: November 9, 2010. Chennai.
Registered Office: 123, Angappa Naicken Street, Chennai – 600 001, Tamil Nadu. Telephone: (+91 44) 2534 1431
Corporate Office: Level 3, Wockhardt Towers, East Wing, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051. Telephone: (+91 22) 4241 0400
E-mail: sect@shriramhousing.in. Website: www.shriramhousing.in
Chief Financial Officer: Mr. G. S. Agarwal. Telephone: (+91 22) 4241 0400. E-mail: sect@shriramhousing.in
Promoter: Shriram City Union Finance Limited. Telephone: (+91 44) 2534 1431. E-mail: sect@shriramcity.in

Private Placement of senior, secured, rated, listed, redeemable, non-convertible debentures ("**Debentures**") of face value of Rs. 10,00,000 (Rupees Ten Lakh only) each for cash at par, with issue size upto Rs. 100,00,00,000 (Rupees One Hundred Crore) at par ("**Issue Size**" or **Issue**") by Shriram Housing Finance Limited ("**Issuer**").

GENERAL RISKS: For taking an investment decision, investors must rely on their own examination of the Issue and the Placement Memorandum including the risks involved. The Issue has not been recommended or approved by Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Placement Memorandum.

ISSUER'S ABSOLUTE RESPONSIBILTY: The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Placement Memorandum contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue, that the information contained in this Placement Memorandum is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

ELECTRONIC BOOK PROVIDER PLATFORM: This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus, and is neither an offer or invitation under Section 42 of the Companies Act 2013. A draft of the Placement Memorandum was uploaded on the BSE electronic book provider platform. An offer was made to successful Investors acceptable to the Issuer which were issued a serially numbered and specifically addressed Private Placement Offer Letter and Application Form after completion of the electronic bidding.

ELIGIBLE INVESTORS: All qualified institutional buyers (as defined under Regulation 2(1)(ss) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, and specific non-qualified institutional buyers mapped by the Issuer to the BSE EBP Platform.

CREDIT RATING: The Debentures proposed to be issued by the Issuer have been rated "IND AA" (Positive) by India Ratings & Research Private Limited ("India Ratings"). Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The above rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by India Ratings and should be evaluated independently of any other ratings. Please refer to Annexure IV of this Placement Memorandum for the rating letter, press release and rating rationale assigning the credit ratings issued by India Ratings.
Link to India Ratings press release: https://www.indiaratings.co.in/PressRelease?pressReleaseID=57013

LISTING: The Debentures are proposed to be listed on the debt market segment of the BSE Limited ("BSE"). This Issue does not form part of non-equity regulatory capital mentioned under Chapter V of SEBI NCS Regulations, 2021. The face value of each Debenture shall be Rs. 10 (ten) Lakh.

INTEREST RATE AND BENCHMARK			
The Interest Rate shall be 375 (Three Hundred and Seventy Five) basis point over the Benchmark. The Benchmark is to be reset on a quarterly basis. The benchmark is 3 months T-Bill Rate as published by FBIL ("Benchmark"). The Benchmark shall be calculated using average closing rates of 10 (Ten) previous working days (rounding to 2 (Two) decimals) prior to each Interest Reset Date (data source being FBIL). The Interest Rate will be adjusted based by the Step-Up Rate from the date of a Step- Up Event as set out in this Placement Memorandum.			
INTEREST TYPE	INTEREST PAYMENT FREQUENCY	REDEMPTION DATE	REDEMPTION AMOUNT
Floating interest with quarterly reset, payable Quarterly	Quarterly	March 04, 2025	Rs. 10 (Ten) Lakh per Debenture

DEBENTURE TRUSTEE	REGISTRAR TO THE ISSUE	CREDIT RATING AGENCY
BEACON TRUSTEESHIP LIMITED	SHRIRAM INSIGHT SHARE BROKERS LIMITED	INDIA RATINGS & RESEARCH PRIVATE LIMITED
4C, Siddhivinayak Chambers, Opp MIG Cricket Club, Kala Nagar, Bandra (E, Mumbai, Maharashtra 400051Telephone: 022-26558759Facsimile: Email: contact@beacontrustee.co.in Website: https://beacontrustee.co.in	CK – 5 & 15, Sector II, Salt Lake City, Kolkata – 700 091. Telephone: (+ 91 33) 3250 7069/2358 7188 Facsimile: (+91 33) 2358 7189 Email: secretarial@shriraminsight.com Website: www.shriraminsight.com	Wockhardt Towers, 4th Floor, West Wing, Bandra Kurla Complex, Bandra East, Mumbai – 400 051. Email Address: infogrp@indiaratings.co.in Telephone: 022 – 4000 1700 Website: www.indiaratings.co.in

ISSUE SCHEDULE			
ISSUE OPENING DATE	ISSUE CLOSING DATE	PAY IN DATE	DEEMED DATE OF ALLOTMENT
March 03, 2022	March 03, 2022	March 04, 2022	March 04, 2022

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CHAPTER 1
DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Placement Memorandum.

Accounting Standards	Means Ind AS or GAAP or such other accounting principles that are required to be followed by a company incorporated in India under Applicable Law
Allot/Allotment/Allotted	Unless the context otherwise requires or implies, the allotment of the Debenture pursuant to this Issue.
Application Form	The form used by the recipient of the Private Placement Offer Letter, to apply for subscription to the Debentures.
Applicant or Investor or Eligible Investor	An eligible investor who subscribes to the Debentures pursuant to the terms of the Placement Memorandum
Act or Companies Act or Companies Act, 2013	Means Companies Act, 2013, and for any matters or affairs prior to the notification of the relevant provisions of the Companies Act, 2013, and shall include any re-enactment, amendment or modification of the Companies Act, 2013, as in effect from time to time and shall include the rules made thereunder.
Applicable Law	Means any statute, law, regulation, notification, ordinance, rule, judgement, rule of law, order, decree, government resolution, clearance, approval, directive, guideline, policy, requirement, or other governmental restriction or any similar form of decision, or determination by, or any interpretation or administration of any of the foregoing by, any statutory or governmental or regulatory authority including without limitation stock exchanges, having jurisdiction over the matter in question, whether in effect as of the date of the Debenture Trust Deed or thereafter and in each case as amended.
Articles or Articles of Association or AoA	Articles of association of the Issuer as amended.
Benchmark 3 months T-Bill Rate	Means the 3 (Three) months Treasury Bill (T-Bill) rate as published by FBIL.
Benchmark Rate	Means the average of the closing rates of 10 (Ten) Previous Working Days (rounding to 2 decimal) prior to each Interest Reset Date (data source would be FBIL) of the Benchmark 3 months T-Bill Rate.
Business Day	A 'working day' as defined under the NCS Regulations and shall refer to a day when commercial banks are open for business in Mumbai. Explanation: For the purpose of this definition, in respect of: • *Announcement of bid/issue period*: 'Business Day' shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in the city as notified in the Placement Memorandum are open for business; • *Time period between the Issue Closing Date and the listing of the Debentures on the Stock Exchange*: 'Business Day' shall mean all trading days of the Stock Exchange for non-convertible securities, excluding Saturdays, Sundays and bank holidays, as specified by the SEBI.
Beneficial Owner	Means the Debenture Holder(s) of the Debentures in dematerialised form whose name is recorded as such with the Depository
Board / Board of Directors	The board of directors of the Issuer
BSE	BSE Limited
BSE EBP Platform	The electronic book provider platform of the BSE.
BSE EBP Guideline	The "Operational Guidelines for issuance of Securities on Private Placement basis through an Electronic Book Mechanism" issued by BSE vide their notice number 20210816-32 dated BSE
Capital Adequacy Ratio	Means the capital adequacy ratio prescribed by the RBI for Housing Finance

	Companies from time to time, currently being the aggregate of Tier I Capital and Tier II Capital divided by Risk Weighted Assets.
CDSL	Central Depository Services (India) Limited
CEO	A Chief Executive Officer referred to in sub-section (18) of Section 2 of the Companies Act.
CIN	Corporate Identity Number
Client Loan	Each loan made by the Issuer as a lender, and "Client Loans" shall refer to the aggregate of such loans.
Control	Means the possession by a person or persons, directly or indirectly, of the power to direct or cause the direction of the management or policies of a company, whether through the ownership of voting securities, by contract or otherwise, and includes (a) the ownership directly or indirectly of 51% (Fifty One percent) of the shares in issue or other equity interests of the company or entity; (b) possession directly or indirectly, of 51% (Fifty One percent) of the voting power of the company or entity; or (c) the ability to appoint all the members on the board of directors (excluding independent directors) of the company or governing body of the company or entity. The terms "**Control**", "**Controlling**" and "**Controlled**" must be construed accordingly.
Crore	An amount of Rs.1,00,00,000.
Debentures	Senior, secured, rated, listed, redeemable non-convertible debentures
Debenture Holder(s) / Investor(s)	The holder(s) of the Debenture(s) issued by the Issuer and shall include the registered transferees of the Debenture(s) from time to time
Deemed Date of Allotment	The Deemed Date of Allotment of the Debentures shall be as mentioned under Annexure I of this Placement Memorandum
Debenture Trustee	Beacon Trusteeship Limited
Debenture Trustee Agreement	Agreement executed / to be executed by and between the Debenture Trustee and the Issuer for the purposes of appointment of the Debenture Trustee to act as debenture trustee in connection with the issuance of the Debenture under each of the Series.
Debenture Trust Deed or DTD	Means the Debenture Trust Deed executed / to be executed by and between the Debenture Trustee and the Issuer which will set out the terms upon which the Debenture are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer.
DD	Due diligence
Demat	Refers to dematerialized securities which are securities that are in electronic form, and not in physical form, with the entries noted by the Depository.
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository	A Depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time.
Depository Participant / DP	A depository participant as defined under the Depositories Act
Director(s)	Director(s) of the Issuer.
DP ID	Depository Participant Identification Number
DRR	Debenture redemption reserve.
Due Date	Means any date on which the Debenture Holder(s) are entitled to any payments in relation to the Debentures, whether for redemption, redemption premium, if any or towards Interest, as provided in Annexure I of this Placement Memorandum
EBP	Electronic Bidding Platform.
EFT	Electronic Fund Transfer
Events of Default	Means the Events of Default as set out in Annexure I of this Placement Memorandum
Financial Year/ FY	Twelve months period commencing from April 1 of a particular calendar year

	and ending on March 31 of the subsequent calendar year.
Financial Indebtedness	Means any indebtedness for or in respect of: (a) monies borrowed and debit balances at banks or other financial institutions; (b) any amount raised by acceptance under any acceptance credit, bill acceptance or bill endorsement facility or bill discounting facility or dematerialised equivalent; (c) any amount raised pursuant to any note purchase facility, or the issue of bonds, notes, debentures, loan stock or any similar instrument; (d) the amount of any liability in respect of any lease, hire purchase contract or similar arrangement which would, in accordance with the Accounting Standards, be treated as a finance or capital lease; (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis and meet any requirements for derecognition under the Accounting Standards); (f) any amount raised under any other transaction (including any forward sale or purchase, sale and lease back and sale and buy back agreement) which has the commercial effect of borrowing or is otherwise classified as borrowing under the Accounting Standards; (g) the amount of any liability under an advance or deferred payment agreement; (h) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price including any credit support arrangement in respect thereof and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) shall be taken into account; (i) shares (or any instruments convertible into shares) which are expressed to be redeemable (other than at the option of the issuer), or any put option or any obligation under any put option in respect of any shares; (j) any obligation constituting 'financial debt' under the IBC; and (k) without double counting, the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (k) above.
Final Settlement Date	Means the date on which all Secured Obligations are irrevocably and unconditionally discharged and paid in full (including the redemption in full of all Debentures) to the satisfaction of the secured parties, whether or not as the result of enforcement, and the secured parties are under no further obligation to subscribe to any Debentures or make any payments under the Transaction Documents and the Debenture Trustee confirms the same in writing.
GAAP	Generally Accepted Accounting Principles prescribed by the Institute of Chartered Accountants of India from time to time and consistently applied by the Issuer.
Governmental Authority	Includes the president of India, the government of India, governor or the government of any state in India or any ministry, department, board, authority, instrumentality, agency, corporation or commission semi-governmental or judicial or quasi-judicial or administrative entity, any self-regulatory organization, under the direct or indirect control of the government of India.
GoI or Government	Government of India.
Gross Loan Portfolio	Means the outstanding principal balance of all of the Issuer 's outstanding Client Loans current, delinquent and restructured Client Loans, and includes principal balance of all Client Loans securitized, assigned, originated on behalf of other institutions or otherwise sold off in respect of which the Issuer has provided

	credit enhancements in any form or manner whatsoever, but not Client Loans that have been charged off.
HFCs	Housing Finance Companies
NHB	National Housing Bank
Interest	Shall mean the interest payable on the Debentures in accordance with the Debenture Trust Deed
Issue	Issue of senior, secured, rated, listed, redeemable non-convertible debentures ("Debentures") for cash at par
Issuer / SHFL	Shriram Housing Finance Limited
ISIN	International Securities Identification Number
Lakh	An amount of Rs.1,00,000.
Key Managerial Personnel	Key managerial personnel, in relation to the Issuer, shall mean: • Managing Director and CEO; • Company Secretary; • Whole-time Directors; • Chief Financial Officer; and any such other officer as may be prescribed under the Companies Act.
Majority Debenture Holder(s)	Means Debenture Holder(s) holding an aggregate amount representing more than 51% (Fifty One Percent) of the outstanding value of the Debentures under the Debenture Trust Deed at such time. For sake of clarity, it is herein clarified that the 'majority' shall be determined as majority of debenture holders under each respective International Securities Identification Number ("**ISIN**").
Managing Director	The managing director as referred to in sub-section (54) of Section 2 of the Companies Act.
Material Adverse Effect	Means an event, circumstance, occurrence or condition which has caused, as of any date of determination, or could be expected to cause a material adverse effect or a material adverse change in the sole opinion of Debenture Trustee, acting following the written instructions or consent of the Majority Debenture Holders' on: (a) the business, operations, property, assets, condition (financial or otherwise) or prospects of the Issuer; or (b) the rights or remedies of the Debenture Trustee acting for the benefit of the Debenture Holders under any other Transaction Document; (c) the ability of the Issuer to perform its obligations under any Transaction Documents or affects the validity of the Transaction Documents or any other related document to which the Issuer is or will be a party; or (d) the legality or validity or enforceability of the Transaction Documents or any other related document or the rights or remedies of Debenture Holder(s) thereunder; or (e) legality or validity or enforceability of, or the effectiveness or ranking of any Security granted or purporting to be granted pursuant to any of, the Security Documents; or (f) any other effect or change which adversely affects the interest of the Debenture Holder(s) or the Debenture Trustee.
Memorandum or Memorandum of Association	Memorandum of Association of the Issuer as originally framed or as altered from time to time in pursuance of the Companies Act.
Net Assets	Net Assets shall mean the total assets on the balance sheet of the Issuer excluding any securitised assets and managed (non-owned) loan portfolio.
N.A.	Not Applicable
NCS Regulations	Securities and Exchange Board of India (Issue and Listing of Non-Convertible

	Securities) Regulations, 2021, as amended.
NEFT	National electronic funds transfer.
Non-Performing Assets / NPA	Means the aggregate of all loans, bonds and other credit facilities provided by the Issuer where one or more repayment instalments are overdue by 90 days or more
NSDL	National Securities Depository Limited.
NSE	NSE Limited
PAN	Permanent Account Number
PAS Rules	Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.
Placement Memorandum	This placement memorandum dated February 28, 2022, uploaded on the debt market segment of the BSE.
Principal Amount	On any particular date, the principal amount of the outstanding Debentures on such date.
Private Placement Offer Letter	Means the offer letter prepared in compliance with Section 42 of the Companies Act, 2013, read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended, with respect to the Issue
Portfolio at Risk Over 90 Days	Shall mean the outstanding principal amounts of all Client Loans that have one or more instalments of principal, interest, penalty interest, fees or any other expected payments past due more than 90 (Ninety)days.
Promoter	A promoter as referred to in sub-section (69) of Section 2 of the Companies Act.
Promoter Group	The Promoter group shall include Shriram City Union Finance Limited and such other entities / companies forming part of Promoter Group as per the prevailing regulations / act from time to time.
QIB	Qualified institutional buyers (as defined under Regulation 2(1)(ss) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, which comprises of the following investors: • a mutual fund, venture capital fund, alternative investment fund and foreign venture capital investor registered with the SEBI; • foreign portfolio investor other than individuals, corporate bodies and family offices; • a public financial institution; • a scheduled commercial bank; • a multilateral and bilateral development financial institution; • a state industrial development corporation; • an insurance company registered with the Insurance Regulatory and Development Authority of India; • a provident fund with minimum corpus of Rs. 25 Crore; • a pension fund with minimum corpus of Rs. 25 Crore; • National Investment Fund set up by resolution no. F.No.2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; • insurance funds set up and managed by army, navy or air force of the Union of India; • insurance funds set up and managed by the Department of Posts, India; and • systemically important NBFCs registered with RBI having a net worth of more than Rs. 500 Crore.
RBI	Reserve Bank of India
RBI HFC Master Directions	Means the Reserve Bank of India, "Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021" dated February 17, 2021, as amended.

Rating Agency	India Ratings and Research Limited being a credit rating agency registered with SEBI pursuant to SEBI (Credit Rating Agencies) Regulations 1999, as amended.
Record Date	Means in relation to any date on which any payments are scheduled to be made by the Issuer to the Debenture Holder(s) in terms of the Debenture Trust Deed, Placement Memorandum and the Private Placement Offer Letter (including the Interest payment date and the Redemption Date), the day falling 15 (Fifteen) calendar days prior to such date. In the event the Record Date falls on a day, which is not a Business Day, in such case the immediately succeeding Business Day shall be considered as Record Date.
R&T Agent or Registrar and Transfer Agent	Registrar and Transfer Agent to the Issue, in this case being Shriram Insights Share Brokers Limited
Registrar of Companies	Registrar of Companies, Chennai.
Register of Debenture Holders	The register maintained containing the name of Debenture Holders entitled to receive the Interest or Redemption Amount in respect of the Debentures on the Record Date and whose name appears in the list of Debenture Holders appearing in the record of Beneficial Owners maintained by the Depository as the Debentures are issued in demat form only and if any Debentures are subsequently rematerialized, the register maintained by the Issuer of the names of Debenture Holders entitled to receive the Interest or Redemption Amounts on the Record Date, maintained at the registered office of the Issuer under the Companies Act.
Receivables	Means the receivables as defined under the Debenture Trust Deed.
Redemption Amount	Means all principal amounts outstanding on the Debentures along with all the accrued and unpaid Interest (including any Step Rate (if applicable)), Default Interest, costs, charges, expenses and other Secured Obligations due in respect of the Debentures due and payable on the Redemption Date, as applicable.
Redemption Date	Means (i) the date falling 36 (Thirty-Six) months from the Deemed Date of Allotment, when the Redemption Amount is paid in full respect of the Debentures; or (ii) the dates as specified in a notice from the Debenture Trustee following any Event of Default.
Risk Weighted Assets	Shall be calculated as per the method prescribed in the HFC Master Directions
RoC	Registrar of Companies
Rs. / INR	Indian National Rupee
RTGS	Real Time Gross Settlement
SARFAESI	Means the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time)
Secured Obligations	Means all obligations at any time due, owing or incurred by the Issuer to the Debenture Trustee or the Debenture Holders, as the case may be, in respect of the Debentures and shall include: (i) (a) the obligation to repay all principal amounts outstanding on the Debentures; (b) accrued and unpaid Interest or Default Interest; (c) any other amounts outstanding including outstanding remuneration of the Debenture Trustee and all fees, costs, charges and expenses payable to the Debenture Trustee/Debenture Holder(s), (d) any liquidated damages, indemnification payments, fees, costs, expenses and (e) other monies payable by the Issuer in respect of the Debentures under the Transaction Documents; (ii) any and all sums advanced by the Debenture Trustee in order to preserve the transaction security created or to be created by the Issuer in relation to the Debentures; (iii) in the event of any proceedings for the collection and/or enforcement of the obligations of the Issuer in respect of the Debentures, after an Event of Default shall have occurred, the expenses of retaking, holding,

	preparing for sale, selling or otherwise disposing of or realizing the transaction security or any part thereof, created / to be created by the Issuer, and/ or of any exercise of the Debenture Trustee of its rights under the relevant Transaction Documents, together with legal fees and court costs in relation thereto.
Security Cover Ratio	Means the security cover ratio as set out in the Annexure I, Part A (Term Sheet).
Stock Exchange	BSE/NSE
TDS	Tax Deducted at Source
Tax	Means any present or future tax, levy, duty, charge, fees, turnover tax, transaction tax, stamp tax or other charge of a similar nature (including any penalty or interest payable on account of any failure to pay or delay in paying the same), now or hereafter imposed by law by any Governmental Authority and as may be applicable in relation to the payment obligations of the Issuer under the Transaction Documents.
Transaction Documents	Means the documents executed or to be executed in relation to the issuance of the Debenture as more particularly set out under Chapter 15.

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CHAPTER 2
DISCLAIMERS

Each recipient of this Placement Memorandum acknowledges that it has been afforded an opportunity to request and to review and has received all additional information considered by the recipient to be necessary to verify the accuracy of or to supplement the information contained herein.

ISSUER'S DISCLAIMER

This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus and should not be construed to be a prospectus or a statement in lieu of a prospectus under the Companies Act, 2013 as amended from time to time. The issue of the Debentures to be listed on the debt market segment of the BSE is being made strictly on a private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. This Placement Memorandum does not constitute and shall not be deemed to constitute an offer or invitation to subscribe to the Debentures to the public in general.

This Placement Memorandum has been prepared in conformity with the Companies Act, PAS Rules, NCS Regulations and applicable NHB regulations governing private placements of Debentures by HFCs. This Placement Memorandum has been prepared solely to provide general information about the Issuer to Eligible Investors to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Placement Memorandum does not purport to contain all the information that any Eligible Investor may require. Further, this Placement Memorandum has been prepared for informational purposes relating to this transaction only and upon the express understanding that it will be used only for the purposes set forth herein.

Neither this Placement Memorandum nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Placement Memorandum should not consider such receipt as a recommendation to subscribe to any Debentures. Each potential Investor contemplating subscription to any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer and should be experienced in investing in debt markets and able to bear the economic risk of investing in Debentures. Potential Investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyse such investment and the suitability of such investment to such potential Investor's particular circumstances.

The Issuer confirms that, as of the date hereof, this Placement Memorandum (including the documents incorporated by reference herein, if any) contains all the information that is material in the context of the Issue and regulatory requirements in relation to the Issue and is accurate in all such material respects. No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Placement Memorandum or in any material made available by the Issuer to any potential Investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having being authorized by the Issuer. The Issuer certifies that the disclosures made in this Placement Memorandum are adequate and in conformity with the NCS Regulations and the PAS Rules. Further, the Issuer accepts no responsibility for statements made otherwise than in the Placement Memorandum or any other material issued by or at the instance of the Issuer and anyone placing reliance on any source of information other than this Placement Memorandum would be doing so at its own risk.

All Investors are required to comply with the relevant regulations / guidelines applicable to them for investing in this Issue. The contents of this Placement Memorandum are intended to be used only by those Investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

The person who is in receipt of this Placement Memorandum shall not reproduce or distribute in whole or in part or make any announcement in public or to a third party regarding the contents hereof without the consent of the Issuer. The recipient agrees to keep confidential all information provided (or made available hereafter), including, without limitation, the existence and terms of the Issue, any specific pricing information related to the Issue or the amount or terms of any fees payable to us or other parties in connection with the Issue. This Placement Memorandum may not be photocopied, reproduced, or distributed to others at any time without the prior written consent of the Issuer. Upon request, the recipients will promptly return all material received from the Issuer (including the Placement Memorandum and Private Placement Offer Letter) without retaining any copies hereof.

The Issuer does not undertake to update the Placement Memorandum to reflect subsequent events after the date of the Placement Memorandum and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer. The Issuer accepts no responsibility for statements made in any advertisement or other material, and anyone placing reliance on any other source of information does so at his own risk and responsibility. It is the responsibility of prospective Eligible Investors to have obtained all consents, approvals or authorizations required by them to make an offer to subscribe for, and purchase the Debentures.

Neither the delivery of this Placement Memorandum nor any sale of Debentures made hereafter shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

This Placement Memorandum does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures or the distribution of this Placement Memorandum in any jurisdiction where such action is required. Persons into whose possession this Placement Memorandum comes are required to inform them of, and to observe, any such restrictions. The Placement Memorandum is made available to potential Investors in the Issue on the strict understanding that it is confidential.

DISCLAIMER OF THE SEBI

As per the provisions of the NCS Regulations, it is not stipulated that a copy of this Placement Memorandum has to be filed with or submitted to the SEBI for its review / approval. It is to be distinctly understood that this Placement Memorandum should not in any way be deemed or construed to have been approved or vetted by SEBI and that this Issue is not recommended or approved by SEBI. Further, the SEBI does not take any responsibility either for the financial soundness of any proposal for which the Debentures issued thereof is proposed to be made or for the correctness of the statements made or opinions expressed in this Placement Memorandum. However, the SEBI reserves the right to take up at any point of time, with the Issuer, any irregularities or lapses in this Placement Memorandum.

DISCLAIMER OF THE NATIONAL HOUSING BANK

The Issuer has a valid certificate of registration dated August 4, 2011 bearing registration number 08.0094.11 issued by the NHB under Section 29A of National Housing Bank Act, 1987. However, NHB does not accept any responsibility or guarantee about the present position as to the financial soundness of the Issuer or for the correctness of any of the statements or representation made or opinions expressed by the Issuer and for repayment of deposits/ discharge of liability by the Issuer.

DISCLAIMER OF THE STOCK EXCHANGE

As required, a copy of the Placement Memorandum has been filed with the BSE in terms of the NCS Regulations. It is to be distinctly understood that submission of the Placement Memorandum to the BSE should not in any way be deemed or construed to mean that the Placement Memorandum has been reviewed, cleared, or approved by the BSE; nor does the BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Placement Memorandum, nor does the BSE warrant that the Issuer's Debentures will be listed or will continue to be listed on the BSE; nor does the BSE take any responsibility for the soundness of the financial and other conditions of the Issuer, its promoters, its management or any scheme or project of the Issuer . Every potential Investor who desires to apply for or otherwise acquire any Debentures of the Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE, whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription or acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is made in India to investors as specified under the paragraph titled "Eligible Investors" of this Placement Memorandum, who shall be/have been identified upfront by the Issuer. This Placement Memorandum does not constitute an offer to sell or an invitation to subscribe to Debentures offered hereby to any person to whom it is not specifically addressed. Any disputes arising out of this Issue will be subject to the exclusive jurisdiction of the courts and tribunals at Chennai, Tamil Nadu, India. This Placement Memorandum does not constitute an offer to sell or an invitation to subscribe to the Debentures herein, in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction.

DISCLAIMER IN RESPECT OF RATING AGENCY

Credit ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. The Rating Agency has based its ratings on information obtained from sources believed by them to be accurate and reliable. The Rating Agency does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by the Rating Agency have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

DISCLAIMER OF DEBENTURE TRUSTEE

The Debenture Trustee, "Beacon Trusteeship Limited", does not have the obligations of a borrower or a principal debtor or a guarantor as to the monies paid / invested by Investors for the Debentures. Each prospective Investor should make its own independent assessment of the merit of the investment in the Debentures and the Issuer and are believed to be experienced in investing in debt markets and are able to bear the economic risk of investing in such instruments.

ISSUE OF DEBENTURES IN DEMATERIALISED FORM

The Debentures will be issued in dematerialised form. The Issuer has made arrangements with the Depositories for the issue of the Debentures in dematerialised form. Investors will have to hold the Debentures in dematerialised form as per the provisions of Depositories Act. The Issuer shall take necessary steps to credit the Debentures allotted to the beneficiary account maintained by the Investor with its depositary participant. The Issuer will make the Allotment to the Investors on the Deemed Date of Allotment after verification of the Application Form, the accompanying documents and on realisation of the application money.

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CHAPTER 3
ISSUER UNDERTAKINGS

Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, Eligible Investors must rely on their own examination of the Issuer and the Issue including the risks involved. The Debentures have not been recommended or approved by the any regulatory authority in India, including the SEBI nor does SEBI guarantee the accuracy or adequacy of this Placement Memorandum. Specific attention of Investors is invited to Chapter 4 (*Risk Factors*) of the Placement Memorandum for details in respect of risks relating to the Issue of Debentures.

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Placement Memorandum contains all information with regard to the Issuer and the Issue, that the information contained in the Placement Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

The Issuer has no side letter with any Debenture Holders. Any covenants later added shall be disclosed on the websites of the Stock Exchange where the Debentures are listed.

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CHAPTER 4
RISK FACTORS

The following are the risks relating to the Issuer, the Debentures and the market in general envisaged by the management of the Issuer. Potential Investors should carefully consider all the risk factors in this Placement Memorandum for evaluating the Issuer and its business and the Debentures before making any investment decision relating to the Debentures. The Issuer believes that the factors described below represent the principal risks inherent in investing in the Debentures, but does not represent that the statements below regarding risks of holding the Debentures are exhaustive. Investors should also read the detailed information set out elsewhere in this Placement Memorandum and reach their own views prior to making any investment decision. These risk factors are not exhaustive in nature.

RISKS RELATED TO THE ISSUE

1. ***Repayment is subject to the Credit Risk of the Issuer.***

Potential Investors should be aware that receipt of the principal amount, (i.e. the redemption amount) and any other amounts that may be due in respect of the Debentures is subject to the credit risk of the Issuer. Potential Investors assume the risk that the Issuer will not be able to satisfy their obligations under the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Issuer, the payment of sums due on the Debentures may not be made or may be substantially reduced or delayed.

2. ***The secondary market for Debentures may be illiquid.***

The Debentures may be very illiquid and no secondary market may develop in respect thereof. Even if there is a secondary market for the Debentures, it is not likely to provide significant liquidity. Potential Investors may have to hold the Debentures until redemption to realize any value.

3. ***Credit Risk and Rating Downgrade Risk.***

The Rating Agency has assigned the credit ratings to the Debentures. In the event of deterioration in the financial health of the Issuer, there is a possibility that the Rating Agency may downgrade the rating of the Debentures. In such cases, Investors may incur losses on revaluation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms.

4. ***Changes in the Benchmark may affect the price of Debentures.***

All securities where a floating rate of interest is offered, such as this Issue, are subject to price risk. The price of such securities will vary with the Benchmark. The extent of fall or rise in the prices is a function of the existing interest rate, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the pricing of the Debentures.

5. ***Tax Considerations and Legal Considerations***

Special tax considerations and legal considerations may apply to certain types of investors. Potential Investors are urged to consult with their own financial, legal, tax and other advisors to determine any financial, legal, tax and other implications of this investment.

6. ***Accounting Consideration***

Special accounting considerations may apply to certain types of taxpayers. Potential Investors are urged to consult with their own accounting advisors to determine implications of this investment.

7. ***Material changes in regulations to which the issuer is subjected could impair the issuer's ability to meet payment or other obligations.***

The Issuer is subjected generally to changes in Indian law, as well as to changes in government regulations and policies and accounting principles. Any changes in the regulatory framework could adversely affect the profitability of the Issuer or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise.

8. ***Legality of Purchase***

Potential Investors of the Debentures will be responsible for the lawfulness of the acquisition of the Debenture, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates or for compliance by that potential Investor with any law, regulation or regulatory policy applicable to it.

RISKS RELATED TO THE BUSINESS OF THE ISSUER

1. ***If the Issuer is unable to control the level of non-performing loans in the future, or if the Issuer's loan loss reserves are insufficient to cover future loan losses, the financial condition and results of operations may be materially and adversely affected.***

The Issuer's financial condition is directly correlated to its ability to control the level of non-performing assets ("NPAs") in the future and if the Issuer's loan loss reserves are insufficient to cover future loan losses, its financial condition and results of operations may be materially and adversely affected.

As on December 31, 2021, the gross NPA was Rs. 96.13 Crore on a gross Loan Book of Rs. 3890.43 Crore.

The Issuer cannot assure that it will be able to effectively control the level of the NPAs of its client loans. The amount of its reported NPAs may increase in the future as a result of growth of Client Loans, and due to other factors beyond its control. If the Issuer is unable to manage its NPAs or adequately recover its loans, the results of its operations will be adversely affected.

The current loan loss reserves of the Issuer may not be adequate to cover an increase in the amount of NPAs or any future deterioration in the overall credit quality of Client Loans or inability to realize the debt. As a result, if the quality of its total loan portfolio deteriorates the Issuer may be required to increase its loan loss reserves, which will adversely affect its financial condition and results of operations.

2. ***The Issuer is exposed to certain political, regulatory and concentration of risks.***

Due to the nature of its operations, the Issuer is exposed to political, regulatory and concentration risks.

3. ***The Issuer intends to expand into new cities, with no guarantee that these operations will be successful.***

The Issuer plans to expand its operations in across all the states where it is operating in which it has a presence and new states across India. The Issuer believes that this strategy is advisable from a financial perspective and that it will provide risk diversification benefits and enables it to achieve its corporate objectives. However, if the Issuer is not effectively able to manage such operations and expansion, it may lose money invested in such expansion, which could adversely affect its business and results of operations.

4. ***Changes in interest rates of the loans that the Issuer can borrow could reduce profit margins.***

If the cost of the loans that the Issuer receives increases, due to either market or credit movements, the net interest margin might reduce and adversely affect the Issuer's financial condition.

5. ***Large scale attrition, especially at the senior management level, can make it difficult for the Issuer to manage its business.***

If the Issuer is not able to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain the Issuer's quality and reputation, it will be difficult for the Issuer to manage its business and growth. The Issuer depends on the services of its executive officers and key employees for its continued operations and growth. In particular, the Issuer's senior management has significant experience in the banking and financial services industries.

The loss of any of the Issuer's executive officers, key employees or senior managers could negatively affect its ability to execute its business strategy, including its ability to manage its rapid growth.

The Issuer's business is dependent on its team of personnel who directly manage its relationships with its borrowers. The Issuer's business and profits would suffer adversely if a substantial number of such personnel left the Issuer or became ineffective in servicing its borrowers over a period of time.

The Issuer's future success will depend in large part on its ability to identify, attract and retain highly skilled managerial and other personnel. Competition for individuals with such specialized knowledge and experience is high, and the Issuer may be unable to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain its quality and reputation or to sustain or expand its operations. The loss of the services of such personnel or the inability to identify, attract and retain qualified personnel in the future would make it difficult for the Issuer to manage its business and growth and to meet key objectives.

6. ***The Issuer's business and results of operations would be adversely affected by strikes, work stoppages or increased wage demands by employees.***

The employees are not currently unionized. However, there can be no assurance that they will not unionize in the future. If the employees unionize, it may become difficult to maintain flexible labour policies, and could result in high labour costs, which would adversely affect the Issuer's business and results of operations.

7. ***The Issuer's insurance coverage may not adequately protect it against losses. Successful claims that exceed its insurance coverage could harm the Issuer's results of operations and diminish its financial position.***

The Issuer maintains insurance coverage of the type and in the amounts that it believes are commensurate with its operations and other general liability insurances. The Issuer's insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage.

In addition, there are various types of risks and losses for which the Issuer does not maintain insurance, such as losses due to business interruption and natural disasters, because they are either uninsurable or because insurance is not available to the Issuer on acceptable terms. A successful assertion of one or more large claims against the Issuer that exceeds its available insurance coverage or results in changes in its insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect the Issuer's business, financial condition and results of operations.

8. *The Issuer requires certain statutory and regulatory approvals for conducting its business and the failure to obtain or retain them in a timely manner, or at all, may adversely affect operations.*

HFCs in India are subject to strict regulation by RBI and supervision by NHB. Pursuant to guidelines issued by the RBI, the Issuer is required to maintain its status as an HFC. The Issuer has the requisite approvals, licenses, registrations, compliances and permissions for operating its business, including registration with the NHB as an HFC. Further, such approvals, licenses, registrations, compliance requirements and permissions shall be maintained over time, including all the applicable requirements that may by updated by RBI from time to time. The Issuer has obtained a certificate of registration (COR 08.0094.11 dated August 4, 2011) from NHB for carrying on business as an HFC.

9. *This Placement Memorandum includes certain unaudited financial information, which has been subject to limited review, in relation to the Issuer. Reliance on such information should, accordingly, be limited.*

This Placement Memorandum includes limited review unaudited standalone financial results in relation to the Issuer, for the quarter ended December 31, 2021, in respect of which M/s T. R. Chadha & Co. LLP, the statutory auditor of the Issuer for the Financial Year 2021-22 has issued its limited review report for the period ended December 31, 2021, dated January 25, 2022. As these financial results have been subject only to limited review and as described in Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India, and not subject to an audit, any reliance by prospective Eligible Investors on such unaudited standalone financial results for the quarter ended December 31, 2021, should, accordingly, be limited. Moreover, the Issuer's financial results for any given fiscal quarter or period, including the quarter ended December 31, 2021, may not be directly comparable with our financial results for any full fiscal or for any other fiscal quarter or period. Accordingly, prospective Eligible Investors in the Issue are advised to read such unaudited standalone financial results for the quarter ended December 31, 2021, in conjunction with the audited financial information provided elsewhere in this Placement Memorandum in **Annexure VIII**.

10. *Political and Economic Risk in India*

The Issuer operates only within India and, accordingly, all of its revenues are derived from the domestic market. As a result, it is highly dependent on prevailing economic conditions in India and its results of operations are significantly affected by factors influencing the Indian economy. An uncertain economic situation, in India and globally, could result in a further slowdown in economic growth, investment and consumption. A slowdown in the rate of growth in the Indian economy could result in lower demand for credit and other financial products and services and higher defaults. Any slowdown in the growth or negative growth of sectors where the Issuer has a relatively higher exposure could adversely impact its performance. Any such slowdown could adversely affect its business, prospects, results of operations and financial condition.

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CHAPTER 5
PROMOTER

5.1 DETAILS OF PROMOTER OF THE ISSUER

Details of Promoter	Description
Name of Promoter	Shriram City Union Finance Limited.
Logo	
Date of Incorporation	27 March 1986.
Corporate Identification Number	L65191TN1986PLC012840.
Registered Address	123, Angappa Naicken Street, Chennai, Tamil Nadu - 600 001.
Business and Financial Activities	Shriram City Union Finance Limited is an NBFC is engaged in retail financing with significant presence across micro, small and medium enterprise financing, two-wheeler loans, gold loan, personal loan, auto loan business, and other loan products.
Permanent Account Number	AAACS7703H.
E-mail Address	sect@shriramcity.in
Telephone Number	(+91 44) 2534 1431.

5.2 DETAILS OF PROMOTER HOLDING IN ISSUER

Sl. No.	Name	Total No. of Equity Shares	No. of Equity Shares in demat form	Total shareholding as % of total no of Equity Shares**	No of Equity Shares Pledged	% of Equity Shares pledged with respect to shares owned
1	Shriram City Union Finance Limited*	27,65,51,112	27,65,51,112	85.02%	-	-
	TOTAL	**27,65,51,112**	**27,65,51,112**	**85.02%**	**-**	**-**

**Note: Includes 6 nominees of the Promoter, who hold 1 Equity Share each.*

*** Pursuant to the rights issue on October 13, 2021, an amount of Rs. 300 Crore was infused as equity by Shriram City Union Finance Limited in the Issuer. Subsequently, the shareholding of the Promoter is 85.02% of the total Equity Share capital of the Issuer.*

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CHAPTER 6
REGULATORY DISCLOSURES

6.1 ISSUE SCHEDULE

Particulars	Date
Issue Opening Date	March 03, 2022
Issue Closing Date	March 03, 2022
Pay-in Date	March 04, 2022
Deemed Date of Allotment	March 04, 2022

6.2 ISSUER

Issuer	Shriram Housing Finance Limited
Registered Office	123, Angappa Naicken Street, Chennai – 600 001, Tamil Nadu. Telephone: (+91 44) 2534 1431
Corporate Office	Level 3, Wockhardt Towers, East Wing, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra. Telephone: (+91 22) - 4241 0400
Date of Incorporation	November 9, 2010
Registration Numbers	Corporate Identity Number: U65929TN2010PLC078004 issued by the Registrar of Companies, Chennai, Tamil Nadu. The Issuer holds a certificate of registration dated August 4, 2011 bearing registration number 08.0094.11 issued by the NHB under Section 29A of National Housing Bank Act, 1987.
Email Address	sect@shriramhousing.in
Website	http://www.shriramhousing.in
CFO of the Issuer	Mr. G. S. Agarwal. Level 3, Wockhardt Towers, East Wing, Bandra Kurla Complex, Mumbai – 400 051 Telephone: (+91 22) 4241 0400. E-mail: sect@shriramhousing.in

6.3 STOCK EXCHANGE

The Debentures are proposed to be listed on the debt market segment of the BSE. The Issuer shall created/has created the REF with the BSE prior to the listing of the Debentures.

6.4 DEBENTURE TRUSTEE

Name	Beacon Trusteeship Limited
Registered Office	4C & D, Siddhivinayak Chambers, Gandhi Nagar, Opp MIG Cricket Club, Bandra East, Mumbai – 400051
Website	https://beacontrustee.co.in
Email address	contact@beacontrustee.co.in
Telephone Number	022-26558759
Contact Person	Mr. Kaustubh Kulkarni

A copy of the consent letter from Beacon Trusteeship Limited is enclosed as **Annexure III** to the Placement Memorandum. Beacon Trusteeship Limited has given its consent to the Issuer for its appointment under the NCS Regulations. A copy of the due-diligence letter is enclosed as **Annexure III** to the Placement Memorandum. The fee letter number CL/MUM/21-22/DEB/205 from Beacon Trusteeship Limited is dated February 25, 2022.

6.5 CREDIT RATING AGENCY

India Ratings & Research	
Name	India Ratings & Research Private Limited
Address	Wockhardt Towers, 4th Floor, West Wing, Bandra Kurla Complex, Bandra East, Mumbai – 400 051
Website	www.indiaratings.co.in
Email address	infogrp@indiaratings.co.in
Telephone Number	(+91 22) 4000 1700
Contact Person	Mr. Amit Rane

India Ratings has by way of rating letter dated February 17, 2022, assigned a rating of "IND AA (Positive)" to the Debentures proposed to be issued by the Issuer. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. A copy of the rating letter, detailed press release, and rating rationale is enclosed as **Annexure IV** to the Placement Memorandum.

Other than the credit rating mentioned hereinabove, the Issuer has not sought any other credit rating from any other credit rating agency(ies) for the Debentures offered for subscription under the terms of the Placement Memorandum.

The above rating is not a recommendation to buy, sell or hold securities and Eligible Investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and the rating should be evaluated independently of any other rating. The rating obtained is subject to revision at any point of time in the future. The rating agency has the right to suspend, withdraw the rating at any time on the basis of new information.

6.6 REGISTRAR

SHRIRAM Insight	
Name	Shriram Insight Share Brokers Limited
Address	CK – 5 & 15, Sector II, Salt Lake City, Kolkata – 700 091.
Website	www.shriraminsight.com
Email address	secretarial@shriraminsight.com
Telephone Number	(+ 91 33) 3250 7069/2358 7188
Contact Person	Mr. Gautam Sarkar

6.8 STATUTORY AUDITORS

Name	Address	Auditor since
T. R. Chadha & Co. LLP Chartered Accountants	B-30, Connaught Place, Kuthiala Building, New Delhi – 110001	20 August 2021

6.9 DETAILS OF CHANGE IN AUDITORS OF THE ISSUER SINCE LAST 3 (THREE) YEARS

Name	Address	Date of Appointment / Resignation	Auditor of the Company since (in case of resignation)	Remarks
T. R. Chadha & Co. LLP Chartered Accountants	B-30, Connaught Place, Kuthiala Building, New Delhi – 110001J	July 26, 2021	-	Appointment
M/s. Pijush Gupta & Co., Chartered Accountant	P-199, C.I.T. Road, Scheme IV-M, Kolkata – 700 010	August 20, 2021	July 25, 2011	Resigned

6.10 DETAILS OF CORPORATE AUTHORIZATIONS

The Issue is being made pursuant to the following corporate authorisations:

6.10.1 The Board resolutions dated October 25, 2021, April 28, 2021, and April 20, 2018, are attached as **Annexure V** to this Placement Memorandum.

6.10.2 The Shareholder resolutions dated July 8, 2021 and July 12, 2018 are attached as **Annexure VI** to this Placement Memorandum.

6.11 ARRANGER

Name	A.K. Capital Services Limited
Address	601-603, 6th Floor, Windsor, Off CST Road, Kalina, Santacruz (East), Mumbai 400 098,.
Website	https://www.akgroup.co.in
Email address	compliance@akgroup.co.in
Telephone Number	+91-022-67546500,
Contact Person	Mr. Tejas Davda

6.12 GUARANTEE

The Debentures are not guaranteed.

6.13 DECLARATION

The Issuer confirms that the permanent account number of the Promoter, and permanent account numbers of the Directors have been submitted to the BSE, being the stock exchange on which the Debentures are proposed to be listed, at the time of filing a draft of the Placement Memorandum for the in-principle approval of the BSE.

6.14 ANY MATERIAL EVENT/ DEVELOPMENT OR CHANGE HAVING IMPLICATIONS ON THE FINANCIALS/CREDIT QUALITY (E.G. ANY MATERIAL REGULATORY PROCEEDINGS AGAINST THE ISSUER/PROMOTERS, LITIGATIONS RESULTING IN MATERIAL LIABILITIES, CORPORATE RESTRUCTURING EVENT ETC) AT THE TIME OF ISSUE WHICH MAY AFFECT THE ISSUE OR THE INVESTOR'S DECISION TO INVEST / CONTINUE TO INVEST IN THE NON-CONVERTIBLE SECURITIES

There has not been any material event or development or change having implications on the financials or credit quality (e.g. any material regulatory proceedings against the Issuer or Promoter, litigations resulting in material liabilities, corporate restructuring event etc.) at the time of the Issue which may affect the Issue or the Eligible

Investor's decision to invest or continue to invest in the Debentures.

6.15 **DETAILS OF DEFAULT AND NON-PAYMENT OF STATUTORY DUES**

The Issuer has not defaulted on payment of any kind of statutory dues to the GoI, state Government(s), statutory or regulatory bodies, authorities or departments.

6.16 **PROJECT COST AND MEANS OF FINANCING, IN CASE OF FUNDING OF NEW PROJECTS**

Not Applicable.

6.17 **IF THE SECURITY IS BACKED BY A GUARANTEE OR LETTER OF COMFORT OR ANY OTHER DOCUMENT / LETTER WITH SIMILAR INTENT, A COPY OF THE SAME SHALL BE DISCLOSED. IN CASE SUCH DOCUMENT DOES NOT CONTAIN DETAILED PAYMENT STRUCTURE (PROCEDURE OF INVOCATION OF GUARANTEE AND RECEIPT OF PAYMENT BY THE INVESTOR ALONG WITH TIMELINES), THE SAME SHALL BE DISCLOSED IN THE PLACEMENT MEMORANDUM.**

Not Applicable.

6.18 **PROJECT DETAILS: GESTATION PERIOD OF THE PROJECT; EXTENT OF PROGRESS MADE IN THE PROJECT; DEADLINES FOR COMPLETION OF THE PROJECT; THE SUMMARY OF THE PROJECT APPRAISAL REPORT (IF ANY), SCHEDULE OF IMPLEMENTATION OF THE PROJECT**

Not Applicable.

6.19 **ANY DEFAULT IN ANNUAL FILING OF THE ISSUER UNDER THE COMPANIES ACT OR RULES MADE THEREUNDER**

There has been no default in annual filing of the Issuer under the Companies Act and the rules made thereunder.

6.20 **ANY FINANCIAL OR OTHER MATERIAL INTEREST OF THE DIRECTORS, PROMOTERS OR KEY MANAGERIAL PERSONNEL IN THE ISSUE PROPOSED AND THE EFFECT OF SUCH INTEREST IN SO FAR AS IT IS DIFFERENT FROM THE INTERESTS OF OTHER PERSONS**

The Promoter, Directors or Key Managerial Personnel of the Issuer do not have any financial or other material interest in the Issue of Debentures.

6.21 **KINDS OF SECURITIES OFFERED AND CLASS OF SECURITY; THE TOTAL NUMBER OF SHARES OR OTHER SECURITIES TO BE ISSUED**

Upto 1,000 senior, secured, rated, listed, redeemable and non-convertible debentures face value of Rs. 10,00,000 (Rupees Ten Lakh).

6.22 **PRICE AT WHICH THE SECURITY IS BEING OFFERED INCLUDING THE PREMIUM, IF ANY, ALONGWITH JUSTIFICATION OF THE PRICE**

Senior, secured, rated, listed, redeemable and non-convertible debentures, of face value of Rs. 10,00,000 (Rupees Ten Lakh) offered under the Issue through private placement route aggregating to Rs. 100,00,00,000 (Rupees One Hundred Crore).

6.23 NAME AND ADDRESS OF THE VALUER WHO PERFORMED VALUATION OF THE SECURITY OFFERED AND BASIS ON WHICH THE PRICE HAS BEEN ARRIVED AT ALONG WITH REPORT OF THE REGISTERED VALUER

Not Applicable.

6.24 RELEVANT DATE WITH REFERENCE TO WHICH THE PRICE HAS BEEN ARRIVED AT

Not applicable as the face value of the Debentures is at par.

6.25 THE CLASS OR CLASSES OF PERSONS TO WHOM THE ALLOTMENT IS PROPOSED TO BE MADE

The class of persons to whom the Allotment is proposed to be made are QIBs, Arranger (either on proprietary basis or otherwise), and any Non–QIB Investors which are specifically mapped by the Issuer on the BSE EBP Platform. All Investors are required to comply with the relevant regulations / guidelines applicable to them for investing in this Issue.

6.26 THE PROPOSED TIME WITHIN WHICH THE ALLOTMENT SHALL BE COMPLETED

The proposed Allotment shall be completed by the deemed date of allotment being March 04, 2022, in respect of the Debentures.

6.27 THE CHANGE IN CONTROL, IF ANY, IN THE ISSUER THAT WOULD OCCUR CONSEQUENT TO THE PRIVATE PLACEMENT

Not applicable as the Debentures offered by the Issuer are in the nature of non-convertible debentures.

6.28 THE NUMBER OF PERSONS TO WHOM ALLOTMENT ON PREFERENTIAL BASIS/PRIVATE PLACEMENT/ RIGHTS ISSUE HAS ALREADY BEEN MADE DURING THE YEAR, IN TERMS OF NUMBER OF SECURITIES AS WELL AS PRICE

The details of the allotment of Equity Shares is set out in Paragraph 9.3 of this Placement Memorandum.

The details of the allotment of non-convertible debentures is set out in Paragraph 11.3 of this Placement Memorandum.

6.29 THE JUSTIFICATION FOR THE ALLOTMENT PROPOSED TO BE MADE FOR CONSIDERATION OTHER THAN CASH TOGETHER WITH VALUATION REPORT OF THE REGISTERED VALUER

Not applicable.

6.30 AMOUNT WHICH THE ISSUER INTENDS TO RAISE BY WAY OF SECURITIES

The Issuer has raised an amount aggregating to Rs. 100,00,00,000 (Rupees One Hundred Crore).

6.31 TERMS OF RAISING OF SECURITIES

The terms of raising the Debentures are set out in Annexure I, Part A (*Summary Term Sheet*).

6.32 PROPOSED TIME SCHEDULE FOR WHICH THE PRIVATE PLACEMENT OFFER AND APPLICATION LETTER IS VALID

The Private Placement Offer Letter and Application Form were valid up to the Pay In Date, being March 04, 2022.

6.33 **PURPOSES AND OBJECTS OF THE OFFER**

Objects	Percentage
The object of the issue is to augment medium to long-term resources of the Issuer and for on-ward lending purposes, and general corporate purposes. The funds raised by the Issue, after meeting the costs and expenses in respect of the Issue, shall be utilized by the Issuer solely for the following ("**Purpose**"):	100%
(i) re-payment or refinancing of the existing Financial Indebtedness of the Issuer; and	-
(ii) to finance the growth of the portfolio of the Issuer as is permitted by the Reserve Bank of India and to augment the long term growth of the Issuer.	100%

6.34 **PRINCIPAL TERMS OF ASSETS CHARGED AS SECURITY, IF APPLICABLE**

As continuing security and guarantee for the payment and discharge of the Secured Obligations, the Issuer shall create, maintain and perfect the security in favour of the Debenture Trustee (for the benefit of the Debenture Holders) by way of an exclusive charge on the receivables originating from the standard loan assets ("Hypothecated Assets") and from the identified assets held for sale in balance sheet of the Issuer. (herein together referred as Security). The Issuer shall maintain at all times the minimum Security Cover Ratio of at least 1 time (One Time) which shall include the receivables originating from the standard loan assets to the tune of minimum 51% during the entire tenure of NCDs.

For the purpose of calculation of the minimum-security cover on the 'assets held for sale in balance sheet' a fair market valuation shall be considered for the same.

In the event, the Security Cover Ratio falls below the cover mentioned above, the Issuer shall furnish / cause to be furnished additional security and/or replace the Transaction Security and/or restore the Security Cover Ratio by taking any of these steps, of such shortfall provide alternate suitable security, in such form and manner as deemed satisfactory to the Debenture Trustee (acting on the instructions of Majority Debenture Holders), in such form or manner as further set out in the Deed of Hypothecation.

6.35 **CONTRIBUTION BEING MADE BY THE PROMOTERS OR DIRECTORS EITHER AS PART OF THE OFFER OR SEPARATELY IN FURTHERANCE OF SUCH OBJECTS**

There are no contributions being made by the Promoter or Directors either as part of the Issue or separately in furtherance of such objects.

6.36 **THE DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE ISSUER AND ITS FUTURE OPERATIONS**

As on the date of the Placement Memorandum there is no significant and material order passed by the regulator or court or tribunal which is impacting the going concern status of the Issuer.

6.37 **THE PRE-ISSUE AND POST-ISSUE SHAREHOLDING PATTERN OF THE ISSUER**

There will be no change in the shareholding pattern following the Allotment of the Debentures. The shareholding pattern of the Issuer as on December 31, 2021 is attached as **Annexure IV** to this Placement Memorandum.

6.38 **SUMMARY OF RESERVATIONS OR QUALIFICATIONS OR ADVERSE REMARKS OF AUDITORS IN THE LAST FIVE FINANCIAL YEARS IMMEDIATELY PRECEDING THE YEAR OF ISSUE OF**

THE PLACEMENT MEMORANDUM AND APPLICATION FORM AND OF THEIR IMPACT ON THE FINANCIAL STATEMENTS AND FINANCIAL POSITION OF THE ISSUER AND THE CORRECTIVE STEPS TAKEN AND PROPOSED TO BE TAKEN BY THE ISSUER FOR EACH OF THE SAID RESERVATIONS OR QUALIFICATIONS OR ADVERSE REMARK

There are no qualifications, reservations and adverse remarks expressed by the statutory auditors of the Issuer in the last five Financial Years immediately preceding the year of issue of the Placement Memorandum.

6.39 DOCUMENTS TO THE EXCHANGE AND THE DEBENTURE TRUSTEE

The Issuer shall or will file the following documents along with the listing application to the Exchange and with the Debenture Trustee as required under the NCS Regulations:

6.39.1 The Placement Memorandum;
6.39.2 Memorandum of Association and Articles of Association of the Issuer;
6.39.3 Copy of the requisite Board or committee resolutions authorizing the borrowing and list of authorised signatories for the allotment of Debentures;
6.39.4 Copy of last 3 (three) years annual reports;
6.39.5 Statement containing particulars of, dates of, and parties to all material contracts and agreements;
6.39.6 An undertaking from the issuer stating that the necessary documents including the debenture trust deed has been / shall be executed within the time frame prescribed under applicable laws and it will be uploaded on the website of the Exchanges; and
6.39.7 any other particulars or documents that the stock exchange requires or deems fit.

6.40 CONFIRMATION ON ELIGIBILITY

As on the date of the Placement Memorandum:

6.40.1 Neither the Issuer, nor any of its Promoters, Promoter group or Directors are debarred from accessing the securities market or dealing in securities by SEBI.
6.40.2 None of the Promoters or directors of the Issuer is a promoter or director of another company which is debarred from accessing the securities market or dealing in securities by SEBI.
6.40.3 None of the Promoters or Directors of the Issuer is a fugitive economic offender.
6.40.4 No fines or penalties levied by SEBI or stock exchanges is pending to be paid by the Issuer as on the date of this Placement Memorandum.

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CHAPTER 7
BUSINESS AND ACTIVITIES OF THE ISSUER

7.1 HISTORY OF THE ISSUER

The Issuer was incorporated on November 9, 2010 with Registrar of Companies, Chennai under the provisions of the Companies Act, 1956. The issuer is registered with the National Housing Bank as a non-accepting public deposit housing finance company and holds a certificate of registration dated August 4, 2011 bearing registration number 08.0094.11 and started lending operations in December 2011. The issuer is promoted by Shriram City Union Finance Limited, a flagship company of the Shriram Group holding 85.02% of the Equity Shares. The remaining 14.98% of the Equity Shares are held by Valiant Mauritius Partners FDI Limited.

The authorised share capital of the Issuer has been modified from time to time by passing requisite resolutions at the meetings of the Shareholders. The details of the authorised share capital at the time of incorporation at its subsequent modifications are set out under Paragraph 9.2 of this Placement Memorandum. The details of issued, subscribed and paid-up share capital and any changes thereto are set out under Paragraph 9.1 of this Placement Memorandum. The details of borrowing are set out under Chapter 11 of this Placement Memorandum.

7.2 BUSINESS OF THE ISSUER AND STRUCTURE

SHFL was incorporated to provide longer tenured home loan (HL), Loan Against Property (LAP) and Construction Finance (CF) loans products to Shriram Group of customers as well as other customers and use this entity as means of cross-selling other products within the Shriram Group. Currently, the Issuer is engaged in the business of providing loans for construction, repair, renovation, purchase of residential property, loans against property and construction finance. Until now the Issuer has predominantly catered to self-employed borrowers and informed salaried customers in Tier II and Tier III cities and the focus has been on lower income segment with an average ticket size of around Rs.20-22 lakh. In the last three years until Financial Year 2021, the Issuer's AUM have grown at a CAGR of 46% from FY 2018-19 to FY 2020-21 to reach Rs. 3,929.45 Crore as on March 31, 2021.

7.3 BUSINESS OF THE ISSUER GIVING DETAILS OF NUMBER OF BRANCHES AND UNITS

The Issuer provides housing loans to broad spectrum of borrowers. The Issuer has a network of 85 branches across 15 states and union territories at end December 2021. Further the Issuer also relies on the branch presence of the Shriram Group giving access to large section of the market.

7.4 ORGANISATION STRUCTURE

Managing Director & CEO	Chief Business Officer
	Chief Financial Officer
	Chief Risk Officer
	Head - Collections
	Head - Human Resources & Administration
	Chief Digital Officer
	Business Head - Construction Finance & Structured Lending
	Head – Audit & Compliance
	Company Secretary

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CHAPTER 8
FINANCIAL POSITION OF THE ISSUER

8.1 KEY OPERATIONAL AND FINANCIAL PARAMETERS ON A STANDALONE BASIS FOR THE LAST 3 (THREE) AUDITED YEARS AND HALF YEAR ENDED SEPTEMBER 30, 2021

(All figures are in (Rs.) Crores, except percentages)

Particulars	Half year ended 30.09.21 (Unaudited)	Year ended 31.03.21 (Audited)	Year ended 31.03.20 (Audited)	Year ended 31.03.19 (Audited)
Balance Sheet				
Net Fixed assets	8.15	8.43	11.25	10.29
Current assets	622.39	519.94	534.16	426.62
Non-current assets	3613.76	3312.81	1965.11	1748.85
Total assets	4236.15	3832.76	2499.27	2175.47
Non-Current Liabilities (including maturities of long-term borrowings and short term borrowings)				
Financial (borrowings, trade payables, and other financial liabilities)	2238.86	2300.40	1328.42	981.42
Provisions	1.26	0.98	0.60	1.83
Deferred tax liabilities (net)	26.94	25.37	8.86	1.17
Other non-current liabilities	5.59	5.56	7.60	2.75
Current Liabilities (including maturities of long-term borrowings)				
Financial (borrowings, trade payables, and other financial liabilities)	1132.90	896.48	620.78	718.64
Provisions	1.41	1.19	1.46	2.44
Current tax liabilities (net)	0.00	0.00	0.00	0.00
Other current liabilities	23.07	26.31	18.53	1.41
Equity (equity and other equity)	806.12	576.47	513.01	465.80
Total equity and liabilities	4236.15	3832.76	2499.27	2175.47
Profit and Loss				
Total revenue from operations	243.93	421.90	362.89	290.89
Other income	2.31	6.42	3.10	0.39
Total Expenses	205.86	344.09	300.69	266.20
Total comprehensive income	29.60	62.41	46.59	17.25
Profit / loss	29.66	62.38	46.52	16.65
Other comprehensive income	(0.05)	0.02	0.07	0.60
Profit / loss after tax	29.66	62.38	46.52	16.65
Earnings per equity share: (a) basic; and (b) diluted:				
Continuing operations	1.20/1.19	2.91/2.90	2.17/2.16	0.78/0.77
Discontinued operations				
Total Continuing and discontinued operations	1.20/1.19	2.91/2.90	2.17/2.16	0.78/0.77
Cash Flow				
Net cash generated from operating activities	(292.43)	(1384.72)	(132.59)	(92.87)
Net cash used in / generated from investing activities	(97.15)	60.77	61.22	(120.26)
Net cash used in financing activities	382.03	1276.37	205.62	222.24
Cash and cash equivalents	101.13	148.71	14.47	5.37
Balance as per statement of cash flows	93.58	101.13	148.71	14.47
Additional information				
Net worth	806.12	576.47	513.01	465.80
Cash and Cash Equivalents and Other bank Balances	93.58	101.13	148.71	14.47
Current Investments	185.46	51.37	127.95	177.41
Assets Under Management (Loan Asset)	4254.72	3929.45	2305.00	1847.66
Off Balance Sheet Assets				
Total Debts to Total assets	79.36%	82.99%	77.18	77.63
Debt Service Coverage Ratios	0.34	0.41	0.27	0.19
Interest Income	220.39	329.40	276.66	280.42
Interest Expense	139.99	208.00	162.97	128.64
Interest service coverage ratio	1.29	1.40	1.40	1.91
Provisioning & Write-offs	0.43	20.13	25.59	25.78
Bad debts to Account receivable ratio	0.000166	0.001741	0.006424	0.002491

Particulars	Half year ended 30.09.21 (Unaudited)	Year ended 31.03.21 (Audited)	Year ended 31.03.20 (Audited)	Year ended 31.03.19 (Audited)
Gross NPA (%)	1.91%	1.87%	2.41%	2.80%
Net NPA (%)	1.48%	1.47%	1.89%	2.19%
Tier I Capital Adequacy Ratio (%)	23.81%	22.07%	26.93%	28.99%
Tier II Capital Adequacy Ratio (%)	0.95	0.95	0.83%	0.95%

8.2 A COLUMNAR REPRESENTATION OF THE AUDITED FINANCIAL STATEMENTS (I.E. PROFIT & LOSS STATEMENT, BALANCE SHEET AND CASH FLOW STATEMENT) ON A STANDALONE BASIS FOR A PERIOD OF THREE COMPLETED YEARS

(Rs. in Crore)

Particulars	30.09.21	31.03.2021	31.03.2020	31.03.2019
	(Unaudited)	Audited	Audited	Audited
Profit and Loss Statement (INR)				
Interest Income	220.39	329.40	276.66	280.42
Less: Interest Expenses	139.99	208.00	162.97	128.64
Net Interest Income	80.40	121.40	113.69	151.78
Other Income	25.85	98.92	89.33	10.85
Total Income	106.25	220.32	203.02	162.63
Operating Expenses	62.37	108.67	104.70	109.45
Provisions & Write Offs	(0.43)	20.13	25.59	25.78
Operating Profit	44.31	91.52	72.73	27.40
Depreciation	3.93	7.28	7.42	2.33
Profit Before Tax	40.38	84.24	65.31	25.07
Provisions for tax	10.72	21.85	18.79	8.42
Profit After Tax	**29.66**	**62.38**	**46.52**	**16.65**
Other Comprehensive Income	**(0.05)**	**0.02**	**0.07**	**0.60**
Total Comprehensive Income	**29.60**	**62.41**	**46.59**	**17.25**
Balance Sheet (INR)	**30.09.2021**	**31.03.2021**	**31.03.2020**	**31.03.2019**
Equity capital	258.60	214.16	214.16	214.16
Reserve & Surplus	547.52	362.31	298.85	251.64
TNW (A)	**806.12**	**576.47**	**513.01**	**465.80**
Total Debt	3361.91	3180.84	1929.02	1688.83
Current Liabilities+ Provisions(it includes non-current also)	68.12	75.45	57.24	20.84
Total Outside Liabilities (B)	**3430.03**	**3256.29**	**1986.26**	**1709.67**
Total Liabilities (A + B)	**4236.15**	**3832.76**	**2499.27**	**2175.47**
Fixed assets	4.36	4.04	5.49	6.99
Intangible Assets	3.79	4.39	5.76	3.3
Capital Work in Progress	0.00	0.00	0.00	0.00
Non-Current Investments	18.33	22.66	28.37	41.14
Long term Gross Advances	3451.08	3145.53	1835.75	1673.06
Non-Current assets	136.20	136.20	89.75	24.37
Deferred Tax Assets	0.00	0.00	0.00	0.00
Current Investments	185.46	51.37	127.95	177.41
Cash / Liquid Investments	93.58	101.13	148.71	14.47
Short term loans & Advances	221.04	232.15	152.73	148.58
Other Current Assets	122.30	135.28	104.76	86.15
Total Assets	**4236.15**	**3832.76**	**2499.27**	**2175.47**
Cash Flow Statement (INR)	**30.09.2021**	**31.03.2021**	**31.03.2020**	**31.03.2019**
A) CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before taxation	40.38	84.24	65.31	25.07
Adjustments For:				
Impact of IND AS Adjustments	0.00	0.00	0.00	(2.38)
Depreciation, amortization & Impairment on PPE & ROU Assets	3.93	7.28	7.43	2.33
Provision against Non - Performing assets	0.00	0.00	0.00	(10.10)
Contingent Provision on Standard Assets	0.00	0.00	0.00	(0.10)
Bad Debts written off	0.62	5.98	13.01	4.60
EIR Impact of Fixed Rate Bank Term Loan Borrowings	0.05	0.00	0.00	0.00
Loss on revaluation of repossessed assets	0.00	0.00	0.00	0.00
Loss on sale of Loan Assets	0.00	0.00	0.00	25.48

Particulars	30.09.21 (Unaudited)	31.03.2021 Audited	31.03.2020 Audited	31.03.2019 Audited
Provision for rental lease	(0.08)	0.00	(0.18)	0.26
NCD Issue Expenses	0.76	1.94	1.61	1.14
Premium on PTC w/o	0.00	0.00	0.00	0.00
Profit/loss on sale of Assets	0.02	0.54	0.12	0.23
Profit/ Loss on sale of Investments	(2.95)	(8.41)	(7.99)	(2.65)
Interest/Dividend Income	(3.16)	(6.75)	(0.47)	(0.12)
Finance Cost	0.18	0.00	0.00	0.00
Impairment of Financial Instrument	(1.05)	14.17	12.58	0.00
Impairment of Lease Receivables	0.00	0.00	0.01	0.00
Actuarial Gain / Loss on Re-measurement of Gratuity Expense	(0.07)	0.03	0.09	0.00
Net Gain / Loss on Fair Valuation Changes of Investment	(1.25)	0.65	(0.42)	0.00
Fair Valuation of ESOP	0.58	1.05	0.59	0.00
Net Gain / Loss of derecognition of financial instrument under amortized cost category	(14.60)	(73.90)	(69.49)	0.00
EIR Impact of Fixed Rate Institutional Term Loan Borrowings	0.07	0.00	0.00	0.00
Finance Cost related to SCUF Guarantee	0.00	1.17	0.16	0.00
Amortization of Prepaid Expenses	0.00	0.00	(0.01)	0.00
Interest Income on Fair Valuation of Security Deposit	(0.14)	(0.43)	(0.27)	0.00
Recognition of Interest on NPA	(1.81)	(1.76)	(1.13)	0.00
Amortization of Processing Fees on Loans & Advances	(3.43)	(0.36)	(1.77)	0.00
Amortization of Investment on PTCs	0.01	0.01	0.01	0.00
Mortgage Guarantee fee written off	0.03	0.18	0.33	0.00
Amortization of Processing Fee on Cash Credit	0.00	0.00	0.04	0.00
Interest on Lease Liability	0.47	0.95	1.25	0.00
Gain on Re-measurement of Leases	(0.01)	(0.03)	(0.02)	0.00
Lease Rent Waiver	(0.45)	(0.78)	0.00	0.00
Rates & Taxes / Brokerage / Professional Charges added to ROU Assets	0.00	0.00	(0.01)	0.00
Interest Income on Lease Receivable	(0.01)	(0.01)	(0.01)	0.00
EIR Impact on Fixed Rate Loan	0.00	2.04	1.50	0.00
Operating Profit Before Working Capital Changes	**18.09**	**27.80**	**22.25**	**43.75**
Add:				
(Increase) Decrease in Loans and Advances	(297.75)	(1378.14)	(149.97)	(91.25)
(Increase) Decrease in Other Current Assets	0.00	0.00	0.00	(25.09)
(Increase) Decrease in Other Non-Current Assets	0.00	0.00	0.00	0.81
Increase (Decrease) in Current Liabilities	0.00	0.00	0.00	(7.59)
Increase (Decrease) in non- current Liabilities	0.00	0.00	0.00	0.00
Increase / (decrease) in Other Payables	0.30	0.33	(0.25)	0.24
(Increase) / decrease in other Non Financial Assets	(7.27)	(10.62)	3.07	0.00
(Increase) / decrease in other Financial Assets	8.30	7.41	(0.06)	0.00
Increase / (decrease) in other Non Financial Liabilities	(0.50)	0.79	0.68	0.00
Increase / (decrease) in other Financial Liabilities	(3.40)	(43.41)	9.43	0.00
Cash generated from operation	(282.23)	(1395.84)	(114.85)	(79.12)
Direct Taxes Paid	(10.20)	(11.12)	(17.75)	(13.76)
Net Cash from Operating Activities (A)	**(292.43)**	**(1384.72)**	**(132.59)**	**(92.87)**
B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(1.32)	(0.88)	(3.95)	(4.10)
Sale of Fixed Assets	0.00	0.13	0.04	0.07
Proceeds from sale of Security Receipts	1.03	3.48	5.31	4.45
Purchase of Investment	(1734.00)	(1913.28)	(15231.86)	0.00
Proceeds from sale of investments (net)	1632.52	1999.84	15297.22	(120.78)
Investments in PTC	0.00	0.00	0.00	0.00
Investments in Fixed Deposit	(551.62)	(733.28)	(216.02)	(0.02)
Proceeds from Maturity of Fixed Deposit	582.39	698.00	210.00	0,00
Investment in Commercial Paper	(201.20)	0.00	0.00	0.00
Proceeds on Maturity of Commercial Paper	171.89	0.00	0.00	0.00
Interest Received (others)	3.16	6.75	0.47	0.12
Net Cash from Investing Activities (B)	**(97.15)**	**60.77**	**61.22**	**(120.26)**

Particulars	30.09.21 (Unaudited)	31.03.2021 Audited	31.03.2020 Audited	31.03.2019 Audited
C) CASH FLOW FROM FINANCING ACTIVITIES				
Increase (Decrease) in Long term Borrowings	0.00	0.00	0.00	185.57
Increase (Decrease) in Short Term Borrowings	0.00	0.00	0.00	36.76
Issue of Equity Shares (including Share Premium)	199.47	0.00	0.00	0.00
Increase/(Decrease) of debt securities	(70.00)	188.00	(184.00)	0.00
Lease liabilities paid	(3.69)	(3.42)	(3.82)	0.00
Interest Paid on lease liabilities	(0.47)	(0.95)	(1.25)	0,00
Increase/(Decrease) of Borrowings	256.82	1093.85	397.33	0,00
NCD Issue Expenses	(0.10)	(1.29)	(2.65)	(0.09)
Net Cash from Financing Activities (C)	**382.03**	**1276.37**	**205.62**	**222.24**
Net Increase in Cash and Cash Equivalents (A)+(B)+(C)	**(7.55)**	**(47.58)**	**134.24**	**9.10**
Cash & Cash Equivalents at the Beginning of the Year	**101.13**	**148.71**	**14.47**	**5.37**
Cash and Cash Equivalents at the End of the Year	**93.58**	**101.13**	**148.71**	**14.47**
Components of Cash & Cash equivalents at the end of year				
Cash on Hand	0.00	0.06	0.03	0.03
Cash with Scheduled Banks	68.58	57.91	0.20	14.44
Balance with Banks in deposit accounts having maturity less than three months	25.00	43.16	148.48	0.00
Cash and Cash Equivalents	93.58	101.13	148.71	14.47

8.3 GROSS DEBT EQUITY RATIO

Before the issue of the Debentures	2.98x
After the issue of the Debentures	3.07x

** As on December 31, 2021.*

*** Based on issuances up to December 31, 2021and proposed issue under this Placement Memorandum.*

8.4 FINANCIAL STATEMENTS AS ON DECEMBER 31, 2021

The details are set out in **Annexure VIII** to the Placement Memorandum.

8.5 A SUMMARY OF THE FINANCIAL POSITION OF THE ISSUER AS IN THE THREE AUDITED BALANCE SHEETS IMMEDIATELY PRECEDING THE DATE OF CIRCULATION OF THE PLACEMENT MEMORANDUM

The details are set out in **Annexure VIII** to the Placement Memorandum.

8.6 AUDITED CASH FLOW STATEMENT FOR THE THREE YEARS IMMEDIATELY PRECEDING THE DATE OF CIRCULATION OF THE PLACEMENT MEMORANDUM

The details are set out in **Annexure VIII** to the Placement Memorandum.

8.7 PROFITS OF THE ISSUER, BEFORE AND AFTER MAKING PROVISION FOR TAX, FOR THE THREE FINANCIAL YEARS IMMEDIATELY PRECEDING THE DATE OF CIRCULATION OF THE PLACEMENT MEMORANDUM

The details are set out in **Annexure VIII** to the Placement Memorandum.

8.8 AUDITORS REPORTS AND NOTES TO ACCOUNTS FOR THE AUDITED FINANCIAL STATEMENTS FOR A PERIOD OF THREE COMPLETED YEARS

The details are set out in **Annexure VIII** to the Placement Memorandum.

8.9 **DIVIDEND FOR LAST THREE FINANCIAL YEARS**

The details are set out in **Annexure VIII** to the Placement Memorandum.

8.10 **INTEREST COVERAGE RATIO FOR LAST THREE FINANCIAL YEARS**

The details are set out in **Annexure VIII** to the Placement Memorandum.

8.11 **RELATED PARTY TRANSACTIONS ENTERED DURING THE LAST THREE FINANCIAL YEAR IMMEDIATELY PRECEDING THE YEAR OF CIRCULATION OF THIS PLACEMENT MEMORANDUM**

The details are set out in **Annexure IX** to the Placement Memorandum.

8.12 **ANY CHANGE IN ACCOUNTING POLICIES DURING THE LAST THREE YEARS AND THEIR EFFECT ON THE PROFITS AND THE RESERVES OF THE ISSUER**

The financial statements, for the Financial Year ended March 31, 2021, have been prepared under IND AS notified under Section 133 of the Companies Act, 2013, and the Companies (Indian Accounting Standard) Rules 2015, as amended by the Companies (Indian Accounting Standard Amendments) Rules 2016 for the year ended March, 31 2021. Accordingly, the Issuer has prepared financial statements which comply with IND AS applicable for periods ending on March 31, 2021, together with the comparative period data as at and for the year ended March 31, 2020. Corresponding adjustments pertaining to the comparative previous year as prescribed in the financial results have been restated / reclassified in order to confirm to the presentation for the Financial Year ended March 31, 2021.

The Issuer has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces 'Ind AS 17 – Leases' and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor.

8.13 **DETAILS OF ANY OTHER CONTINGENT LIABILITIES OF THE ISSUER BASED ON THE LAST AUDITED FINANCIAL STATEMENTS INCLUDING AMOUNT AND NATURE OF LIABILITY**

Rs. in Lakh

Particulars	As at March 31, 2021
Income Tax	-
Bank Guarantees / Mortgage Loan*	135

** Fixed deposit is under lien for bank guarantee purpose to the extent of Rs. 25 Lakhs*

**Fixed deposit is under lien with bank pending completion of formalities relating to a borrower to the extent of Rs. 110 Lakh.*

8.14 **DISCLOSURES RELATING TO HOUSING FINANCE COMPANIES**

Sr. No.	Particulars of Disclosure	Details	Paragraph Number
1.	Details with regard to lending done out of the issue proceeds of earlier issuances of debt securities (whether public issue or private placement)	Lending Policy	8.14.1.1
		Classification of loans given to associate or entities related to board, senior management, promoters, etc	8.14.1.2
		Classification of loans into several maturity profiles and denominations	8.14.1.3
		Aggregated exposure to top 20 borrowers	8.14.1.3 (I)
		Details of loans, overdue and classified as NPA	8.14.1.3 (H)
2.	Details of borrowings	Portfolio summary of borrowings made by the Issuer	8.14.1.3 (J)

Sr. No.	Particulars of Disclosure	Details	Paragraph Number
	made by the Issuer	Quantum and percentage of secured vs. unsecured borrowings	8.14.1.3 (L)
3.	Details of change in shareholding	Any change in promoters holding in the Issuer during last financial year beyond the threshold prescribed by Reserve Bank of India	8.14.1.3 (M)
4.	Disclosures of assets under management	Segment wise break up and type of loans	8.14.1.3 (C)
5.	Details of borrowers	Geographical location wise	8.14.1.3 (E)
6.	Details of Gross NPA	Segment wise	8.14.1.3 (F)
7.	Details of Assets and Liabilities	Residual maturity profile wise into several bucket	8.14.1.3 (G)
8.	Disclosure of latest ALM statements to stock exchange	-	N.A.

8.14.1 **DETAILS WITH REGARD TO THE LENDING DONE BY THE ISSUER OUT OF THE ISSUE PROCEEDS OF DEBT SECURITIES IN LAST THREE YEARS**

8.14.1.1 **LENDING POLICY**

The Issuer focuses on building a quality loan book with demonstrated ability to underwrite a diverse set of customers and has a decentralised credit function with multiple checkpoints to achieve controlled growth.

Lending policy:

The Issuer being in the business of lending, credit risk becomes one of the most important risks to be managed. A detailed credit policy has been designed by the Issuer for each product type and customer segment. The core objective of the policy is to provide a framework for efficient lending process and ensure customer satisfaction, risk mitigation, and regulatory compliance.

The approach of the Issuer towards doing KYC, due diligence, credit assessment, credit decision and collateral check is mentioned below.

Sourcing:

The Issuer may adopt any of the following channels for sourcing business:

- Direct Branch Walk-in sourcing
- Direct Sales Agencies (DSA)
- Direct Sales Team (DST)
- Connectors
- Alternate channels
- Media Campaigns (Print, TV, Digital and as deemed fit by the marketing team)
- Branches/subsidiaries/representative offices of Shriram Group as per arrangement that may exist from time to time.

Loan Origination:

The Issuer has its footprint in 15 states with loans originating through more than 84 sourcing branches across India. Potential customers are identified by a 'Sales Manager'. Once a potential customer is identified, the Sales

Manager will collect the documents as detailed in the customer onboarding checklist. The documents along with the dully filled application form will be submitted for credit appraisal.

Loan Appraisal:

After the application for loan is received and logged in the system for credit appraisal, the process outlined below is followed by the Credit Manager:

- Completeness check for the credit file
- Verification of KYC documents and other relevant documents
- Checks bureau and verification reports (field investigation, risk containment unit verification etc.)
- The customer's loan eligibility is computed, if all the checks are positive based on the Issuer's internal credit policy
- Evaluates the customer's cash flow, financials and business as per the Issuer's internal credit policy
- Credit Manager has a personal discussion at the main business premise or place of employment
- Post personal discussion comfort a credit appraisal memo (CAM) is prepared (CAM contains financial information about applicant and his loan eligibility computation)
- Legal and technical assessments are also initiated for title search and valuation of the property though internal / external empanelled legal and technical vendors
- If all the checks are positive, a final decision is taken by Credit Approver as per approving matrix and deviation matrix

Regulatory Compliance

KYC documents of all customers are received and verified from original prior to the disbursement of the loan, in compliance with the NHB and RBI guidelines. The Issuer ensures compliance with any other regulations/directions as may be notified by the NHB, RBI and other statutory authorities.

Risk Management

The Issuer places significant emphasis on the adequacy of management of risk and has put in place a risk management policy in a manner that the risks that the Issuer faces are identified and dealt / controlled in a manner that the Issuer can continue its operations in a profitable and sustainable manner.

Collateral management

Collateral is the asset or rights provided to the Issuer by the borrower to secure the credit facility. The Company ensures that the underlying documentation for the collateral provides the Issuer appropriate rights over the collateral or other forms of credit enhancement including the right to liquidate retain or take legal possession of it in a timely manner in the event of default by the borrower. The collateral is valued at the time of sanctioning the credit facility and loan-to-value (LTV) norms are applied as specified in the credit policies.

Collection and Recovery

The Issuer has a dedicated collection function and the framework is designed to minimize the losses through an orderly and coordinated collection approach.

The Issuer has put in place a collection strategies which includes:

- High focus on customer counselling through digital platform to pay/regularize
- Strong audit mechanism along with a maker-checker in various collection processes
- Structured and transparent approach to collections
- Internal monitoring and MIS to control flows

- Legal approach for applicable cases.

8.14.1.2 **CLASSIFICATION OF LOANS / ADVANCES GIVEN TO ASSOCIATES, ENTITIES / PERSON RELATING TO BOARD, SENIOR MANAGEMENT, PROMOTERS, OTHERS, ETC.**

The details are set out in **Annexure IX** to the Placement Memorandum.

8.14.1.3 **CLASSIFICATION OF LOANS/ADVANCES GIVEN, ACCORDING TO TYPE OF LOANS, DENOMINATION OF LOAN OUTSTANDING BY LOAN TO VALUE, SECTORS, DENOMINATION OF LOANS OUTSTANDING BY TICKET SIZE, GEOGRAPHICAL CLASSIFICATION OF BORROWERS, MATURITY PROFILE, ETC.**

A. **TYPE OF LOANS**

Type of loans/advances (principal outstanding) given by the Issuer as on December 31, 2021:

Sl. No.	Type of Loans	Rs. in Crores
1	Secured	4606.14
2	Unsecured	0
	Total assets under management (AUM)*^	4606.14

**Information disclosed at borrower level (and not by loan account).^ This includes off balance sheet items of Rs. 715.71 Crore.*

B. **DENOMINATION OF LOANS OUTSTANDING BY LOAN TO VALUE ('LTV')**

Denomination of loans outstanding by LTV* as on December 31, 2021:

Sl. No.	LTV	Percentage of AUM
1	Upto 40%	31.60%
2	40-50%	16.37%
3	50-60%	18.63%
4	60-70%	17.33%
5	70-80%	13.30%
6	80-90%	2.76%
7	>90%	0.01%
	Total	**100%**

**LTV at the time of origination.*

C. **DETAILS OF SECTORAL EXPOSURE**

Types of loans according to sectoral exposure as on December 31, 2021 is as follows:

Sl. No.	Segment-wise break-up of AUM	Percentage of AUM
1	**Retail**	
A	Mortgages (home loans and loans against property)	94.39%
B	Gold loans	
C	Vehicle finance	
D	MFI	
E	MSME	
F	Capital market funding (loans against shares, margin funding)	
G	Others	5.61%
2	**Wholesale**	
A	Infrastructure	

B	Real estate (including builder loans)	-
C	Promoter funding	
D	Any other sector	
	Total	**100%**

D. **DENOMINATION OF LOANS OUTSTANDING BY TICKET SIZE***

Denomination of loans outstanding by ticket size as on December 31, 2021:

Sl. No.	Ticket size	Percentage of AUM
1	Upto Rs. 2 Lakh	0.14%
2	Rs. 2-5 Lakh	1.95%
3	Rs. 5 - 10 Lakh	8.40%
4	Rs. 10 - 25 Lakh	28.90%
5	Rs. 25 - 50 Lakh	24.86%
6	Rs. 50 Lakh - 1 Crore	14.72%
7	Rs. 1 - 5 Crore	13.81%
8	Rs. 5 - 25 Crore	6.99%
9	Rs. 25 - 100 Crore	0.24%
10	>Rs. 100 Crore	0.00%
	Total	**100.00%**

Note: Information provided at borrower level (and not loan account as a customer may have multiple loan accounts).

E. **GEOGRAPHICAL CLASSIFICATION OF BORROWERS (TOP 5 STATES BORROWER WISE)**

Geographical classification of borrowers as on December 31, 2021:

Sl. No.	Top 5 states	Percentage of AUM
1	Maharashtra	23.48%
2	Gujarat	16.75%
3	Karnataka	10.64%
4	Delhi	10.33%
5	Tamil Nadu	7.25%
	Total	68.45%

F. **SEGMENT WISE NPA AS ON DECEMBER 31, 2021**

Sl. No.	Segment-wise break-up of NPA	NPA %
1	**Retail**	
A	Mortgages (home loans and loans against property)	1.72
B	Gold loans	
C	Vehicle finance	
D	MFI	
E	MSME	
F	Capital market funding (loans against shares, margin funding)	
G	Others	
2	**Wholesale**	
A	Infrastructure	-
B	Real estate (including builder loans)	-
C	Promoter funding	
D	Any other sector	

	Total	1.72

G. **RESIDUAL MATURITY PROFILE OF ASSETS AND LIABILITIES (IN LINE WITH THE RBI FORMAT) AS ON DECEMBER 31, 2021**

Rs. in Crores

Category	Up to 30/31 days	>1 month – 2 months	>2 months – 3 months	>3 months – 6 months	>6 months – 1 year	>1 years – 3 years	>3 years – 5 years	>5 years	Total
Deposit	5.40	-	-	52.16	42.64	140.01	-	-	**240.21**
Advances	94.85	92.49	90.17	257.22	459.38	1,275.09	694.47	830.63	**3,794.30**
Investments	0.07	1.68	186.59	20.22	0.42	41.76	5.26	7.27	**263.27**
Borrowings	10.77	32.98	154.95	193.95	400.92	1274.93	655.76	128.08	**2,852.34**
FCA*	-	-	-	-	-	-	-	-	-
FCL*	-	-	-	-	-	-	-	-	-

**FCA – Foreign Currency Assets; FCL – Foreign Currency Liabilities.*

H. **DETAILS OF LOANS, OVERDUE AND CLASSIFIED AS NON-PERFORMING IN ACCORDANCE WITH RBI STIPULATIONS**

(i) Movement of Gross NPA December 31, 2021

Movement of Gross NPA	Rs. in Crores
(a) Opening balance of gross NPA	71.27
(b) Additions during the Financial Year ended on March 31, 2021	37.00
(c) Reductions during the Financial Year ended on March 31, 2021	(12.13)
(d) Closing balance of Gross NPA	96.13

The gross NPA recognition policy is based on above 90 days past due date.

(ii) Movement of provisions for NPA as on December 31, 2021

Movement of Provisions for NPA	Rs. in Crores
(a) Opening balance	16.15
(b) Provisions made during the Financial Year ended on March 31, 2021	5.98
(c) Write-off/write-back of excess provisions	(2.87)
(d) Closing balance	19.27

I. **AGGREGATED EXPOSURE TO THE TOP 20 BORROWERS WITH RESPECT TO THE CONCENTRATION OF ADVANCES, EXPOSURES TO BE DISCLOSED IN THE MANNER AS PRESCRIBED BY RBI IN ITS STIPULATIONS ON CORPORATE GOVERNANCE FOR HFCs**

Concentration of Advances as on March 31, 2021	Amount
Total advances to top twenty borrowers (Rs. in Crores)	229.41
Percentage of advances to twenty largest borrowers to total exposure of the Issuer on borrowers	6.77%

Concentration of Exposures as on March 31, 2021	Amount
Total exposure to top twenty borrowers (Rs. in Crores)	267.80
Percentage of exposures to twenty largest borrowers to total exposure of the Issuer on borrowers	7.5%

J. **A PORTFOLIO SUMMARY WITH REGARD TO INDUSTRIES/SECTORS TO WHICH BORROWINGS HAVE BEEN MADE**

The Issuer has a diversified borrowing profile which includes public sector undertakings / private / foreign banks, insurance companies, mutual funds, provident funds and other prominent funds. The borrowing is largely dominated by bank lines which has around 82% (Eighty Two per cent) of total borrowing and remaining is through debt capital market.

K. **NPA EXPOSURES OF THE ISSUER FOR THE LAST THREE FINANCIAL YEARS (BOTH GROSS AND NET EXPOSURES) AND PROVISIONING MADE FOR THE SAME AS PER THE LAST AUDITED FINANCIAL STATEMENTS OF THE ISSUER**

Rs. in Crore

As on	September 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
Gross NPA	71.26	64.22	48.84	51.65
Provision	16.15	14.06	10.59	11.16
Net NPA	55.11	50.16	38.25	40.49

L. **QUANTUM AND PERCENTAGE OF SECURED VIS-À-VIS UNSECURED BORROWINGS MADE AS ON DECEMBER 31, 2021**

Sr. No.	Particulars	Amount in Crore	Percentage to total
1	Secured Borrowings	3,272.04	98.49%
2	Unsecured Borrowings	50.00	1.51%
	Total	3,322.04	100.00%

M. **ANY CHANGE IN PROMOTERS' HOLDINGS DURING THE LAST FINANCIAL YEAR BEYOND THE THRESHOLD, AS PRESCRIBED BY RBI**

There has been no change in the Promoters' holdings during the last Financial Year beyond the 26% (twenty six percent) threshold, as prescribed by RBI.

On October 13, 2021, pursuant to the rights issue, an amount of Rs. 300 Crore was infused as equity by Shriram City Union Finance Limited in the Issuer. Subsequently, the shareholding of the Promoter as on the date of this Placement Memorandum is 85.02% of the total Equity Share capital of the Issuer.

N. **DISCLOSURE OF LATEST ALM STATEMENTS TO STOCK EXCHANGE**

Not applicable.

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CHAPTER 9
SHARE CAPITAL

9.1 DETAILS OF SHARE CAPITAL AS ON DECEMBER 31, 2021

Share Capital	Amount (in Rupees)
Authorized Capital	
40,00,00,000 Equity Shares of Rs.10/- each	400,00,00,000
Total	**400,00,00,000**
Issued , Subscribed and Paid-up Capital	
32,52,71,112 Equity Shares of Rs.10/- each	325,27,11,120
Total	**325,27,11,120**
Share Premium account	
Before the Offer (As on 31-03-2021)	1,21,80,00,000.00
After the Offer (As on 31-12-2021)	5,09,84,19,910.00

9.2 CHANGES IN THE ISSUER'S CAPITAL STRUCTURE AS ON DECEMBER 31, 2021

Date of change (dd/mm/yyy)	Number of Equity Shares	Face Value (Rs.)	Cumulative Amount (Rs.)	Particulars
09.11.2010 (Incorporation)	20,00,000	10/-	2,00,00,000	Equity
15.12.2010 (EGM)	5,00,000	10/-	2,50,00,000	Equity
18.05.2011 (EGM)	10,00,000	10/-	3,50,00,000	Equity
24.08.2011 (EGM)	15,00,000	10/-	5,00,00,000	Equity
11.01.2012 (EGM)	50,00,000	10/-	10,00,00,000	Equity
16.02.2012 (EGM)	50,00,000	10/-	15,00,00,000	Equity
26.03.2012 (EGM)	10,00,00,000	10/-	115,00,00,000	Equity
12.07.2013 (AGM)	10,50,00,000	10/-	220,00,00,000	Equity
08.04.2021 (EGM)	70,00,00,000	10/-	290,00,00,000	Equity
04.10.2021 (EGM)	110,00,00,000	10/-	400,00,00,000	Equity

9.3 EQUITY SHARE CAPITAL HISTORY OF THE ISSUER AS ON DECEMBER 31, 2021

Date of allotment	No. of equity shares	Face value	Issue Price	Consideration	Nature of allotment	Cumulative			Remarks
						No. of equity shares	Equity share capital (Rs.)	Equity share Premium (in Rs.)	
25.11.2010	1006	10	10	Cash	Subscription to M&A	1006	10060	0	Equity
28.12.2010	2048994	10	10	Cash	Preferential	2050000	20500000	0	Equity
22.02.2011	450000	10	10	Cash	Preferential	2500000	25000000	0	Equity
20.06.2011	500000	10	10	Cash	Preferential	3000000	30000000	0	Equity
29.07.2011	300000	10	10	Cash	Preferential	3300000	33000000	0	Equity
27.08.2011	1500000	10	10	Cash	Preferential	4800000	48000000	0	Equity
07.02.2012	5000000	10	10	Cash	Preferential	9800000	98000000	0	Equity
16.03.2012	5000000	10	10	Cash	Preferential	14800000	148000000	0	Equity
03.04.2012	55200000	10	10	Cash	Preferential	70000000	700000000	0	Equity
03.04.2012	21500000	10	35	Cash	Preferential	91500000	915000000	537500000	Equity
19.07.2013	95440000	10	10	Cash	Preferential	186940000	1869400000	0	Equity
19.07.2013	27220000	10	35	Cash	Preferential	214160000	2141600000	680500000	Equity
14.05.2021	4,44,44,445	10	35	Cash	Rights Issue	258604445	2586044450	1555555575	Equity

Date of allotment	No. of equity shares	Face value	Issue Price	Consideration	Nature of allotment	Cumulative			Remarks
						No. of equity shares	Equity share capital (Rs.)	Equity share Premium (in Rs.)	
13.10.2021	66666667	10	35	Cash	Rights Issue	325271112	3252711120	2333333345	Equity

9.4 **DETAILS OF ANY ACQUISITION OR AMALGAMATION IN THE LAST 1 (ONE) YEAR**

There have not been any acquisition or amalgamation in the last 1 (one) year.

9.5 **DETAILS OF ANY REORGANIZATION OR RECONSTRUCTION IN THE LAST 1 (ONE) YEAR**

There has been no reorganization or reconstruction in the last 1 (one) year.

9.6 **LIST OF TOP 10 HOLDERS OF EQUITY SHARES OF THE ISSUER AS ON DECEMBER 31, 2021***

Sr. No.	Name of the Shareholder / Particulars	Class	Total Number of Equity Shares	Total percentage (%) of Shareholding	Number of shares held in Demat Form
1	Shriram City Union Finance Ltd.**	Equity	27,65,51,112	85.02%	27,65,51,112
2	Valiant Mauritius Partners FDI Ltd.	Equity	4,87,20,000	14.98%	-
	Total		**32,52,71,112**	**100.00%**	

***Includes 6 nominees of the Promoter, who hold 1 Equity Share each.*

*On October 13, 2021, pursuant to the rights issue, an amount of Rs. 300 Crore was infused as equity by Shriram City Union Finance Limited in the Issuer. Subsequently, the shareholding of the Promoter as on the date of this Placement Memorandum, is 85.02% of the total Equity Share capital of the Issuer.

Notes: Details of shares pledged or encumbered by the Promoters (if any): None.

9.7 **DETAILS OF THE SHAREHOLDING OF THE ISSUER AS ON DECEMBER 31, 2021**

The details are set out in Annexure VII of the Placement Memorandum.

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CHAPTER 10
MANAGEMENT

10.1 DETAILS OF CURRENT DIRECTORS OF THE ISSUER

This table sets out the details regarding the Issuer's Board of Directors as on date of this Placement Memorandum:

Sl.	Name of the Directors , Designation, DIN, Occupation	Age	Address	Date of Appointment or Reappointment	Details of other directorships	Whether willful defaulter (Yes/No)
1	Mr. Srinivasa Chakravarti Yalamati Non-Executive, Non Independent Director DIN – 00052308 Service	58	Plot No. 302 Heritage Banjara Apartment Road No.3, Panchavati Society, Banjara Hills, Hyderabad – 500 034	9/11/2010	1. Shriram City Union Finance Limited 2. Shriram Transport Finance Company Limited 3. Shriram Chits (India) Private Limited 4. Shriram Chits (Maharashtra) Limited	No.
2	Mr. Venkataraman Murali Non-Executive, Independent Director DIN – 00730218 Professional	62	Commanders Court CCC034 C Block Flat 034 49, Ethiraj Salai, Egmore, Chennai 600 008	17/07/2013	1. Shriram City Union Finance Limited 2. Take Solutions Limited 3. Witzenmann (India) Private Limited 4. Andhra Chamber of Commerce	No.
3	Mr. Subramanian Jambunathan Managing Director and CEO DIN – 00969478 Service	51	A/204, Sky Lark Condominium, New Kantwadi Pali Hill, Bandra (W), Mumbai - 400 050	20/07/2018	1. Southern Equipment Finance Limited 2. Volkswagen Finance Private Limited 3. K. P. I. Teleservices Pvt. Ltd.	No.
4	Ms. Lakshminarayanan Priyadarshini Non-Executive Independent Director DIN – 06592671 Professional	47	House No. 33, First Floor Paschimi Marg Vasant Vihar South West Delhi 110057	16/10/2018	1. Spectrum Solusys Private Limited 2. UCAL Fuel Systems Limited	No.

None of the current Directors of the Issuer are appearing in the RBI defaulter list and/or ECGC default list.

10.2 DETAILS OF CHANGE IN DIRECTORS SINCE LAST THREE YEARS

Name	DIN	Designation	Date of Appointment	Date of Cessation (if applicable)	Date of Resignation (if applicable)
There has not been any change in the Directors for the last three years from the date of this Placement Memorandum.					

10.3 **DETAILS OF MANAGEMENT OF THE ISSUER**

10.3.1 **BRIEF PROFILE OF DIRECTORS OF THE ISSUER**

Sl. No.	Name of the Director and Designation	Brief Profile
1	Mr. Subramanian Jambunathan Managing Director and CEO	Mr. Subramanian moved in as MD & CEO of Shriram Housing in Nov 2018. He has an experience of over two decades in the banking and financial services sector across organizations like HSBC, Citibank & ANZ Grindlays. He has successfully led independent businesses with complete P&L accountability for over a decade, and has served in senior management positions for diverse functions ranging from business process, reengineering to heading businesses. He joined the Shriram Group in the year 2010 as an Executive Director in Shriram City and has since then been involved in building and growing the SME lending business before moving into the current role. Subramanian holds a Management degree from IIM – Bangalore.
2	Mr. Srinivasa Chakravarti Yalamati Non-Executive, Non Independent Director	Mr. Y.S. Chakravarti is a Non-Executive, Non-Independent Director on the Board of SHFL. He holds a Bachelor's degree in Commerce and is an astute retail finance professional with proven business skills and leadership ability. He has worked in various assignments in the field of financial services for over the last 25+ years. While being the MD & CEO of Shriram City Union Finance Ltd., he also serves the Boards of Shriram Chits Pvt. Ltd. and Shriram Chits (Maharashtra) Ltd.
3	Mr. Venkataraman Murali Non-Executive, Independent Director	Mr. Venkataraman Murali is a Non-Executive, Independent Director on the Board. He holds degree of Bachelor's of Commerce, from Vivekananda College, Chennai. He is a fellow member of the Institute of Chartered Accountants of India and an associate member of the Institute of Cost and Works Accountants of India and has to his credit more than three decades of experience in the relevant fields. He has been elected as Central Council Member of the Institute of Chartered Accountants of India for four terms in succession for the periods from 2004-2016 and secured a sixth consecutive record win in ICAI elections from the Southern Region. He has been on the Board since July 2013.
4	Ms. Lakshminarayanan Priyadarshini Non-Executive Independent Director	Ms. Priyadarshini is a Non-Executive, Independent Director on the Board of SHFL. She holds a Post Graduate Diploma in Business Management (Marketing & Finance) and has a B.A. Honours (Economics) degree from Delhi University. In a career spanning over two decades she has a diverse work experience with local and global players such as HSBC, ABN AMRO, ICICI Bank, Reliance Industries, GE India, IFCI and ONICRA. She has a wide experience in a variety of leadership roles in Business Development, Corporate & Retail sales, Corporate Banking and Key Account Management Business Strategy. She has been on the Board since October 2018.

10.3.2 **BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL**

Sl. No.	Name of the KMP and Designation	Brief Profile
1	Mr. G S Agarwal Chief Financial Officer	Mr. G. S. Agarwal is a dynamic professional with over 26 years of experience in Fund Mobilisation, Treasury Management, Planning & Strategy, Budgeting, Accounts, Compliance, MIS and Operations. He has worked in various areas in conceptualizing & executing financial procedures with Working Capital Management, Profit Monitoring and building Internal Financial Controls. His last role was with Magma Group as Group Treasury Head where he was responsible for Treasury Function for entire group along with additional role of CFO for Magma Housing Finance. He is a rank holder Chartered Accountant and enjoys excellent relationship with various Banks and Financial Institutions along with debt Capital market.
2.	Ms. Bhavita Ashiyani Company Secretary and Compliance Officer (till 31-01-2022	Ms. Bhavita has resigned from the organization w.e.f 31-01-2022. The Company is in the process of on-boarding new Company Secretary.

10.4 REMUNERATION OF DIRECTORS (DURING THE CURRENT YEAR AND LAST THREE FINANCIAL YEARS)

No remuneration has been paid to the Directors except sitting fees for attending Board and Committee meetings during the last 3 (Three) Financial Years.

(Rs. in Crore)

Particulars	Till September 2021	2020-2021	2019-2020	2018-2019
Remuneration	1.12	1.86	1.83	1.03

All independent non-executive Directors are entitled for sitting fees for attending each meeting of the Board and its Committees.

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CHAPTER 11
FINANCIAL INDEBTEDNESS

11.1 DETAILS OF SECURED LOAN FACILITIES AS ON DECEMBER 31, 2021

(Rs. in Crore)

Lender Name	Type of Facility	Amount Sanctioned	Principal Outstanding as on 31.12.2021	Maturity Date	Security
Aditya Birla Finance Limited	Term Loan	30	26.79	31-Mar-28	Exclusive charge on receivables
Bank of Baroda	Term Loan	50	37.50	28-Jun-23	Exclusive charge on receivables
Bank of India	Term Loan	100	61.08	30-Sep-24	Exclusive charge on receivables
Bank of India	Term Loan	250	194.44	30-Jun-25	Exclusive charge on receivables
Bank of Maharashtra	Term Loan	250	250.00	31-Dec-25	Exclusive charge on receivables
Canara Bank	Term Loan	25	18.75	28-Mar-23	Exclusive charge on receivables
Canara Bank	Term Loan	150	105.00	28-Feb-25	Exclusive charge on receivables
Canara Bank	Term Loan	200	200.00	20-Mar-26	Exclusive charge on receivables
Catholic Syrian Bank	Term Loan	50	30.00	29-Sep-24	Exclusive charge on receivables
Central Bank of India	Term Loan	100	88.90	31-Dec-25	Exclusive charge on receivables
Equitas Small Finance Bank	Term Loan	50	40.00	5-Nov-25	Exclusive charge on receivables
Federal Bank	Term Loan	40	34.00	23-Feb-26	Exclusive charge on receivables
HDFC Bank	Term Loan	35	8.75	13-Oct-22	Exclusive charge on receivables
HDFC Bank	Term Loan	100	83.31	24-Feb-26	Exclusive charge on receivables
HDFC Bank	Term Loan	25	22.48	30-Jun-26	Exclusive charge on receivables
HDFC Bank	Term Loan	75	68.67	29-Jun-26	Exclusive charge on receivables
IDBI Bank	Term Loan	50	5.16	4-Dec-22	Exclusive charge on receivables
Indian Bank	Term Loan	100	40.00	30-Dec-22	Exclusive charge on receivables
Indian Bank	Term Loan	100	50.00	15-Mar-23	Exclusive charge on receivables
Indian Bank	Term Loan	100	41.68	25-Mar-23	Exclusive charge on receivables
Indian Bank	Term Loan	100	70.00	30-Mar-25	Exclusive charge on receivables
Karnataka Bank	Term Loan	50	46.43	30-Mar-25	Exclusive charge on receivables
LIC Housing Finance Limited	Term Loan	150	41.48	1-Dec-30	Exclusive charge on receivables
National Housing Bank	Term Loan	130	69.27	1-Oct-24	Exclusive charge on receivables
Punjab & Sind Bank	Term Loan	200	200.00	30-Mar-26	Exclusive charge on receivables
Punjab National Bank	Term Loan	100	40.00	24-Oct-22	Exclusive charge on receivables
Punjab National Bank	Term Loan	100	87.50	25-Feb-25	Exclusive charge on receivables
UCO Bank	Term Loan	100	75.00	30-Sep-25	Exclusive charge on receivables
Ujjivan Small Finance Bank	Term Loan	25	18.76	31-Dec-24	Exclusive charge on receivables
Union Bank Of India	Term Loan	100	75.00	29-May-23	Exclusive charge on receivables
Union Bank Of India	Term Loan	75	67.10	16-Mar-26	Exclusive charge on receivables
QNB	Term Loan	20	19.00	20-Jul-26	Exclusive charge on receivables
South Indian Bank	Term Loan	50	50.00	31-Aug-26	Exclusive charge on receivables
Indian Bank	Term Loan	200	200.00	28-Sep-26	Exclusive charge on receivables
IDBI Bank	Term Loan	65	50.00	28-Sep-26	Exclusive charge on receivables
Uco Bank	Term Loan	100	25.00	30-Dec-26	Exclusive charge on receivables
Bank of Baroda	Term Loan	200	50.00	31-Dec-26	Exclusive charge on receivables
Union Bank Of India	Term Loan	100	50.00	31-Dec-26	Exclusive charge on receivables
NHB	Term Loan	500	150.00	30-Dec-31	Exclusive charge on receivables
Axis Bank	CC/OD/WCDL	50	-	Not Applicable	Exclusive charge on receivables
Union Bank of India	CC/OD/WCDL	50	13.00	Not Applicable	Exclusive charge on receivables

HDFC Bank	CC/OD/WCDL	5	-	Not Applicable	Exclusive charge on receivables
Canara Bank	CC/OD/WCDL	25	-	Not Applicable	Exclusive charge on receivables
Federal Bank	CC/OD/WCDL	1	-	Not Applicable	Exclusive charge on receivables
IDBI Bank	CC/OD/WCDL	10	-	Not Applicable	Exclusive charge on receivables
Bank of Baroda	CC/OD/WCDL	5		Not Applicable	Exclusive charge on receivables
Total		**4,391.00**	**2,804.03**		

**Note: The numbers are in accordance with I GAAP.*

11.2 DETAILS OF UNSECURED LOAN FACILITIES AS ON DECEMBER 31, 2021

(Rs. in Crore)

Lender's Name	Type of Facility	Amount Sanctioned	Principal Amount Outstanding	Repayment Date/Schedule
NIL				

11.3 DETAILS OF NON-CONVERTIBLE DEBENTURES AS ON DECEMBER 31, 2021

(Rs. in Crore)

Debenture Series	Tenor	Coupon	Outstanding Amount (Rs. Crs)	Date of Allotment	Redemption Date	Credit Rating*	Secured / Unsecured	Security Cover
I	10 Years	10.30	40.00	10-Oct-14	10-Oct-24	CARE-AA (Credit Watch Positive)	Secured	1.10
VII	7 years	9.00	25.00	29-Apr-16	29-Apr-23	CARE-AA (Credit Watch Positive) and IND-AA (Positive)	Secured	1.00
VII	7 years	9.00	15.00	2-May-16	2-May-23	CARE-AA (Credit Watch Positive) and IND-AA (Positive)	Secured	1.00
XII	3 years	10.85	25.00	9-May-19	9-May-22	CARE-AA (Credit Watch Positive) and CRISIL AA (Credit Watch Positive)	Unsecured	-
XII	4 years	10.85	25.00	9-May-19	9-May-23	CARE-AA (Credit Watch Positive) and CRISIL AA (Credit Watch Positive)	Unsecured	-
XIII	3 years	8.55	40.00	5-Jun-20	9-Jun-23	CARE-AA (Credit Watch Positive) and CRISIL AA (Credit Watch Positive)	Secured	1.10
XIV	18 months	8.15	100.00	21-Sep-20	21-Mar-22	CRISIL AA (Credit Watch Positive)	Secured	1.10
XV	18 months	8.15	100.00	23-Oct-20	22-Apr-22	CRISIL AA (Credit Watch Positive)	Secured	1.10

Debenture Series	Tenor	Coupon	Outstanding Amount (Rs. Crs)	Date of Allotment	Redemption Date	Credit Rating*	Secured / Unsecured	Security Cover
XVI	10 Years	9.60	17.00	11-Dec-20	11-Dec-30	CRISIL AA (Credit Watch Positive) and IND AA (Positive)	Secured	1.00
XVII	10 Years	9.42	21.00	15-Jan-21	15-Jan-31	CRISIL AA (Credit Watch Positive) and IND AA (Positive)	Secured	1.00
XVIII	10 Years	9.32	10.00	3-May-21	3-May-31	CRISIL AA (Credit Watch Positive) and IND AA (Positive)	Secured	1.00
XIX	19 months	7.51	100.00	30-Nov-21	30-Jun-23	IND AA (Positive)	Secured	1.10
Total			**518.00**					

11.4 LIST OF TOP 10 DEBENTURE HOLDERS AS ON DECEMBER 31, 2021

SR. NO.	NAME OF DEBENTURE HOLDER	AMOUNT (RS. CRS.)	% OF TOTAL DEBENTURES
1	Indian Bank	100.00	19.31%
2	Bank of India	100.00	19.31%
3	Nippon Life India Trustee Ltd-A/C Nippon India Ultra Short Duration Fund	100.00	19.31%
4	Canara Bank / Syndicate	50.00	9.65%
5	IOCL Employees Prmb Fund	38.00	7.34%
6	United India Insurance Company Limited	25.00	4.83%
7	General Insurance Corporation Of India	20.00	3.86%
8	A K Capital Finance Limited	16.55	3.19%
9	United India Insurance Company Limited Employees Provident Fund	15.00	2.90%
10	Powerica Limited	10.00	1.93%

Note: Top 10 debenture holders (in value terms, on cumulative basis for all outstanding debentures issues) details provided.

11.5 THE AMOUNT OF CORPORATE GUARANTEE ISSUED BY THE ISSUER ALONG WITH NAME OF THE COUNTERPARTY (LIKE NAME OF THE SUBSIDIARY, JV ENTITY, GROUP COMPANY, ETC.) ON BEHALF OF WHOM IT HAS BEEN ISSUED (IF ANY).

The Issuer has not issued any corporate guarantee to any third party as on December 31, 2021.

11.6 DETAILS OF COMMERCIAL PAPER AS ON DECEMBER 31, 2021

The Issuer does not have any outstanding commercial papers as on DECEMBER 31, 2021

11.7 DETAILS OF REST OF THE BORROWING (IF ANY INCLUDING HYBRID DEBT LIKE FOREIGN CURRENCY CONVERTIBLE BONDS ('FCCB'), OPTIONALLY CONVERTIBLE DEBENTURES / PREFERENCE SHARES) AS ON DECEMBER 31, 2021

The Issuer does not have any other kind of borrowing (including hybrid debt like FCCB, optionally convertible debentures or preference shares) as on December 31, 2021.

11.8 DETAILS OF ALL DEFAULT/S AND/OR DELAY IN PAYMENTS OF INTEREST AND PRINCIPAL OF ANY KIND OF TERM LOANS, DEBT SECURITIES AND OTHER FINANCIAL INDEBTEDNESS INCLUDING CORPORATE GUARANTEE ISSUED BY THE ISSUER, IN THE PAST 3 (THREE) YEARS, AS ON DECEMBER 31, 2021

The Issuer has not defaulted and/or delayed payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Issuer, in the past 3 (three) years, as on December 31, 2021.

11.9 **DETAILS OF ANY OUTSTANDING BORROWINGS TAKEN / DEBT SECURITIES ISSUED WHERE TAKEN / ISSUED (I) FOR CONSIDERATION OTHER THAN CASH, WHETHER IN WHOLE OR PART, (II) AT A PREMIUM OR DISCOUNT, OR (III) IN PURSUANCE OF AN OPTION, AS ON DECEMBER 31, 2021**

The Issuer does not have any outstanding borrowings taken / debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option, as on December 31, 2021.

11.10 **DETAILS OF DEFAULT, IF ANY, INCLUDING THEREIN THE AMOUNT INVOLVED, DURATION OF DEFAULT AND PRESENT STATUS, IN REPAYMENT OF (I) STATUTORY DUES; (II) DEBENTURES AND INTEREST THEREON; (III) DEPOSITS AND INTEREST THEREON; (IV) LOAN FROM ANY BANK OR FINANCIAL INSTITUTION AND INTEREST THEREON**

In respect of statutory dues, there is no material litigation which will impact the business of the Issuer. The Issuer has not defaulted on payments in respect of (i) debentures and interest thereon, (ii) deposits and interest thereon, and (iii) loan from any bank or financial institution and interest thereon.

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CHAPTER 12
LITIGATION AND MATERIAL FRAUDS

12.1 **DETAILS OF ANY LITIGATION OR LEGAL ACTION PENDING OR TAKEN BY ANY MINISTRY OR DEPARTMENT OF THE GOVERNMENT OR A STATUTORY AUTHORITY AGAINST ANY PROMOTER OF THE ISSUER DURING THE LAST THREE YEARS IMMEDIATELY PRECEDING THE YEAR OF THE CIRCULATION OF THE PLACEMENT MEMORANDUM AND ANY DIRECTION ISSUED BY SUCH MINISTRY OR DEPARTMENT OR STATUTORY AUTHORITY UPON CONCLUSION OF SUCH LITIGATION OR LEGAL ACTION SHALL BE DISCLOSED.**

There are no such events which would have a material impact on the Issue or the Investor's decision to invest in the Debentures.

12.2 **DETAILS OF ANY INQUIRY, INSPECTIONS OR INVESTIGATIONS INITIATED OR CONDUCTED UNDER THE COMPANIES ACT OR ANY PREVIOUS COMPANY LAW IN THE LAST THREE YEARS IMMEDIATELY PRECEDING THE YEAR OF CIRCULATION OF THE PLACEMENT MEMORANDUM IN THE CASE OF THE ISSUER AND ALL OF ITS SUBSIDIARIES. ALSO IF THERE WERE ANY PROSECUTIONS FILED (WHETHER PENDING OR NOT) FINES IMPOSED, COMPOUNDING OF OFFENCES IN THE LAST THREE YEARS IMMEDIATELY PRECEDING THE YEAR OF THE PLACEMENT MEMORANDUM AND IF SO, SECTION-WISE DETAILS THEREOF FOR THE ISSUER AND ALL OF ITS SUBSIDIARIES.**

There have not been any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of this Private Placement Offer Letter in the case of the Issuer. Further, there have not been any prosecutions filed under the Companies Act (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the Placement Memorandum.

12.3 **DETAILS OF ACTS OF MATERIAL FRAUDS COMMITTED AGAINST THE ISSUER IN THE LAST THREE YEARS, IF ANY, AND IF SO, THE ACTION TAKEN BY THE ISSUER.**

The details of the frauds case as on December 31, 2021 is as follows:

Name	Atul Kumar Modgil.
Date of loan	July 24, 2015.
Loan amount	Rs. 22,80,000.
Branch	Mohali.
NPA date	May 7, 2016 (written off).
Status	The Issuer believes that recovery is possible through attachment of alternate property.

Brief Facts

Mr. Atul Kumar Modgil had taken loan on the property for purchase of a plot plus construction which was neither in the possession of the seller nor was Mr. Atul Kumar Modgil the owner of the property that is, the plot in revenue record. The said property was sold out on the basis of creating a forged general power of attorney and sold out to Mr. Atul Kumar Modgil accordingly in connivance with each other. After physical possession, the Issuer got the said information from the real owner i.e. Mr. O. P. Dhawan, who after receiving an acknowledgement of these facts filed a Securitisation Appeal (SA) before Debt Recovery Tribunal-II, Chandigarh bearing case no SA/806/2017 dated November 18, 2017 against the Issuer to restrain physical possession. This SA was dismissed by the DRT court against which Mr. O. P. Dhawan moved to the Punjab and Haryana High Court and filed civil writ petition which was also disposed of by the Punjab and Haryana High Court on the ground of jurisdiction as they had no power under the SARFAESI proceedings and directed Mr. O.P. Dhawan to proceed under DRAT. Post which

Mr. O.P. Dhawan filed an appeal before DRAT on dated October 1, 2018 seeking quashing of order dated August 28, 2018 passed by Debt Recovery Tribunal-II, Chandigarh. Post hearing the arguments from both the sides the DRAT passed an order on the factum of civil suit declarations and criminal court verdicts and dismissed the SARFAESI proceedings initiated by the Issuer against the said property as Mr. O.P. Dhawan is the actual owner of the property which was mortgaged by Mr. Atul Kumar Modgil to the Issuer who had defrauded the bank and fraudulently prepared a general power of attorney on behalf of his father Mr. Ram Chand Dhawan. Accordingly, through this order of the DRAT the Issuer came to know about this fraud.

Legal Action Initiated By SHFL

The Issuer has filed a police complaint at SOP, Yamunanagar, and this complaint was marked to the police station at Yamunanagar on October 28, 2020. The Issuer's employee's involvement has been mentioned in complaint filed with police department. Police investigation is pending and action will be taken against individuals depending upon the findings of the police investigation. Under SARFAESI, the Issuer had taken the physical possession of the property on dated September 18, 2017, and now in accordance with the the order of the DRAT the Issuer had released the possession of the property as the same is non est in law since there is a fraud. The Issuer is trying to find an alternate property of Mr. Atul Kumar Modgil in order to initiate arbitration proceedings and also in order to attach the alternate property of Mr. Atul Kumar Modgil to sell the same in accordance with law.

12.4 **OTHER LITIGATIONS.**

The Issuer has filed a petition before the District Magistrate, Jaipur under Section 14 of the SARFAESI Act against M/s. Om Sokhal Builders and Construction Private Limited ("**Borrower**"). The Borrower had availed of a loan of Rs.157 Million from the Issuer and had mortgaged certain parcels of land in Jaipur ("**Jaipur Land**"). Upon failure of the Borrower to pay the dues, the Issuer issued a notice to the Borrower under Section 13 (2) of the SARFAESI Act calling upon them to pay an amount of Rs.160.04 Million. Upon failure of the Borrower to respond to the notice, the Issuer approached the District Magistrate, Jaipur, praying that possession of the secured assets be taken and the possession of the Jaipur Land be handed over to the Issuer. An order from the District Magistrate, Jaipur, was received on January 29, 2019, to take possession of the Jaipur Land with the help of the police. Consequently, the Issuer took possession of all the Jaipur Land. Meanwhile, the Borrower has approached the Issuer for settlement. To this effect, consent terms are filed before the debt recovery tribunal at Jaipur, and the matter is disposed off. However, since the settlement terms were not honoured, the Issuer has proceeded to auction the Jaipur Land.

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CHAPTER 13
DISCLOSURES PERTAINING TO WILFUL DEFAULT

Neither the Issuer, Promoters, nor any of the current Directors of the Issuer has been declared as wilful defaulter.

Name of Bank declaring entity to be wilful defaulter	Year in which entity is declared as wilful defaulter	Outstanding amount at the time of declaration	Name of entity declared as wilful defaulter	Steps taken for removal from list of wilful defaulters	Other disclosures	Any other disclosures
None	Not Applicable	Not Applicable	Not Applicable	Not Applicable	None	None

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CHAPTER 14
ISSUE RELATED INFORMATION

The terms of the Issue are set out under Annexure I "*Issue Details*". This chapter sets out certain disclosures in respect of the Debentures and the Issue.

The Issuer proposes to issue the Debentures on the terms set out in the Placement Memorandum and the Private Placement Offer Letter. The Debentures being offered pursuant to the Placement Memorandum and the Private Placement Offer Letter follow the NCS Regulations, Companies Act, SEBI LODR, RBI HFC Master Directions, SEBI Operational Circular, BSE EBP Guideline, and the Memorandum and Articles of Association of the Issuer and other applicable laws.

Eligible Investors should check their eligibility under applicable law before making any investment. This section applies to only those QIBs, Arrangers (either on proprietary basis or otherwise), and any Non–QIB Investors specifically mapped to the Issue who are Eligible Investors as set out in Annexure I "*Issue Details*". All Eligible Investors are required to make payment of the full application amount in accordance with the SEBI Operational Circular and BSE EBP Guideline.

The Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus and is neither an offer or invitation under 42 of the Companies Act, 2013. An offer under Section 42 of the Companies Act was made pursuant to the Private Placement Offer Letter. A draft of the Placement Memorandum was uploaded on the BSE EBP Platform to comply with the SEBI Operational Circular.

INSTRUMENT SPECIFIC DETAILS

Issue / instrument specific regulations-relevant details (Companies Act, RBI guidelines, etc.)

The Issue of Debentures shall be in conformity with the applicable provisions of the Act including the notified rules thereunder and applicable regulatory guidelines including the NCS Regulations and the RBI HFC Master Directions.

RANKING

The principal amount of the Debentures, Interest due, if any, (inclusive of Default Interest where applicable) and all other monies secured shall, as between the holders of the Debentures, rank *pari passu* interse without any preference or priority whatsoever on account of date of issue or allotment or otherwise. The Debenture Holders shall be entitled to their Debentures free from any equities or cross claims by the Issuer against the original or any intermediate holders thereof.

MARKET LOT

The market lot will be 1 (one) Debenture. Since the Debentures are being issued only in dematerialised form, the odd lots will not arise either at the time of issuance or at the time of transfer of Debentures.

TRADING OF DEBENTURES

The marketable lot for the purpose of trading shall be 1 (one) Debenture that is, in denomination of Rs. 10,00,000 (Rupees Ten Lakh). Trading of Debentures will be permitted in dematerialised mode only and such trades shall be cleared and settled in recognised stock exchange(s) subject to conditions specified by SEBI. In the event of trading in Debentures which has been made over the counter, the trades shall be executed and reported on a recognized stock exchange having a nation-wide trading terminal or such other platform as may be specified by SEBI.

TRANSFER OF DEBENTURES

All Debentures (when issued) shall be in dematerialised form, freely transferable and the Debenture Holders shall be entitled to transfer the Debentures at their own cost, in whole or in part, without intimation to the Issuer or without consent of the Issuer and upon completion of any transfer, the transferee shall be entitled to all rights as a Debenture Holder under the Transaction Documents, subject to such transferee being an investor eligible to acquire the Debentures in accordance with Applicable Law.

RECOVERY EXPENSE FUND

The Issuer shall create and maintain the Recovery Expense Fund in relation to the Debentures with the Stock Exchange equal to 0.01% of the issue size subject to maximum of Rs. 25,00,000 (Indian Rupees Twenty Five lakhs only) to be used by the Debenture Trustee in accordance with the SEBI REF Circular, in accordance with and within the timelines prescribed in the SEBI REF Circular. The amounts in the Recovery Expense Fund shall be utilised in the manner as may be prescribed by the majority Debenture Holders. On and after the occurrence of an Event of Default, the Debenture Trustee shall follow the procedure set out in the SEBI REF Circular for utilisation of the Recovery Expense Fund.

DEBENTURE REDEMPTION RESERVE

The Issuer hereby agrees that it would create a debenture redemption reserve ("**DRR**") in accordance with provisions of the Act and/or any guidelines issued by the SEBI/RBI (as applicable) and if during the currency of these presents, any guidelines are formulated (or modified or revised) by any Governmental Authority having authority under the law in respect of creation of the DRR, the Issuer shall abide by such guidelines and execute all such supplemental letters, agreements and deeds of modification as may be required by the Debenture Holder(s) or the Debenture Trustee.

INTEREST

Calculation of Interest

The Issuer shall pay Interest on the Debentures on each Interest Payment Date. The Interest shall be calculated and payable by the Issuer in accordance with the provisions of the Debenture Trust Deed. The Interest is a floating rate of interest. The Interest payable on the Debentures is the aggregate of the Benchmark Rate plus the Spread payable on each Interest Payment Date. The Interest Rate is reset on a quarterly basis. The Interest Rate will be adjusted based by the Step Rate from the date of a Step-Up Event. The calculation of the Interest Rate is to be rounded off to 2 (Two) decimal places .

Alternative Determination of Benchmark

There will be a quarterly reset of the Benchmark Rate for the Interest Rate. The average closing yield of FBIL 3 months T-Bill closing rate, as published by Financial Benchmarks India Pvt. Ltd. ("**FBIL**") on the FBIL's website http://www.fbil.org.in under Money Market /Interest Rates – T-Bill Curve or such other part of the respective website may be recognized from time to time, of 10 (Ten) previous working days before the Interest Reset Date will be considered. If, for any reason, whatsoever, the alternative determination of the Benchmark Rate is also not possible on an Interest Reset Date, then, the Issuer and the Debenture Trustee (acting on the instructions of the Debenture Holders) shall mutually agree upon a replacement of the Benchmark Rate with a new Benchmark Rate for such the purposes of resetting of the Benchmark Rate on the Interest Reset Date.

STEP UP / STEP DOWN INTEREST

The step up / step down interest shall be as set out in Annexure I (*Issue Details*) and the Debenture Trust Deed.

PUT OR CALL OPTION

There is no put or call option in respect of the Debentures.

DEFAULT INTEREST

The default interest payable as set out below is referred to as the "**Default Interest**":

Default in Performance of Covenants

If the Issuer has failed to pay any amount of Interest or Redemption Amount on the date it is required to be paid, then the Issuer shall pay a default rate on the Debentures at a rate which is 2% (Two per cent) per annum over and above the Interest Rate computed on the entire Secured Obligations, (being the whole principal amount of the Debentures plus the whole Interest amount) for the period commencing from the date of the default and expiring on the date on which the default ceases or has been remedied or waived or cured to the satisfaction of the Debenture Trustee (acting on the instructions of the Debenture Holder(s)). The default interest under the terms of this paragraph may be waived by the majority Debenture Holder(s) (as defined in the Debenture Trust Deed) in the event the failure by the Issuer in the performance of its payment obligations is for the following technical reasons below and does not exceed 1 (One) Business Day from the date of such failure to pay. "**Technical Reasons**" means: (a) the Due Date for such payment falls on a day which is not a Business Day; or (b) the payment infrastructure i.e. RTGS transfers, experiences any downtime causing the delay in payment.

Without prejudice to any other rights and remedies available to the Debenture Trustee pursuant to the terms of Transaction Documents, if the Issuer fails to perform any of its covenants then the Issuer shall pay a default rate on the Debentures at a rate which is 2% (Two per cent) per annum over and above the Interest Rate on the computed on the entire obligations, (being the whole principal amount of the Debentures plus the whole Interest amount) for the period commencing from the date of the default and expiring on the date on which the default ceases or has been remedied or waived or cured to the satisfaction of the Debenture Trustee (acting on the instructions of the Debenture Holder(s)).

Delay in Listing

In the event of delay in listing of the Debentures issued on privately placement basis the Issuer fails to list the Debentures on BSE within 4 (Four) working days from the Issue Closing Date, then the Issuer shall pay interest on the Debentures at a rate which is 1% (One per cent) over the respective Interest Rate from the Deemed Date of Allotment until listing of the Debentures, and the Issuer shall only be permitted to utilise the issue proceeds of its subsequent 2 (Two) privately placed issuances of debentures only after receiving final listing approval from the Stock Exchange.

Delay in execution of the Debenture Trust Deed or Security Creation

If the Issuer fails to execute the Debenture Trust Deed prior to the listing of Debentures or to create the transaction security, then the Issuer shall pay Interest on the Debentures at a rate which is 2% (Two per cent) per annum over and above the Interest Rate until the Debenture Trust Deed or Deed of Hypothecation, as the case may be, is executed to the satisfaction of the Debenture Trustee (acting on the instructions of the Debenture Holder(s)). In the event that the Issuer fails to create security as required in the Debenture Trust Deed and the disclosure documents, the Issuer shall pay interest of at least 2% (Two per cent) per annum over and above the Interest Rate on the amounts outstanding on the Debentures, until the security is created in the manner and on the terms set out in the Debenture Trust Deed and the disclosure documents. The Issuer also agrees to promptly disseminate and disclose information pertaining to failure to create security, on the assets, on its website.

Delay in Allotment

In case of delay of allotment of debt securities beyond the stipulated time period, the Issuer will comply with applicable regulatory requirements, if any, with respect to such delay and pay any penalties.

REDEMPTION

The Issuer agrees and undertakes to redeem the Debentures along with outstanding interest due and redemption premium, if any at the end of 36 (Thirty-Six) months from the Deemed Date of Allotment, being the Redemption Date.

SECURITY

As continuing security and guarantee for the payment and discharge of the Secured Obligations, the Issuer shall create, maintain and perfect the security in favour of the Debenture Trustee (for the benefit of the Debenture Holders) by way of an exclusive charge on the receivables originating from the standard loan assets ("Hypothecated Assets") and from the identified assets held for sale in balance sheet of the Issuer. (herein together referred as Security). The security created / to be created for the benefit of the Debenture Holders shall in all respects rank *pari passu inter se* all the Debenture Holders, without any preference or priority to one over the other or others. The Issuer shall maintain at all times the minimum security cover of at least 1 time (One Time) which shall include the receivables originating from the standard loan assets to the tune of minimum 51% during the entire tenure of NCDs.

For the purpose of calculation of the minimum-security cover on the 'assets held for sale in balance sheet' a fair market valuation shall be considered for the same.

In the event, the Security Cover Ratio falls below the cover mentioned above, the Issuer shall furnish / cause to be furnished additional security and/or replace the Transaction Security and/or restore the Security Cover Ratio by taking any of these steps, of such shortfall provide alternate suitable security, in such form and manner as deemed satisfactory to the Debenture Trustee (acting on the instructions of Majority Debenture Holders), in such form or manner as further set out in the Deed of Hypothecation.

PROCESS OF DUE DILIGENCE (DD) TO BE CARRIED OUT BY THE DEBENTURE TRUSTEE

DD will be carried out as per Applicable Laws issued by SEBI from time to time to the Debenture Trustee. This would broadly include the following:

- Chartered Accountant (CA) appointed by the Debenture Trustee will conduct independent DD as per scope provided, regarding Security offered by the Issuer.
- CA will ascertain, verify, and ensure that the asset offered as security by the Issuer is are free from any encumbrances or necessary permission / consent / NOC has been obtained from all existing charge holders.
- CA will conduct independent DD on the basis of data / information provided by the Issuer.
- CA will, periodical, undertake DD as envisaged in SEBI circulars depending on the nature of security.
- On basis of the CA's report / finding DD certificate will be issued by the Debenture Trustee and will be filed with the Stock Exchange.
- Disclaimers would be incorporated to the effect that:
  a. While the Debentures are secured in accordance with the terms of the Placement Memorandum and Private Placement Offer Letter and charge is held in favour of the Debenture Trustee, the extent of recovery would depend upon realization of asset value and the Debenture Trustee in no way guarantees / assures full recovery / partial of either principal or interest.
  b. DD conducted is premised on data / information made available to the Debenture Trustee appointed agency and there is no onus of responsibility on the Debenture Trustee or its appointed agency for any acts of omission / commission on the part of the Issuer.

FURTHER BORROWINGS

As long as the Security Cover Ratio does not fall below in accordance with the requirements mentioned in respective disclosure documents, the Issuer shall, without the approval of the Debenture Trustee, be entitled to, to make further issue(s) of debentures, raise further loans and advances and/or avail further deferred payment guarantees or, provide corporate guarantees/comfort or avail any other Financial Indebtedness from time to time from such persons/ banks/ financial institutions or body corporate/ any other agency as it deems fit. However, the Issuer shall not until the Final Settlement Date, create any mortgage or charge on any of the secured assets, without obtaining the prior written approval of all Debenture Holders (being 100% (One Hundred Percent of Debenture Holders). Subject to as provided here, it is clarified that the Issuer shall be entitled to create charge over any assets of the Issuer other than the secured assets without any approval from or intimation to Debenture Holders.

REPURCHASE AND RE-ISSUE OF DEBENTURES

Subject to and in accordance with Applicable Law, the Issuer will have the power exercisable at its absolute discretion from time to time to repurchase some or all the Debenture(s) at any time prior to the Final Redemption Date. The Debentures which are in dematerialized form, can be repurchased by the Issuer through its beneficiary demat account in accordance with the norms prescribed by the Depository. This right does not construe a call option. In the event of the Debenture(s) being bought back, or redeemed before maturity in any circumstance whatsoever, the Issuer shall be deemed to always have the right, subject to the provisions of the Act, to re-issue such debentures either by re-issuing the same debenture(s) or by issuing other debentures in their place. Such Debenture(s) may, at the option of the Issuer, be cancelled, held or resold at such price and on such terms and conditions as the Issuer may deem fit and in accordance with Applicable Laws.

RESOLUTION OF CONFLICTS

The obligations of the Issuer shall be governed by the provisions contained in the Transaction Documents, and in the event of there being any inconsistency or repugnancy between the Placement Memorandum, Private Placement Offer Letter and Transaction Documents, the Transaction Documents shall prevail.

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CHAPTER 15
TRANSACTION DOCUMENTS AND KEY TERMS

15.1 TRANSACTION DOCUMENTS

The following documents shall be executed in relation to the Issue (each a "**Transaction Document**"):

(i) Debenture Trustee Agreement, which will confirm the appointment of Beacon Trusteeship Limited as the Debenture Trustee ("**Debenture Trustee Agreement**");

(ii) Debenture Trust Deed, will set out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer ("**Debenture Trust Deed**");

(iii) The Deed of Hypothecation executed by the Issuer in favour of the Debenture Trustee, for the purposes of creating exclusive charge by way of hypothecation on the receivables originating from the standard loan assets ("Hypothecated Assets") and from the identified assets held for sale in balance sheet of the Issuer. (herein together referred as Security) in favour of the Debenture Trustee for the benefit of the Debenture Holders ("**Deed of Hypothecation**");

(iv) Such other documents as agreed between the Issuer and the Debenture Trustee.

15.2 REPRESENTATIONS AND WARRANTIES OF THE ISSUER

The Issuer hereby makes the following representations and warranties and the same shall also be set out in the relevant Transaction Document. Capitalise terms used herein but not defined shall have the meaning as set out in the Debenture Trust Deed.

(i) Status

The Issuer is a company, duly incorporated and validly existing under the law of its jurisdiction of incorporation, and has the right to own its assets and carry on its business as it is being conducted, under the law of its India.

(ii) Binding Obligations

The obligations expressed to be assumed by the Issuer under each of the Transaction Documents, to which it is a party, are legal, valid, binding and enforceable obligations.

(iii) Regulations

The Issuer is a "housing finance company" and is registered with NHB and is under the regulation by RBI and supervision by NHB in accordance with the Applicable Laws.

(iv) Non-Conflict with Other Obligations

The entry into and performance by the Issuer of, and the transactions contemplated by, the Transaction Documents to which it is a party, do not and will not conflict with (i) any Applicable Law or order, writ, injunction or decree of any court or Governmental Authority having jurisdiction over the Issuer; or (ii) its constitutional documents; or (iii) any document, instrument, agreement or obligation by which it is bound.

(v) Power and Authority

The Issuer has the power and authority to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, and the performance and delivery, of the Transaction Documents to which it is or shall be a party, and the transactions contemplated by those Transaction Documents. The Issuer has procured the corporate authorisations, including resolutions of its shareholders required to be obtained by it in respect of the issuance of the Debentures.

(vi) Validity and Admissibility in Evidence

All authorisations required or desirable to make the Transaction Documents to which the Issuer is a party, admissible in evidence in its jurisdiction of incorporation, have been obtained or effected and are in full force and effect. All stamp duty has been paid on the Transaction Documents which are valid and admissible in evidence in courts in Mumbai, India.

(vii) Compliance with Laws

The Issuer is in compliance with Applicable Laws, with all tax laws in all jurisdictions in which it is subject to tax, and is not subject to any present liability by reason of non-compliance with such Applicable Law as would affect the ability of the Issuer to conduct the business. The Issuer has paid all taxes due and payable by it (save and except for the tax claims which are being contested by the Issuer in good faith before appropriate forums and has been disclosed to the Debenture Trustee in writing) and no claims have been asserted or are being asserted against it in respect of taxes as would affect the ability of the Issuer to conduct its business.

(viii) No Event of Default

(a) No Event of Default is continuing or might be expected to result from the entering into or performance by the Issuer of any of the Transaction Documents.

(b) No other event or circumstance is outstanding which constitutes (or would to the best of the knowledge of the Issuer do so with the expiry of the cure period/grace period, the giving of notice, the making of any determination, the satisfaction of any other condition or any combination of any of the foregoing) an Event of Default (howsoever described) under any other lending agreement or instrument which is binding on it or to which its assets are subject.

(c) There exists no default or other circumstance under any agreement or instrument which is binding on:

(A) the Issuer which gives any party thereto a right to suspend or terminate any such agreement or instrument, nor has any event occurred which may form the basis for the suspension, revocation, amendment or termination of any such agreement or instrument or any Authorisation unless such suspension, revocation, amendment or termination does not and is not likely to have a Material Adverse Effect; or

(B) any member of the Group which gives any party thereto a right to suspend or terminate any such agreement or instrument, nor has any event occurred which may form the basis for the suspension, revocation, amendment or termination of any such agreement or instrument or any Authorisation, unless such suspension, revocation, amendment or termination does not and is not likely to have a Material Adverse Effect.

(ix) No Misleading Information

(a) Any factual information provided by or on behalf of the Issuer in connection with the issue of the Debentures are true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.

(b) Nothing has been omitted from any information provided to the Debenture Trustee and no information has been given or withheld that results in such information being untrue or misleading in any material respect.

(c) Any expressions of opinion or intention provided by or on behalf of the Issuer in writing in connection with the Transaction Documents are: (A) fair and reasonable; (B) expressed and made in good faith; (C) arrived at after due and careful consideration and inquiry; and (D) genuinely represent its views as at the date on which they are provided.

(x) Financial Statements

(a) The Issuer maintains and shall maintain accurate business and financial records and prepares all financial statements or management accounts in accordance with the accounting standards consistently applied.

(b) The Financial Year end of the Issuer is 31 March of each calendar year.

(c) The financial statements or management accounts of the Issuer give a true and fair view of its financial condition and operations as at the end of and for the relevant Financial Year.

(d) As at the date of the most recent financial statements, the Issuer does not have any **Financial I**ndebtedness (whether arising under contract or otherwise and regardless of whether or not contingent) which was not disclosed by those financial statements (or by the notes thereto) or reserved against therein, nor any unrealised or anticipated losses which were not so disclosed or reserved against.

(e) There has been no material adverse change in the financial condition, secured assets or business of the Issuer since the preparation of its relevant financial statements.

(xi) Indebtedness and Encumbrances

(a) As at the date of the financial statements or management accounts most recently delivered to the Debenture Trustee of the Issuer, the Issuer has no indebtedness (whether arising under contract or otherwise and regardless of whether or not contingent) or contingent liability, which was not disclosed by those financial statements or management accounts (or by the notes thereto) or reserved against therein, nor any unrealised or anticipated losses which were not so disclosed or reserved against.

(b) No encumbrance exists over the secured assets.

(xii) Legal and Beneficial Ownership

(a) The Issuer has good and marketable title to, or valid leases and licenses of or is otherwise entitled to use, all assets necessary or desirable for it to carry on its business as it is being conducted and has not received any notice of acquisition or requisition of any of its assets or for any claim from any Governmental Authority in respect thereof and has not received any notice of any proceedings pending or initiated against it in respect of acquisition or requisition of its assets.

(b) The Issuer is the sole and absolute legal and beneficial owner and has good and marketable title to the secured assets free from any encumbrance save as created in favour of the Debenture Trustee to secured the Debentures and are in control of the secured assets, and the secured assets are not subject to any legal proceedings, attachment or other process issued by any court, tribunal or authority.

(c) The first ranking exclusive security over the secured assets granted by the Issuer in favour of the Debenture Trustee complies with all Applicable Laws.

(d) The Issuer has not leased or otherwise granted to any person the right to use or occupy any secured asset or any portion thereof and there are no outstanding options, rights of first offer or rights of first refusal to purchase such property or any portion thereof or interest therein save and except permitted security interest.

(e) The Issuer is the sole owner of all assets shown on the Issuer's financial statements delivered to the Debenture Holders save and except as stated in the said financial statements/ or otherwise as may be charged / assigned / securitized from time to time.

(xiii) Execution

The execution and performance of the Transaction Documents by the Issuer is lawful and does not constitute a default, acceleration or termination of any other agreement to which the Issuer is a party or breach of any judgment, decree, order or award.

(xiv) No Proceedings Pending or Threatened

(a) No litigation, arbitration, investigative or administrative proceedings of or before any court, arbitral body or agency which, if adversely determined, will have a Material Adverse Effect, have been started, pending or threatened against the Issuer.
(b) No criminal proceedings have been started, pending, or threatened in writing against any directors or managerial personnel of the Issuer in connection with their role in the business of the Issuer.

(xv) Title

The Issuer has good and marketable title to, or valid leases and licences of or is otherwise entitled to use, all material assets necessary or desirable for it to carry on its business as it is being or is proposed to be conducted. The Issuer has provided title report in respect of the secured assets (wherever applicable) to the satisfaction of the Debenture Trustee.

(xvi) No Immunity

(a) Neither the Issuer nor any of the assets of any obligor is entitled to claim for itself or any of its assets any immunity or privilege (sovereign or otherwise) from any set-off, judgment, execution, attachment or other legal process in India.
(b) The Issuer's entry into the Transaction Documents constitutes, and the exercise of its rights and performance of and compliance with its obligations under the Transaction Documents will constitute, private and commercial acts done and performed for private and commercial purposes.

(xvii) Authorised Signatories

Each Person specified as an authorised signatory of the Issuer in any documents delivered to the Debenture Trustee pursuant to the Transaction Documents, is, subject to any notice to the contrary delivered to the Debenture Trustee, authorised to sign all documents and notices on behalf of the Issuer.

(xviii) Authorisations

All Authorisations required or desirable:

(a) to enable the Issuer to lawfully enter into, exercise its rights and comply with its obligations in the Transaction Documents to which it is a party;
(b) to make the Transaction Documents to which the Issuer is a party admissible in evidence in its jurisdiction of incorporation;
(c) to enable the Issuer to create the security expressed to be created by it pursuant to any Transaction Documents and to ensure that such security has the priority and ranking it is expressed to have;
(d) for the Issuer to carry on its business, trade and ordinary activities which are material, have been obtained or effected and are in full force and effect. Except for any approvals as may be required in connection with the business subsequent to the date hereof; and
(e) to ensure the obligations of the Issuer under the Transaction Documents to which it is a party are legal, valid, binding and enforceable,

have been obtained or effected and are in full force and effect, and each such Authorisation is being complied with.

(xix) No Filing or Stamp Taxes

Other than:

(a) the filing of form CHG-9 for registration of charges under Section 77 of the Act in respect of the security documents;
(b) the filing of the relevant disclosure documents with the Stock Exchange, for the Debentures;
(c) the notarisation of the relevant power of attorney (which has already been effected and is evidenced on the face of the relevant power of attorney);
(d) payment of stamp duty (which has already been made and is evidenced on the face of each Transaction Document);
(e) the filing of forms or registrations with the RoC and registrations with the Information Utility pursuant to the IBC and CERSAI under the SARFAESI Act,

it is not necessary that any Transaction Document be filed, recorded or enrolled with any court or other authority or that any stamp, registration, notarial or similar taxes or fees be paid on or in relation to any Transaction Document or the transactions contemplated thereunder.

(xx) Taxes

(a) The Issuer has: (A) paid all taxes required to be paid by it other than any taxes being contested by it in good faith and in accordance with the relevant procedures and for which adequate reserves are being maintained in accordance with Applicable Law; and (B) made all tax filings required to be made by it, within the time period allowed for payment or filing, as the case may be.
(b) The Issuer is not required to make any tax deduction from any payment it may make under any of the transaction documents unless tax deduction is required by Applicable Law and the same has been notified by the Issuer to the Debenture Trustee under the Debenture Trust Deed.
(c) There are no proceedings pending before, or claims due to, any tax authority in respect of the issuer which could result in any secured assets being or becoming subject to any tax claims pursuant to Section 281 of the Income Tax Act, 1961, and which may lead to a Material Adverse Effect under the Transaction Documents.

(xxi) No Default

(a) No Event of Default is continuing or might reasonably be expected to result from the entering into or performance by the Issuer of its obligations under any Transaction Document to which it is a party.
(b) No other event or circumstance is outstanding which constitutes a breach, a default, an event of default or termination event (howsoever described) under any other agreement or instrument which is binding on the Issuer or to which the assets of the Issuer are subject which might have a Material Adverse Effect.

(xxii) Solvency

(a) The Issuer is able to and has not admitted its inability to, pay its debt as they mature and has not suspended making payment on any of its debt and it has not been deemed by a court to be unable to pay its debts within the meaning of the Applicable Laws, nor in any such case, will it become so in consequences of entering into the Debenture Trust Deed.

(b) The Issuer, by reason of actual or anticipated financial difficulties, has not commenced, and does not intend to commence, negotiations with one or more of its creditors with a view to rescheduling its indebtedness.

(c) The value of the assets of the Issuer is more than the respective liabilities (taking into account contingent and prospective liabilities) and it has sufficient capital to carry on its business.

(d) No moratorium has been, or may, in the reasonably foreseeable future be, declared in respect of any indebtedness of the Issuer.

(xxiii) Material Adverse Change

There is no Material Adverse Change occurred or event of default has occurred or continuing with respect to the business, condition or operations of the Issuer and no such event or circumstance would occur as a result of its executing the Transaction Documents or performance of any obligation thereunder.

(xxiv) Defaulter's List

The names of the Issuer and/ or its directors do not figure in any list of defaulters circulated by the RBI or any bank or financial institution nor do the names of its directors appear in caution list issued by RBI/ Export Credit Guarantee Corporation / Director General of Foreign Trade.

(xxv) Remuneration / expenses of Debenture Trustee

The remuneration, fees and expenses payable to the Debenture Trustee pursuant to the terms of the Transaction Documents arises on account of the provision of services by the Debenture Trustee and the obligations undertaken by the Debenture Trustee under the Transaction Documents are in the nature of service.

(xxvi) Ranking

The payment obligations of the Issuer under the Debentures and the Debenture Documents constitute secured obligations and rank in priority to all its other unsecured and unsubordinated financial creditors. The Debentures rank at least *pari passu* with the claims of all its other unsecured and unsubordinated financial creditors, except for obligations mandatorily preferred by Applicable Law applying to companies generally (as applicable).

(xxvii) Nature of Representations and Warranties

Each of the representations and warranties set out above shall be repeated on the Deemed Date of Allotment, the date of execution of the Debenture Trust Deed, and on each date until the Final Settlement Date.

15.3 **COVENANTS OF THE ISSUER**

The Issuer shall comply with the affirmative covenants, negative covenants, reporting covenants and financial covenants as specified in Annexure I (*Issue Details*) of this Placement Memorandum and also as specified under other Transaction Documents.

15.4 **EVENTS OF DEFAULT**

Events of Default and consequences of it are as set out in Annexure I (*Issue Details*) of this Placement Memorandum.

CHAPTER 16
APPLICATION PROCESS

The Debentures being offered as part of the Issue are subject to the provisions of the Companies Act, 2013, the NCS Regulations, the RBI HFC Master Directions, the Memorandum and Articles of Association of the Issuer, the terms of the Placement Memorandum, the Private Placement Offer Letter, the Application Form and other terms and conditions as incorporated in the Transaction Documents.

Issue Procedure

The Issue will be open on the BSE EBP Platform, on the Issue Opening Date, in accordance with the SEBI Operational Circular and BSE EBP Guideline for issuance of debentures.

Following the Issue Closing Date, an offer was made by the Issuer to Eligible Investors to subscribe to the Debentures by way of a serially numbered and specifically addressed Private Placement Offer Letter and Application Form.

The Issuer reserves the right to change the Issue schedule including the Deemed Date of Allotment at its sole discretion, without giving any reasons or prior notice. The Issue will be open for subscription during the banking hours on each day during the period covered by the issue schedule for the Debentures.

Procedure for Applying for Dematerialized Facility

(i) The applicant must have at least one beneficiary account with any of the DPs of NSDL/CDSL prior to making the application.

(ii) The applicant must necessarily fill in the details (including the beneficiary account number and DP - ID) appearing in the Application Form under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form".

(iii) Debentures allotted to an applicant will be credited to the applicant's respective beneficiary account(s) with the DP.

(iv) For subscribing to the Debentures, names in the Application Form should be identical to those appearing in the details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details maintained with the DP.

(v) Non-transferable allotment advice/refund orders will be directly sent to the applicant by the Registrar and Transfer Agent to the Issue.

(vi) If incomplete/incorrect details are given under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form" in the Application Form, it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Issuer.

(vii) For allotment of Debentures, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-a-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for the losses, if any.

(viii) The redemption amount or other benefits would be paid to those Debenture Holder(s) whose names appear on the list of beneficial owners maintained by the R&T Agent as on the Record Date. In case of those Debentures for which the beneficial owner is not identified in the records of the R&T Agent as on the Record Date, the Issuer would keep in abeyance the payment of the redemption amount or other benefits, until such time that the beneficial owner is identified by the R&T Agent and conveyed to the Issuer, whereupon the redemption amount and benefits will be paid to the beneficiaries, as identified.

Who Can Apply?

The QIBs, Arrangers (either on proprietary basis or otherwise), and any Non–QIB Investors specifically mapped to the Issue and are Eligible Investors as specified in Annexure I "*Issue Details*" and Chapter 6 "*Regulatory Disclosures*" are eligible to apply for the Debentures. All Applicants are required to comply with the relevant regulations/guidelines applicable to them for investing in the Issue in accordance with the norms approved by GoI, RBI or any other statutory body from time to time, including but not limited to BSE EBP Guidelines as published by BSE on its website for investing in this Issue. The contents of the Placement Memorandum and any other information supplied in connection with the Placement Memorandum are intended to be used only by those Investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced or disseminated by the recipient.

THE ISSUER MAY, BUT IS NOT BOUND TO, REVERT TO ANY ELIGIBLE INVESTOR FOR ANY ADDITIONAL DOCUMENTS OR INFORMATION. INVESTMENT BY ELIGIBLE INVESTORS FALLING IN THE CATEGORIES MENTIONED IN THE PLACEMENT MEMORANDUM ARE MERELY INDICATIVE AND THE ISSUER DOES NOT WARRANT THAT THEY ARE PERMITTED TO INVEST IN ACCORDANCE WITH EXTANT LAWS, RULES, REGULATIONS, OR GUIDELINES. EACH OF THE ELIGIBLE INVESTORS ARE REQUIRED TO CHECK AND COMPLY WITH EXTANT LAWS, RULES, REGULATIONS OR GUIDELINES GOVERNING OR REGULATING THEIR INVESTMENTS AS APPLICABLE TO THEM AND THE ISSUER IS NOT, IN ANY WAY, DIRECTLY OR INDIRECTLY, RESPONSIBLE FOR ANY STATUTORY OR REGULATORY BREACHES BY AN ELIGIBLE INVESTOR.

Documents to be provided by Eligible Investors

To be able to bid under the BSE EBP Platform, Eligible Investors must have provided the requisite documents (including but not limited to KYC) in accordance with the SEBI Operational Circular and BSE EBP Guideline or applicable law or as requested by the Issuer. The Issuer is entitled at any time to require an Eligible Investor to provide any KYC or other documents as may be required to be maintained by it or delivered to a third party by it in accordance with applicable laws.

Eligible Investors need to submit the following documents, as applicable:

(i) Memorandum and Articles of Association or other constitutional documents;
(ii) Resolution authorising investment;
(iii) Power of Attorney to custodian;
(iv) Specimen signatures of the authorised signatories;
(v) SEBI registration certificate (for Mutual Funds);
(vi) Copy of PAN card; and
(vii) Application Form (including RTGS details).

Permanent Account Number

Every applicant should mention its Permanent Account Number ("PAN") allotted under Income Tax Act, 1961, on the Application Form and attach a self-attested copy as evidence. Application forms without PAN will be considered incomplete and are liable to be rejected.

Application under Power of Attorney or by Eligible Investors

In case of Applications made under a power of attorney or by a company or a body corporate or registered society or mutual fund, and scientific and/or industrial research organizations or trusts etc., the relevant power of attorney or the relevant resolution or authority to make the Application, as the case may be, together with the certified true copy thereof along with the certified copy of the memorandum and articles of association and/or bye-laws, as the case may be, shall be attached to the Application Form or lodged for scrutiny separately with the photocopy of the Application Form, quoting the serial number of the Application Form, failing which the applications are liable to be rejected.

Applications to be accompanied with Bank Account Details

Every application shall be required to be accompanied by the bank account details of the applicant and the magnetic ink character reader code of the bank for the purpose of availing direct credit of redemption amount and all other amounts payable to the Debenture Holder(s) through EFT/RTGS.

Procedure for Multiple Applications

In case of applications by mutual funds and venture capital funds, a separate application must be made in respect of each scheme of an Indian mutual fund/venture capital fund registered with the SEBI and such applications will not be treated as multiple application, provided that the application made by the asset management company/trustee/custodian clearly indicated their intention as to the scheme for which the application has been made.

The application forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made and must be accompanied by certified true copies of:

(i) SEBI registration certificate;
(ii) Resolution authorizing investment and containing operating instructions;
(iii) Specimen signature of authorized signatories.

How to Apply or Bid

Only those Eligible Investors, as set out in Annexure I "*Issue Details*" and Chapter 6 "*Regulatory Disclosures*", as permitted by applicable law, are permitted to apply or bid for the Issue.

Subject to applicable law, QIBs, Arrangers (either on proprietary basis or otherwise), and any Non–QIB Investors specifically mapped to the Issue which are Eligible Investors are permitted to apply and bid for the Issue.

Eligible Investors should refer the Operating Guidelines for issuance of debt securities on private placement basis through an electronic book mechanism as available on the website of BSE. Eligible Investors will also have to complete the mandatory KYC verification process. Eligible Investors should refer to the SEBI Operational Circular and BSE Operational Guideline in this respect.

All potential Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures. Without prejudice to the aforesaid, where the selection of the Eligible Investors is required to be done pursuant to Operating Guidelines, only those persons, who are registered on the BSE EBP Platform and are eligible to make bids for Debentures of the Issuer and who are Eligible Investors in terms of the SEBI Operational Circular and BSE EBP Guideline shall be considered as "identified persons" for the purposes of Section 42 (2) of the Companies Act, to whom the Issuer shall make private placement of the Debentures and only such "identified persons" shall receive a direct communication from the Issuer with offer to subscribe to the Debentures and only such "identified persons" shall be entitled to subscribe to the Debentures.

All Eligible Investors are required to check and comply with applicable law(s) including the relevant rules or regulations or guidelines applicable to them for investing in this Issue of Debentures. Eligible Investors are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Eligible Investors ought to seek independent legal and regulatory advice in relation to the laws applicable to them. The Issuer is not in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Issuer required to check or confirm the same.

The Issue details shall be entered on the BSE EBP Platform by the Issuer at least 2 (two) Business Days prior to the Issue Opening Date, in accordance with the SEBI Operational Circular and BSE EBP Guideline.

The Issue will be open for bidding for the duration of the bidding window that would be communicated through the Issuer's bidding announcement on the BSE EBP Platform, at least 1 (one) Business Day before the start of the Issue Opening Date.

Some of the key guidelines in terms of the current SEBI Operational Circular and BSE EBP Guideline on issuance of securities on private placement basis through an EBP mechanism, are as follows:

(i) **Modification of Bid**

Investors may note that modification of bid is allowed during the bidding period / window. However, in the last 10 (ten) minutes of the bidding period / window, revision of bid is only allowed for improvement of Interest or yield and upward revision of the bid amount placed by the Investor.

(ii) **Cancellation of Bid**

Investors may note that cancellation of bid is allowed during the bidding period / window. However, in the last 10 (ten) minutes of the bidding period or window, no cancellation of bids is permitted.

(iii) **Multiple Bids**

Investors may note that multiple bids are permitted. Multiple bids by the Arranger to the Issue are permitted to bid on a proprietary or consolidated basis. Arranger to the Issue can put multiple bids for same Investor provided the total of all bids entered is not equal to or more than 5% of the Issue Size or Rs. 15,00,00,000 (Rupees Fifteen Crore), whichever is lower.

(iv) **Manner of Bidding**

The Issue will be through closed bidding on the BSE EBP Platform in line with the BSE EBP Guideline and the SEBI Operational Circular.

(v) **Manner of Allotment**

The Allotment will be done on uniform yield basis in line with the BSE EBP Guideline and the SEBI Operational Circular.

(vi) **Manner of Settlement**

Settlement of the Issue will be done through ICCL and the account details are given in the section on Payment Mechanism of the Placement Memorandum.

(vii) **Settlement Cycle**

The process of pay-in of funds by investors and pay-out to Issuer will be done on T+1 day, where T is the Issue Closing Date.

(viii) **Offer or Issue of executed Private Placement Offer Letter and Application Forms to successful Eligible Investors**

The signed copy of the Private Placement Offer Letter along with the Application Form will be issued to the successful Eligible Investors, who are required to complete and submit the Application Form to the Issuer to accept the offer of the Debentures.

No person other than the successful Eligible Investors to whom the Private Placement Offer Letter has been issued by Issuer may apply for the Issue through the Private Placement Offer Letter and any Application Form received from a person other than those specifically addressed will be invalid.

Only Eligible Investors identified by the Issuer may apply for the Debentures by completing the Application Form in the prescribed format in block letters in English as per the instructions contained therein. The minimum number of Debentures that can be applied for and the multiples thereof shall be set out in the Application Form. No application can be made for a fraction of a Debenture. Application Forms should be duly completed in all respects and applications not completed in the said manner are liable to be rejected. The name of the applicant's bank, type of account and account number must be duly completed by the applicant. This is required for the applicant's own safety and these details will be printed on the refund orders and /or redemptions warrants. The applicant should transfer payments required to be made in any relation by EFT/RTGS, to the bank account of the Issuer as per the details mentioned in the Application Form.

However, Eligible Investors should refer to the SEBI Operational Circular and BSE EBP Guideline as prevailing on the date of the bid.

Bids by the Arranger

The Arrangers, as mapped on BSE EBP Platform by the Issuer can bid on a proprietary, client and consolidated basis. At the time of bidding, the Arranger is required to disclose the following details to the BSE EBP Platform:

(i) Whether the bid is proprietary bid or is being entered on behalf of an Eligible Investor or is a consolidated bid, i.e., an aggregate bid consisting of proprietary bid and bid(s) on behalf of Eligible Investors.

(ii) For consolidated bids, the Arranger shall disclose breakup between proprietary bid and bid(s) made on behalf of Eligible Investors.

(iii) For bids entered on behalf of Eligible Investors, the Arranger shall disclose the following:

    (a) Names of such Eligible Investors
    (b) Category of the Eligible Investors and
    (c) Quantum of bid of each Eligible Investor.

Provided that the Arranger shall not be allowed to bid on behalf of any Eligible Investor if the bid amount exceeds 5% of the Issue Size or Rs. 15,00,00,000 (Rupees Fifteen Crore), whichever is lower (or such revised limits as may be specified in the SEBI Operational Circular and BSE EBP Guideline from time to time).

Withdrawal of Issue

The Issuer reserves the right to withdraw the Issue prior to the Issue Closing Date, at its discretion, and including but not limited to the event of any unforeseen development adversely affecting the economic and regulatory environment or any other force majeure condition including any change in applicable law, pursuant to the conditions set out under the SEBI Operational Circular and BSE EBP Guideline.

Further, the Issuer shall be permitted to withdraw from the Issue process on the following events:

(i) The Issuer is unable to receive the bids up to the Issue Size; or
(ii) An Eligible Investor has defaulted on payment towards the Allotment, within stipulated timeframe, due to which the Issuer is unable to fulfil the Issue Size; or

(iii) The cut-off yield in the Issue (i.e. highest yield at which a bid is accepted) is higher than the estimated cut-off yield (i.e. the yield estimated by the Issuer, prior to the Issue Opening Date) disclosed to the EBP, where the Issue Size is fully subscribed.

If the Issuer has withdrawn the Issue pursuant to point (iii), where the cut-off yield of the Issue is higher that the estimated cut-off yield disclosed to the BSE EBP Platform, the estimated cut-off yield shall be mandatorily disclosed by the BSE EBP Platform to the Eligible Investors. The expression 'estimated cut off yield' means yield so estimated by the Issuer, prior to opening of issue on the BSE EBP Platform. The disclosure of estimated cut off yield by the BSE EBP Platform to the Eligible Investors, pursuant to closure of the Issue, shall be at the discretion of the Issuer. Provided that the Issuer shall accept or withdraw the Issue on the BSE EBP Platform within 1 (one) hour of the closing of the bidding window, and not later than 6 (six) pm on the Issue Closing Date.

However, Eligible Investors should refer to the SEBI Operational Circular and BSE EBP Guideline prevailing on the date of the bid.

Determination of Interest Rate

The Interest rate will be decided based on bids received on the BSE EBP Platform.

Right to Accept or Reject Applications

The Issuer reserves its full, unqualified and absolute right to accept or reject the application, in part or in full, without assigning any reason thereof. The rejected Applicant will be intimated along with the refund warrant, if applicable. No interest on Application money will be paid on rejected Applications. The Application Form that is not complete in all respects is liable to be rejected and would not be paid any interest on the Application money.

For further instructions regarding the application for the Debentures, Eligible Investors are requested to read the instructions provided in the Application Form.

In the event, if any Debentures applied for is or are not allotted in full, the excess application monies of such Debentures will be refunded, as may be permitted.

Basis of Allocation

Allocation shall be made as approved by the Issuer in accordance with applicable SEBI regulations, SEBI Operational Circular, BSE EBP Guideline, and applicable laws. Post completion of bidding process, the Issuer will upload the provisional allocation on the BSE EBP Platform. Post receipt of details of the successful Eligible Investors, the Issuer will upload the final allocation file on the BSE EBP Platform.

Payment Mechanism

The payment shall be done through the electronic bidding process mechanism of the Securities Exchange Board of India and provided by the BSE and requiring payment to the designated account of ICCL ("**Designated Bank Account**"). Payment of subscription money for the Debentures should be made by the successful Eligible Investor as notified by the Issuer (to whom the Issuer has given the offer by issue of a serially numbered and specifically addressed Private Placement Offer Letter). The details of the Designated Bank Account will be provided by BSE to the successful Eligible Investors separately and will also be available on the electronic bidding platform of the BSE.

Successful Eligible Investors should do the funds pay-in for the subscription amount to the Designated Bank Account by way of electronic transfer of funds through RTGS for credit on or before 10:30 a.m. on the Pay In Date ("**Pay In Time**") in the Designated Bank Account of the NSSCL. All payments must be made through RTGS to the Designated Bank Account, whose details are mentioned on the electronic bidding platform of the BSE.

Successful Eligible Investors should ensure to make payment of the subscription amount for the Debentures from their same bank account which is updated by them in the electronic bidding platform of the BSE while placing the bids. In case of a mismatch in the bank account details between electronic bidding platform of the BSE and the bank account from which payment is done by the successful Eligible Investor, the payment would be returned.

Note: In the event of failure of any successful Eligible Investor to complete the funds pay-in by the Pay In Time or the funds are not received in the Designated Bank Account by the Pay In Time for any reason whatsoever, the bid will liable to be rejected and the Issuer and/or the Arranger shall not be liable to the successful Eligible Investor. Funds pay-out on will be made by ICCL to the bank account of the Issuer.

Cheque(s), demand draft(s), money orders, postal orders will not be accepted. The entire amount of Rs. 10,00,000 (Rupees Ten Lakh) per Debenture is payable on application only through RTGS. Applications should be for the number of Debentures applied by the Eligible Investor.

PLEASE NOTE FOR APPLICANTS APPLYING THROUGH RTGS, THE NAME OF THE APPLICANT AND THE APPLICATION FORM NUMBER MUST BE INCLUDED IN THE RTGS INSTRUCTION SLIP FOR TRANSFER OF FUNDS.

Applications not completed in the manner required are liable to be rejected.

The date of subscription shall be the date of realisation of proceeds of subscription money in the Designated Bank Account, as listed above.

All successful Eligible Investors under the SEBI Operational Circular and BSE EBP Guideline will receive the executed version of the Private Placement Offer Letter and the Application Form. This Application Form will need to be completed and delivered to the Issuer with the relevant documents on the terms and within the timelines set out therein.

Settlement Process

Upon final allocation by the Issuer, the Issuer or the Registrar on behalf of the Issuer shall instruct the Depositories on the Pay In Date, and the Depositories shall accordingly credit the allocated Debentures to the demat account of the successful Eligible Investor.

The Registrar shall provide corporate action file along with all requisite documents to Depositories by 12:00 p.m. on the Pay In Date. On the Pay In Date, the Depositories shall confirm to ICCL (clearing corporation of the BSE) the transfer of Debentures in the demat account(s) of the successful Eligible Investors. Upon confirmation from the Depository, the ICCL shall transfer funds to the bank account designated by the Issuer.

Post-Allocation Disclosures by the EBP

Upon final allocation by the Issuer, the Issuer shall disclose the Total Issue Size, Interest rate, ISIN, number of successful Eligible Investor, category of the successful Eligible Investor(s), etc., in accordance with the SEBI Operational Circular and BSE EBP Guideline. The BSE EBP Platform shall upload such data, as provided by the Issuer, on its website to make it available to the public.

Terms of Payment

The full-face value of the Debentures applied for is to be paid along with the Application Form as set out above.

Acknowledgements

No separate receipts will be provided by the Issuer for the Application money.

Deemed Date of Allotment

The cut-off date declared by the Issuer from which all benefits under the Debentures including Interest on the Debentures shall be available to the Debenture Holders is the Deemed Date of Allotment. The actual allotment of Debentures may take place on a date other than the Deemed Date of Allotment. The Issuer reserves the right to keep multiple allotment date(s)/deemed date(s) of allotment at its sole and absolute discretion without any notice. If in case, the Issue Closing Date changes (i.e. preponed/postponed), then the Deemed Date of Allotment may also be changed (preponed/ postponed) by the Issuer, at its sole and absolute discretion.

Letter(s) of Allotment/ Debenture Certificate(s)

The beneficiary account of the Investor(s) with NSDL or CDSL or Depository Participant will be given initial credit within 2 (two) days from the Deemed Date of Allotment. The initial credit in the account will be akin to a letter of Allotment. On completion of the all-statutory formalities, such credit in the account will be akin to a Debenture certificate.

Allotments or Refunds

Allotment of the Debentures shall be made in dematerialized form to the demat accounts in accordance with the details provided in the Application Form. Pending Allotment, all monies received for subscription of the Debentures shall be kept by the Issuer and be utilized only for the purposes permitted under the Placement Memorandum. In case no demat details are provided in the Application Form or such details are incomplete or insufficient, the Issuer reserves the right to hold the Application money until such details are provided accurately.

In case the Issuer has received money from applicants for Debentures in excess of the aggregate of the Application money relating to the Debentures in respect of which allotments have been made, the Registrar shall upon receiving instructions in relation to the same from the Issuer repay the money to the extent of such excess, if any.

If any application is rejected in full, the whole of the Application money received, and if the application is rejected in part, the excess Application money, after adjustment of Application money if any, will be refunded to the Applicant in its bank account mentioned with Depositories. In the event the Registrar is unable to retrieve the Applicant's bank account details from the Depositories or is unable to credit the amount to the Applicant's bank account as above, the Issuer shall make the refund to the Applicant's bank account as mentioned in the Application Form. If no bank account details are provided on the Application Form, then refund through demand draft or pay order or bankers cheques or such other similar mode shall be dispatched by registered post or speed post.

However, the Issuer shall not be liable to pay any interest on any Application monies or refunds, except as required by applicable law.

Interest on Application Money

The Companies Act requires the Issuer to pay interest on application money on failure to repay the application money in cases of non-allotment to subscribers, within 15 (fifteen) days from the 60th (sixtieth) day from the Pay-In Date. However, as the Issue is pursuant to the SEBI Operational Circular and BSE EBP Guideline, the Pay-In Date and the Deemed Date of Allotment fall on the same date, and accordingly payment of interest on application money is not required under law. Further, no interest on application money will be payable in case the Issue is withdrawn by the Issuer in accordance with the SEBI Operational Circular and BSE EBP Guideline.

Fictitious applications

Any person who makes, in fictitious name, any application to a body corporate for acquiring, or subscribing to, the Debentures, or otherwise induced a body corporate to allot, register any transfer of Debentures therein to them or any other person in a fictitious name, shall be punishable under the extant laws.

Dematerialisation

The Issuer is issuing the Debentures only in the dematerialized form and hence there is no physical holding of the Debentures being issued in terms of the Placement Memorandum. The Issuer shall issue the Debentures in dematerialized form and has made necessary arrangements with NSDL and CDSL for the same and shall apply for the ISIN code for the Debentures. Investors shall hold the Debentures in demat form and deal with the same in accordance with the provisions of the Depositories Act and the rules as notified by NSDL and/or CDSL, from time to time. Investors should, therefore, mention their DP's name, DP's identification number and beneficiary account number at the appropriate places in the Application Form. The Investor(s) has the option to hold the said Debentures in dematerialized or in physical form.

Investors who have been allotted the Debentures in dematerialized form can convert the same to physical form later by applying for the same to the Issuer. The Issuer undertakes that it shall use a common form or procedure for transfer of the Debentures issued under the terms of the Placement Memorandum, if at a later stage there is some holding in the physical form due to the Depository giving the re-materialisation option to any Investor.

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CHAPTER 17

DECLARATION

The Issuer undertakes that this Placement Memorandum contains full disclosures in conformity with Form PAS-4 under Section 42 of the Companies Act, Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014 (as amended), NCS Regulations and the RBI HFC Master Directions.

It is hereby declared that:

(i) the Issuer is in compliance with the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, and Companies Act and the rules and regulations made thereunder.

(ii) the compliance with the Companies Act and the rules does not imply that payment of interest or repayment of Debentures, is guaranteed by the central government of India.

(iii) the monies received under the Issue shall be utilized only for the purposes and 'Objects of the Issue' indicated in the Placement Memorandum.

(iv) whatever is stated in the Placement Memorandum and in the Annexures is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is in accordance with the original records maintained by the Promoter subscribing to the Memorandum of Association and Articles of Association of the Issuer.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to the Placement Memorandum.

I, Mr. Subramanian Jambunathan, Managing Director & CEO, am authorized by the Board of Directors of the Issuer vide resolution dated February 28, 2022 to sign this Placement Memorandum and declare that all the requirements of Companies Act and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with.

For and on behalf of the Board of Directors

SUBRAMANIAN JAMBUNATHAN
Digitally signed by SUBRAMANIAN JAMBUNATHAN
Date: 2022.03.04 18:25:59 +05'30'

Mr. Subramanian Jambunathan,
Managing Director & CEO
Place: Mumbai
Date: February 28, 2022

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CHAPTER 18
ANNEXURES

A. **ISSUE DETAILS**

Annexed as Annexure – I

B. **MATERIAL CONTRACTS AND AGREEMENTS FOR THE ISSUE**

Annexed as Annexure – II

C. **CONSENT, DUE DILIGENCE AND FEE LETTER OF DEBENTURE TRUSTEE**

Annexed as Annexure – III

D. **CREDIT RATING LETTER, PRESS RELEASE AND RATING RATIONALE**

Annexed as Annexure – IV

E. **COPY OF BOARD RESOLUTION**

Annexed as Annexure – V

F. **COPY OF SHAREHOLDER RESOLUTIONS**

Annexed as Annexure – VI

G. **SHAREHOLDING PATTERN AS ON DECEMBER 31, 2021**

Annexed as Annexure – VII

H. **LIMITED REVIEW FINANCIAL STATEMENTS FOR THE QUARTER YEAR ENDED DECEMBER 31, 2021 AND AUDITED FINANCIAL STATEMENTS (PROFIT AND LOSS STATEMENT, BALANCE SHEET AND CASH FLOW STATEMENT) OF THE ISSUER FOR EACH OF THE FINANCIAL YEARS ENDED MARCH 31, 2021, MARCH 31, 2020, MARCH 31, 2019 AND AUDITORS REPORTS**

Annexed as Annexure – VIII

I. **RELATED PARTY TRANSACTIONS**

Annexed as Annexure – IX

ISSUE DETAILS

Annexure – I

Security Name (Name of the non-convertible securities which includes (Coupon/ dividend, Issuer Name and maturity year) e.g. 8.70% XXX 2015.	**3-Month T-Bill Shriram Housing Finance Limited 2025**
Issuer / Company	**Shriram Housing Finance Limited ("SHFL")**
Type of Instrument	Secured, Rated, Listed Redeemable, Non-Convertible Debentures ("NCDs"/ "Debentures")
Nature of Instrument (Secured or Unsecured)	Secured
Seniority (Senior or Subordinated)	Senior
Series	Series XX
Mode of Issue	Private placement
Eligible Investors	The following categories of Investors, when specifically approached, and identified upfront by the Issuer, shall be eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form. a) Mutual Funds b) NBFCs c) Provident Funds and Pension Funds d) Trust inclusive of public charitable trust subject to their investment guidelines e) Corporates f) Banks g) Insurance Companies h) Individual i) Any other person eligible to invest in the Debentures subject the relevant prevalent guidelines and as permitted under Applicable Laws. All Eligible Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures. Note: Participation by potential investors in the issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.
Listing (including name of stock Exchange(s) where it will be listed and timeline for listing)	a. The NCDs are proposed to be listed on the WDM of the BSE Limited (BSE). The NCDs shall be listed within 4 (Four) working days from the Issue Closure Date ("Listing Period"). b. The Issuer shall ensure that the Debentures continue to be listed on the wholesale debt market segment of the BSE.

	c. In the event there is any delay in listing of the Debentures beyond the Listing Period, the Issuer will: (i) pay to the Debenture Holders, a penal interest of 1% (One Percent) p.a. over the applicable Coupon Rate from the Deemed Date of Allotment until the listing of the Debentures is completed; and (ii) be permitted to utilize the issue proceeds of its 2 (two) subsequent privately placed issuances of securities only after receiving final listing approval from the stock exchange(s).
Rating of the Instrument (Rating)	IND AA / Positive (Pronounced as “IND Double A with Positive Outlook”) by India Ratings and Research Private Limited The Issuer/Investor(s) reserves the right to obtain an additional credit rating from any SEBI registered Credit Rating Agency for full or part of the Issue size, as it may deem fit, which shall be at least equivalent to the prevailing credit rating to the issue.
Credit Rating Agency	India Ratings and Research Private Limited
Objects of the Issue / Purpose for which there is requirement of funds	The amount equivalent to 100% of the Issue proceeds will be utilized towards the on-lending purpose and general corporate purpose **("Purpose").** The Issuer shall not use the proceeds of the Issue towards: a. Any capital market instrument such as equity, debt, debt linked and equity linked instruments or any other capital market related activities; b. Any speculative purposes; c. Any other activities which are in contravention of the Applicable Law
In case the Issuer is a NBFC and the objects of the Issue entail loan to any entity who is a ‘group Issuer' then disclosures shall be made in the following format:	Not Applicable
Details of the utilization of the Proceeds	The amount equivalent to 100% of the Issue proceeds will be utilized towards the on-lending purpose and general corporate purpose **("Purpose").** The Issuer shall not use the proceeds of the Issue towards: a. Any capital market instrument such as equity, debt, debt linked and equity linked instruments or any other capital market related activities; b. Any speculative purposes; c. Any other activities which are in contravention of the Applicable Law
Issue Size	Rs. 10 Crore base issue size + Rs. 90 Crore Green Shoe
Option to retain oversubscription (Amount)	Upto Rs. 90 Crore
Coupon Computation	Benchmark + Coupon Spread
Benchmark	3 Month T-bill (FBIL Benchmark) yield shall be taken as Average closing yield of 10 previous working days (rounding to 2 decimal) before the

	Coupon Reset Date(s) (data source would be FBIL)
Coupon Spread (Spread)	Fixed Spread of 375 basis points ('bps')
Step Up/Step Down Coupon rate	If the rating of the NCDs/ Issuer is downgraded by two notches from the current rating (i.e. from AA to A+) there will be a step up in the Spread by 25 (Twenty Five) basis points ("Step Rate(s)") per annum and an additional 25 (Twenty Five) basis points per annum in the Spread for each notch downgrade thereafter ("**Step Up Event**"). However, if the rating is upgraded after any rating downgrade, the Spread shall be decreased by 25 (Twenty Five) basis points for each notch upgrade in the rating of the Issuer by such rating agency up to the existing rating ("**Step Down Event**"). The decrease in the Spread will accrue from the date of the Step-Down Event.
Process of computing Initial Coupon Rate	The Initial Coupon Rate is set as rate of 3-Month T-Bill as on February 24, 2022 i.e. 3.70% plus fixed Spread of 375 bps to arrive at a Coupon Rate of 7.45% p.a. ("Initial Coupon Rate").
Coupon Payment Frequency	The Coupon shall be compounded monthly and payable on a Quarterly basis and on Redemption Date.
Coupon Payment Date(s)	The Coupon shall be payable on a quarterly basis from the Deemed Date of Allotment and on the Redemption Date (subject to the Business Day convention set out in the row titled 'Business Day Convention'). The Coupon Payment Date(s) are specifically set out in Annexure I hereto.
Cumulative / Non-Cumulative, in case of dividend	Not Applicable
Coupon Type (Fixed, floating or other structure)	Floating
Coupon Rate Reset Date(s)	The Coupon Rate shall be reset at the end of 3rd (Third) month from the Deemed Date of Allotment & every quarter thereafter till the Redemption Date. The first Coupon Rate Reset shall be done at the expiry of 3 (Three) months from the Deemed Date of Allotment i.e. March 04,2022
Coupon Reset Process (Including rates, spread, effective date, interest rate cap and floor etc.).	• Benchmark Reset 3-Month T-Bill (FBIL Benchmark) yield shall be taken as Average closing yield of previous 10 working days (rounding to 2 decimal) of each Coupon Rate Reset Date(s). • The Coupon shall be reset on quarterly basis maintaining Spread of 375 bps plus Benchmark
Subsequent Coupon Rate(s)	Coupon Rate for subsequent quarters shall be the sum of (a) simple average of 3-Month T-Bill (FBIL Benchmark) closing yield of 10 previous working days (rounding to 2 decimal) prior to each Coupon Rate Reset Date(s) and (b) Spread
Day Count Basis (Actual/Actual)	Actual/ Actual
Interest on Application Money	At the Coupon rate (subject to deduction of tax at source, as applicable) from the date of realization of cheque(s)/ demand draft(s)/ RTGS up to one day prior to the Deemed Date of Allotment. Where pay-in Date and Deemed date of Allotment are the same, no interest on Application money

	is to be paid.
Default Interest Rate	a. Default in Payment: If the Issuer has failed to pay any amount of Interest or Redemption Amount on the date it is required to be paid, then the Issuer shall pay a default rate on the Debentures at a rate which is 2% (Two per cent) per annum over and above the Interest Rate on the computed on the entire obligations, (being the whole principal amount of the Debentures plus the whole Interest amount) for the period commencing from the date of the default and expiring on the date on which the default ceases or has been remedied or waived or cured to the satisfaction of the Debenture Trustee (acting on the instructions of the Debenture Holder(s)). The default interest under the terms of this paragraph may be waived by the majority Debenture Holder(s) (as defined in the Debenture Trust Deed) in the event the failure by the Issuer in the performance of its payment obligations is for the following technical reasons as set in (a) and (b) below and does not exceed 1 (One) Business Days from the date of such failure to pay. "Technical Reasons" means: (a) the due date for such payment falls on a day which is not a Business Day; or (b) the payment infrastructure i.e. RTGS transfers, experiences any downtime causing the delay in payment. b. Default in Performance of Covenants: Without prejudice to any other rights and remedies available to the Debenture Trustee pursuant to the terms of Transaction Documents, if the Issuer fails to perform any of its covenants, (including but not limited to any financial covenants as provided in the Debenture Trust Deed), then the Issuer shall pay a default rate on the Debentures at a rate which is 2% (two per cent) per annum over and above the Interest Rate on the computed on the entire obligations, (being the whole principal amount of the Debentures plus the whole Interest amount) for the period commencing from the date of the default and expiring on the date on which the default ceases or has been remedied or waived or cured to the satisfaction of the Debenture Trustee (acting on the instructions of the Debenture Holder(s)). c. Delay in Listing: In case of delay in listing of securities issued on privately placement basis beyond the timeline of T+4 trading days from the closure of the Issue, the Issuer shall pay penal interest of 1% (One per cent) per annum over the Interest for the period of delay to the Debenture Holders (i.e. from the date of allotment to the date of listing) and be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from Stock Exchange. d. Delay in execution of the Debenture Trust Deed: If the Issuer fails to execute the Debenture Trust Deed prior to the listing of Debentures, then the Issuer shall pay Interest on the Debentures at a rate which is 2% (Two per cent) per annum over and above the Interest Rate until the Debenture Trust Deed is executed to the satisfaction of the Debenture Trustee (acting on the instructions of the Debenture Holder(s)). In the event that the Issuer fails to

	create security on the terms set out in the Debenture Trust Deed and the Placement Memorandum, the Issuer shall pay interest of at least 2% (Two per cent) per annum over and above the Interest Rate on the amounts outstanding on the Debentures, until the security is created in the manner and on the terms set out in Debenture Trust Deed and the Placement Memorandum. The Issuer also agrees to promptly disseminate and disclose information pertaining to failure to create security, on the assets, on its website. e. Delay in allotment: In case of delay of allotment of debt securities beyond the stipulated time period, the Issuer will comply with applicable regulatory requirements, if any, with respect to such delay. The default interest payable as set out above in paragraphs (a) to (e) is referred to as the Default Interest
Tenor	36 (Thirty-Six) months from the Deemed Date of Allotment
Redemption	Bullet at Par, at Maturity.
Redemption Amount	Rs. 10,00,000/- (Rupees Ten Lakhs Only) per Debenture
Redemption Date / Maturity Date	March 04,2025
Redemption Premium/ Discount	NA
Issue price	Rs. 10,00,000/- (Rupees Ten Lakhs Only) per Debenture
Discount at which security is issued and the effective yield as a result of such discount.	NA
Put Option	NA
Call Option	NA
Face Value	Rs. 10,00,000/- (Rupees Ten Lakhs Only) per Debenture
Minimum application and multiples of Debt securities thereafter	The minimum application size for the Issue shall be 10 (Ten) Debenture and in multiples of 1 (One) Debentures thereafter.
Issue Timing	
1. Issue Opening Date	March 03,2022
2. Issue Closing Date	March 03,2022
3. Date of earliest closing of the issue, if any.	NA
4. Pay-in Date	March 04,2022
5. Deemed Date of Allotment	March 04,2022
Settlement Mode of the Instrument	All interest, principal repayments, penal interest and other amounts, if any, payable by the Issuer to the Debenture Holders shall be paid to the Debenture Holders by electronic mode of transfer like RTGS/NEFT/direct credit to such bank account within India as the Debenture Holders' inform the Issuer in writing and which details are available with the Registrar.
Depositories	NSDL and CDSL
Disclosure of Interest/Dividend/	Please refer Schedule I below for the indicative cash flows.

redemption dates	
Issuance mode of the Instrument	On a Private Placement basis in a dematerialized form
Trading mode of the Instrument	Dematerialized form
All covenants of the issue (including side letters, accelerated payment clause, etc.)	There are no other covenants other than as prescribed in this Placement Memorandum.
Business Day	Any day of the week (excluding, Sundays and any day which is a public holiday) on which banks are normally open for business in Chennai, India
Business Day Convention	If any Coupon Payment Date(s) or any other Due Date(s) for the performance of any event falls on a day that is not a Business Day, then the succeeding Business Day will be considered as the effective date. The interest for such additional period shall be adjusted and paid in the next coupon cycle. Hence the subsequent coupon payment period remains intact. If the Redemption Date (also being the last Coupon Payment Date) of the Debentures falls on a day that is not a Business Day, the redemption proceeds shall be paid on the immediately preceding Business Day, along with coupon/interest accrued on the Debentures until but excluding the date of such payment.
Record Date	A Register of Debenture Holders shall be maintained in accordance with Section 88 of the Companies Act, 2013 and the Register of Debenture Holders/the Register of Beneficial Owners, shall be closed 15 (Fifteen) calendar days prior to each Due Date or any other payment date by acceleration.
Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document/ Information Memorandum.	The NCDs shall be secured by an exclusive charge on the receivables originating from the standard loan assets ("Hypothecated Assets") and from the identified assets held for sale in balance sheet of the Issuer. (herein together referred as Security) The Issuer shall maintain a minimum-security cover of 1 time at all times which shall include the receivables originating from the standard loan assets to the tune of minimum 51% during the entire tenure of NCDs. For the purpose of calculation of the minimum-security cover on the 'assets held for sale in balance sheet' a fair market valuation shall be considered for the same. The Issuer shall execute the Debenture Trust Deed and Deed of Hypothecation within the Listing Period and perfect the same by filing CHG-9 with Registrar of Companies (ROC) with 30 (Thirty) calendar days from execution of Deed of Hypothecation. <u>Eligibility Criteria for the Hypothecated Assets</u> a. The Hypothecated Assets are existing at the time of selection, and have not been terminated or prepaid; b. The Hypothecated Assets are free from all Encumbrances and are not subject to any lien or charge; c. All loans hypothecated under the deed of hypothecation should

	comply with RBI norms and guidelines. d. The Hypothecated Assets being charged must comply with all extant 'know your customer' norms specified by RBI; In case of the replacement of Security or in the event of any fall in the Security Cover below the Minimum-Security Cover, the Issuer shall be obliged to reinstate the Security Cover to atleast the Minimum-Security Cover in terms of the Deed of Hypothecation, within 15 (Fifteen) calendar days from the date of such fall in the Security Cover. Without prejudice to the obligation of the Issuer in terms of the foregoing, the Issuer shall be liable to pay 2% (Two percent) per annum additional interest, over and above the Coupon Rate from the date on which the Security Cover falls below the Minimum-Security Cover until the date on which it is reinstated in terms of the Transaction Documents.
Undertaking	The Issuer hereby undertakes that the Security to be created on the Hypothecated Assets is free from all Encumbrances and are not subject to any lien or charge. The Issuer shall /has procured required consents wherever applicable prior to the creation of charge for this NCD issue.
Transaction Documents	The Issuer has executed/shall execute the documents including but not limited to the following, as required, in connection with the Issue as per latest SEBI guidelines/ Companies Act 2013 (as applicable) for issuance of NCDs through private placement: a. Debenture Trustee Agreement b. Placement Memorandum c. Private Placement Offer Letter (Form PAS-4); d. Debenture Trust Deed; e. Deed of Hypothecation; f. Such other documents as agreed between the Issuer and the Debenture Trustee
Conditions Precedent to Disbursement	a. Execution of the Transaction Documents; b. Receipt of Due diligence certificate (Annexure A) issued by the Debenture Trustee in accordance with the SEBI circular dated November 03, 2020 (bearing reference no SEBI/HO/MIRSD/CRADT/CIR/P/2020/218) c. Receipt Rating Rationale and press release from the Credit Rating Agency; d. Rating Letter from the Credit Rating Agency e. Receipt of the Debenture Trustee Consent Letter; f. Receipt of the BSE in-principal approval; g. A certified copy of the resolution of the Issuer's board of directors authorizing the issuance of the Debentures to be provided prior to the Deemed Date of Allotment; h. A certified copy of the resolution of the shareholders of the Issuer under Sections 180(1)(a) and 180(1)(c) of the Act to be provided prior to the Deemed Date of Allotment; i. Duly completed certified/ self-attested KYC Documents of the Issuer and the Authorized Signatories of the Issuer
Conditions Subsequent to Disbursement	The Issuer shall fulfill the following conditions subsequent, to the satisfaction of the Debenture Trustee, pursuant to the Deemed Date of

	Allotment: a. Receipt of Due diligence certificate (Annexure B) issued by the Debenture Trustee in accordance with the SEBI circular dated November 03, 2020 (bearing reference no SEBI/HO/MIRSD/CRADT/CIR/P/2020/218) b. The Issuer shall ensure that the Debentures are credited into the beneficial owner account(s) of the Debenture within 2 (Two) Business Days from the relevant Deemed Date of Allotment; c. The Issuer will ensure listing of Debentures on the BSE within 4 (Four) working days from the Issue Closure Date ("Listing Period"); d. The Issuer shall file a copy of Form PAS-3 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 with the relevant registrar of companies and SEBI within 15 (Fifteen) days from the date of the Private Placement Offer Letter; e. Perfection of the Security over the Hypothecated Assets by filing Form CHG-9 with the Registrar of Companies within 30 (Thirty) calendar days from the execution of Deed of Hypothecation. f. Pay all such stamp duty (including any additional stamp duty), other duties, taxes, charges and penalties, if and when the Issuer may be required to pay according to the applicable state laws. In the event the Issuer fails to pay such stamp duty, other duties, taxes and penalties as aforesaid, the Debenture Trustee shall be at liberty (but shall not be bound) to pay such amounts and the Issuer shall reimburse the aforementioned amounts to the Debenture Trustee on demand; g. Execution of any other documents as the Debenture Trustee may require.
Affirmative Covenants	The Issuer hereby covenants with the Debenture Trustee that the Issuer shall at all times till the Final Settlement Date: (a) **Purpose** The Issuer shall utilise the monies received upon subscription of the Debentures solely towards the purpose and in accordance with Applicable Law as set out in the row titled 'Objects of the Issue / Purpose for which there is requirement of funds'. (b) **Validity of Transaction Documents** Ensure that the Transaction Documents shall be validly executed and delivered and will continue in full force and effect and will constitute valid, enforceable and binding obligations of the Issuer. (c) **Further documents and acts** Execute all such deeds, documents, instruments and assurances and do all such acts and things as the Debenture Trustee may require for exercising the rights under the Transaction Documents and the Debentures and for perfecting charge created in terms of the Deed of Hypothecation or for effectuating and completing the security intended to be hereby created and shall from time to time and at all times after the security hereby constituted shall become enforceable, execute and do all such deeds, documents, assurance,

	acts, and things as the Debenture Trustee may require for facilitating realisation of the Hypothecated Assets. (d) **Make the Relevant filings with the Registrar of Companies** Pursuant to the Act and the relevant rules thereunder, the Issuer undertakes to make the necessary filings of the documents mandated therein . (e) **Compliance with laws** The Issuer shall comply with all Applicable Law (including, without limitation, the Act) as applicable in respect to the issuance of the Debentures, and obtain such regulatory approvals as may be required from time to time, including but not limited, in relation to the following i. the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as may be in force from time to time during the currency of the Debentures; ii. the provisions of the listing agreement entered into by the Issuer with the stock exchange in relation to the Debentures including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), iii. the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the other rules under the Act; iv. Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 v. any other directions/ guidelines, notification, circular, press release issued by the applicable authority, from time to time (f) **Internal Control** i. maintain internal control for the purpose of preventing fraud on amounts lent by the Issuer; and ii. ensure that the proceeds of the Debentures are not used for money laundering or illegal purposes; (g) **Audit and Inspection** Permit visits and inspection of books of records, documents and accounts to the Debenture Trustee and representatives of Debenture Holders as and when required by them and any inspection in respect of the state and condition of the Hypothecated Assets, together with the relevant records and registers relating thereto, as and when required by the Debenture Trustee with prior 3 business days' notice to the Issuer ; (h) **Books and Records** i. maintain its accounts and records in accordance with Applicable Law and make true and proper entries therein of all dealings and transactions of and in relation to the

	Debentures, the Hypothecated Assets and the business of the Issuer; and ii. provide access to relevant books of accounts, documents and records in relation to this Issue and to enter into or upon and to view and inspect the state and condition of all the together with all records, registers of the Issuer as required by the Debenture Trustee and to take copies and extracts thereof with prior 3 business days' notice to the Issuer; (i) **Loss or Damage by Uncovered Risks** Promptly inform the Debenture Trustee and the Debenture Holders of any material loss or significant damage which the Issuer may suffer due to any force majeure circumstances or act of God, such as earthquake, flood, tempest or typhoon, etc. against which the Issuer may not have insured its properties; (j) **Preserve Corporate Status** i. diligently preserve and maintain its corporate existence and status and all rights, privileges, and concessions now held or hereafter acquired by it in the conduct of its business; ii. obtain, comply with and maintain all its licenses and/ or authorizations required, including without limitation, the license to conduct business, and any other rights, licenses and franchises necessary for its obligations under the Debentures and the Transaction Documents and continue to be a validly existing organization in good standing and at all times act and proceed in relation to its affairs and business in compliance with Applicable Law; iii. comply with all acts, authorizations, consents, permissions, rules, regulations, orders and directions of any Governmental Authority; and iv. not do or voluntarily suffer or permit to be done any act or thing whereby its right to transact its business might or could be terminated or whereby payment of the Outstanding Amounts might or would be hindered or delayed; i. **Other notification/ intimation to the Debenture Trustee** The Issuer shall provide information to the Debenture Trustee in respect of the following promptly on the occurrence of such event: A. notify the Debenture Trustee in writing, of any notice of an application or petition for insolvency and/ or winding up having been made or receipt of any statutory notice of insolvency and/ or winding up under the provisions of the Act or any other notice under any other Applicable Law or otherwise of any suit or legal process intended to be filed

	affecting the title to the property of the Issuer; B. notify the Debenture Trustee in writing, if it becomes aware of any fact, matter or circumstance which would cause any of the representations and warranties under any of the Transaction Documents to become untrue or inaccurate or misleading in any respect; C. provide to the Debenture Trustee such further information regarding the financial condition, business and operations of the Issuer as the Debenture Trustee may request; D. notify the Debenture Trustee promptly of any revision in the rating or assignment of a fresh rating provided by the Rating Agency to the Debentures; E. inform the Debenture Trustee promptly about any failure to create, perfect and maintain the Security and about all orders, directions, notices of court/tribunal affecting the Hypothecated Assets; F. The Issuer agrees that it shall forward to the Debenture Trustee promptly: a) a copy of the statutory auditors' and directors' annual report, balance sheet and profit and loss account and of all periodical and special reports at the same time as they are issued; b) a copy of all notices, resolutions and circulars relating to new issue of debt securities at the same time as they are sent to shareholders/ holders of debt securities; and c) a copy of all the notices, call letters, circulars, etc. of the meetings of debt security holders at the same time as they are sent to the holders of debt securities or advertised in the media. G. The Issuer shall forthwith provide a written intimation to the Debenture Trustee of any event which constitutes an Event of Default or which may with the expiry of time be classified as an Event of Default, specifying the nature of such event and any steps the Issuer is taking and proposes to take to remedy the same. H. The Issuer shall keep the Debenture Trustee informed of all the orders, directions or notices of any court or tribunal affecting or likely to affect the assets (or any part thereof) of the Issuer. I. The Issuer shall forthwith provide to the Debenture Trustee the details of any litigation, arbitration or administrative proceedings filed or initiated against the Issuer.

	J. Submit to the Debenture Trustee, if so requested, a statement that the assets of the Issuer which are available by way of security is/are sufficient to discharge the claims of the Debenture Holders as and when they become due. K. Such information as the Debenture Holders may require as to all matters relating to the business, property and affairs of the Issuer that materially impacts the interests of the Debenture Holders and provide access to relevant books of accounts, documents and records in relation to this Issue and to enter into or upon and to view and inspect the state and condition of all the Hypothecated Assets, together with all records, registers of the Issuer including the registers relating to the Hypothecated Assets as required by the Debenture Trustee and to take copies and extracts thereof (k) **Filings** The Issuer shall cooperate with the Debenture Trustee/ Debenture Holders in connection with any assistance the Debenture Trustee/ Debenture Holders may require for the purpose of submitting information in relation to the Debentures and the Transaction Documents to any relevant information utility in accordance with the IBC, and to confirm or authenticate all filings and information sought to be uploaded, and update or modify or rectify any errors in such financial information submitted.
Negative Covenants	The Issuer shall maintain the below mentioned covenants during the entire tenor of the NCDs and till all the amounts outstanding are been duly repaid, in case of any change the Issuer to seek a prior-written consent of the Majority Debenture Holders: a) Change the general nature of its business from that which is permitted as Housing Finance Company' by the NHB b) Any amendment/modification in the Memorandum of Association and Article of Association, where such amendment would have a Material Adverse Effect. c) Change in the financial year end from 31st March unless such change is mandatorily required to be made for compliance with Applicable Law. d) Declare or pay any dividend or make any distributions on its share capital (other than dividends or distributions payable on shares of the Issuer), unless: i. the proposed payment or distribution is out of net income of the current Financial Year (excluding any amount resulting from the revaluation of any of the Issuer's assets); ii. no Event of Default has occurred and is then continuing, or could occur or is reasonably likely to occur, as a result

	of such payment or declaration of any dividend or distribution and after giving effect to any such action; and iii. the Issuer is in compliance with the financial covenants iv. pay or declare any dividend to its shareholders in any year, during the tenor of the Debentures, until the Issuer has paid or has made satisfactory provision for payment of the installments of the principal due and interests due on the Debentures; e) Undertake or permit any merger, consolidation, re-organization, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction excluding the current ongoing merger of Shriram Capital Limited, Shriram City Union Finance Limited and Shriram Transport Finance Company Limited. f) Undertake any new business outside financial services or any diversification of its business outside financial services. g) Appoint or continue to the appointment of any person classified as or who is director of a Issuer classified as a wilful defaulter as a director and/ or a key managerial person of the Issuer h) Apply to the court for the winding up of the Issuer or agree to the winding up of the Issuer i) Enter into compromise or arrangement or settlement with any of its creditors (secured and unsecured) that would prejudicially affect the interest of the Debenture Holders. j) Undertake/permit any voluntary/ involuntary process under the Insolvency and Bankruptcy Code 2016 (IBC). k) Repay any unsecured loans and inter-corporate deposits availed of by the Issuer from Promoters/ related parties (except by way of equity conversion) in case any breach of the transaction documents, default or event of default is subsisting. l) The aggregate outstanding exposure to any group entities of the Shriram Group at any point of time in the form of loans or inter corporate deposits, non-convertible debentures or purchase of portfolio by way of securitization or otherwise, shall not exceed Rs. 100,00,00,000 (Rupees One Hundred Crores).
Reporting / Information Covenants	The following information must be provided by the Issuer to the Debenture Trustee and Debenture Holders as further set out in the Debenture Trust Deed: 1. Quarterly reports within 45 (Forty Five) calendar days from the end of each financial quarter; (A) Information on financial statements of the Issuer; (B) Financial and other covenant compliance certificate signed by the chief financial officer or authorized signatory of the

	Issuer; (C) Shareholding pattern of the Issuer; (D) Asset liability management ("ALM") statement of the Issuer for each financial quarter end; (E) Liquidity position of the Issuer at the end of such for each financial quarter end, in a format acceptable to the Debenture Holders; (F) Portfolio cuts of the data; 2. Restructuring data to be provided annually; 3. Static pool data to be provided annually; 4. Audited annual reports – within 120 (One Hundred and Twenty) calendar days from the end of each financial year; 5. Management information system data pack - giving standard portfolio cuts with corresponding asset quality indicators to be provided by 45 (Forty Five) calendar days from the end of each financial quarter end; 6. Event based reports in the event of changes initiated by the Issuer requiring approval of the board having any impact on this particular debenture or debenture holders, the reporting will be 5 (Five) days post approval of the board, all others will be 15 (Fifteen) days. 7. Change in composition of the Board of Directors and/or shareholding structure and/or senior management officials (any CXO or equivalent) of the Issuer promptly upon the occurrence of such event; 8. Change in statutory auditors promptly upon the occurrence of such event; 9. Any fraud amounting to more than 1% (One percent) of gross loan portfolio promptly upon the occurrence of such event; 10. Material changes in accounting policy promptly upon the occurrence of such event; 11. Material change in the constitutional documents of the Issuer that are prejudicial to the interests of the Debenture Holders promptly upon the occurrence of such event; 12. New segment of business other than the business carried out by the Issuer as at the date of the Debenture Trust Deed promptly upon the occurrence of such event; 13. An event which has a material adverse effect promptly upon the occurrence of such event; 14. Any dispute, litigation, investigation or other proceeding which could result in a material adverse effect promptly upon the occurrence of such event; 15. Any moratorium or any other action taken by the RBI or any other winding up or liquidation proceedings promptly upon the

	occurrence of such event; 16. Any Event of Default or Potential Default, and any steps taken or proposed to remedy the such situation promptly upon the occurrence of such event; and 17. Application commencement of insolvency resolution process under the Insolvency and Bankruptcy Code 2016, as amended in the National Company Law Tribunal or as permitted by Applicable Law and before any other forum by the Issuer or any creditor of the Issuer promptly upon the occurrence of such event.
Rating Covenants	a) The long term credit rating of the Issuer shall not be downgraded and/or assigned at below "AA-" from any credit rating agency. Remarks like "Issuer Not Cooperating" should not be affixed to the Issuer rating. b) The Issuer shall ensure that there is no suspension of the credit rating of the Issuer and/or the Debentures.
Holding & Management Covenants	a) Until the Debentures are repaid in full, the Issuer shall continue to have word "Shriram"in its name at all times. b) Until the Debentures are repaid in full, existing Promoter Group (i.e. Shriram Group) to retain majority holding & management control over the Issuer company during the currency of the NCDs.
Financial Covenants	The following financial covenants and ratios must be maintained in full at all times by the Issuer until all amounts due and payable in respect of the Debentures as further set out in the Debenture Trust Deed ("Financial Covenants"): 1) The maximum Debt to Equity of the Issuer to be 7 (Seven) times; 2) Tier 1 capital adequacy ratio of the Issuer to be maintained at minimum 15% (Fifteen percent); 3) Top 10 (Ten) borrowers not to exceed 35% (Thirty five percent) of Equity of the Issuer; 4) Exposure to real estate developers not to exceed 10% (Ten percent) of Gross Loan Portfolio of the Issuer; 5) Non-Performing Loans of the Issuer to remain below 5% (Five percent); 6) Minimum liquidity of the Issuer should be sufficient to meet total of next 2 (Two) months gross repayment obligations plus 1 (one) month operating expenses of the Issuer; and 7) "**Debt**" for the purposes of the above means the aggregate of: (i) consolidated long term debt outstanding including current maturities, whether secured or unsecured; (ii) consolidated short-term debt outstanding, whether secured or unsecured; (iii) debt in the form of securitized portfolio, which remain on the balance sheet of the Issuer under bale applicable accounting standards; (iv) redeemable

	preference shares outstanding, debentures outstanding plus corporate guarantees, contingent liabilities, accrued interest and subordinated debt. "**Equity**" for the purposes of the above means issued and paid up equity share capital plus all reserves (excluding revaluation reserves and deferred tax assets), compulsory convertible debentures and other forms of compulsory convertible instruments. "**Non-Performing Loans**" is calculated as loans overdue for more than 90 (Ninety) day plus restructured loans (except loans restructured prior to September 2021). **"Liquidity"** will include all unencumbered deposits and investments which can be liquidated on immediate basis. "**Gross Loan Portfolio**" shall mean the aggregate of loan receivable portfolio as reported by the Issuer on the balance sheet of the Issuer. All Financial Covenants shall be tested on a quarterly basis for quarter end being June 30, September 30, December 31 and March 31 in each financial year. The Issuer shall provide half yearly certificate of covenant compliance. The Debentureholder(s) agrees to grant a cure period of 30 (Thirty) calendar days from the end of each quarter in-case of breach of any of the Financial Covenant(s) as mentioned herein.
Optional Accelerated Redemption	Any Debenture Holder(s) shall have the right but not an obligation to require the Issuer to redeem the Debentures along with accrued interest upon the occurrence of any of the below mentioned ("Optional Accelerated Redemption Events"): 1. Breach of any of the covenants as mentioned under the Rating Covenants. 2. Breach of any of the covenants as mentioned under the Holding & Management Covenant 3. Breach of any of the covenants as mentioned under the Financial Covenant upon the lapse of cure period. 4. If the Issuer prepays any loans or redeem NCDs; voluntarily or mandatorily before its stated maturity such that it leads to a negative mismatch on cumulative basis in any of the buckets of ALM statement up to the residual tenure of the NCDs after incorporating all the liabilities of the company including Put Options/interest reset on liabilities. Unutilized bank lines shall not be taken into account while testing the same. 5. Any Material Adverse Effect in the business, condition (financial or otherwise), operations, performance or prospects of the company due to any pending or threatened litigation, charges, investigation or proceedings that may or can have an adverse

	effect on the business condition (financial or otherwise), operations, performance or prospects of the company, that affects the payment obligations of the NCDs. 6. Any legal or regulatory decision resulting in suspension/ revocation of the HFC license The Debenture Holder/ Debenture Holders individually shall have the option to require the Issuer to redeem the Debentures (Optional Accelerated Redemption") on happening of any of the Optional Accelerated Redemption Events. Upon the exercise of the 'Optional Accelerated Redemption" by the Debenture Holder/ Debenture Holders, the Debenture Trustee shall issue a notice to the Issuer for redemption of all amounts outstanding in relation to the Debentures (including any unpaid principal, accrued but unpaid Coupon, Default Interest (if applicable)) as on the date of exercise of the 'Optional Accelerated Redemption' Option ("**Optional Accelerated Redemption Date").** The Issuer shall be required to make payment of the aggregate amounts outstanding in relation to the Debentures, to the exercising Debenture Holder/ Debenture Holders including any unpaid Principal Amount, accrued but unpaid Coupon, Default Interest (if applicable) and liquidated damages (if applicable) within 7 (Seven) calendar days of the Optional Accelerated Redemption Date. The issue of notice for exercising the Optional Acceleration Redemption by the Debenture Holder/s shall not be dependent upon the consent of the Majority Debenture Holders.
Event of Defaults (including manner of voting /conditions of joining Inter Creditor Agreement)	An Event of Default ("Event of Default") shall have occurred upon the happening of any event or circumstances mentioned hereunder: 1. **<u>Payment based Defaults</u>**: (a) The Issuer does not pay on the Due Date(s) any amount payable in terms of the Transaction Documents at the place at and in the currency in which it is expressed to be payable, unless its failure to pay is caused by technical error and payment is made within 1 (One) business day of the relevant Due Date; (b) An event of default shall arise if the Issuer: (a) defaults in any payment of Financial Indebtedness beyond the period of grace if any (except payment of Financial Indebtedness to any government authority pending under a dispute in a Court/Tribunal), provided in the instrument or agreement under which such Financial Indebtedness was created; or (b) defaults in the observance or performance of any agreement or condition relating to any Financial Indebtedness the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (with the giving of notice or the passage of time or

	both would permit or cause) any such Financial Indebtedness to become due prior to its stated maturity; or (c) any Financial Indebtedness of the Issuer is declared to be due and payable, or would permit to be prepaid other than by a regularly scheduled required prepayment, (whether or not such right shall have been waived) prior to the stated maturity thereof; provided that if the above-mentioned Event of Default is capable of being remedied in the sole discretion of the Debenture Holders, the Majority Debenture Holder may provide a cure period as deemed appropriate to them; (c) An event of default shall arise if any of the Promoters/ Guarantor{s) (if any)/ the subsidiaries or holding Company of the Issuer: • defaults in any payment of Financial Indebtedness beyond the period of grace if any, provided in the instrument or agreement under which such Financial Indebtedness was created; or • any Financial Indebtedness is declared to be due and payable, or would permit to be recalled/revoked other than by a regularly scheduled required prepayment, (whether or not such right shall have been waived) prior to the stated maturity thereof; provided that if the above-mentioned Event of Default is capable of being remedied in the sole discretion of the Debenture holder(s), the Debenture holder(s), may provide a cure period as deemed appropriate to them; For the Purpose of this Clause. The event of default shall only arise if Promoter/Promoter Group/Guarantors/Company's Subsidiaries/Holding Company of the Issuer defaults for a total cumulative amount exceeding Rs. 10,00,00,000/- during the tenor of the NCDs. (d) Failure of the Issuer make payment of the aggregate amounts outstanding along with the accrued interest and other charges in relation to the NCDs hereof within stipulated timelines in terms of the Transaction Documents upon exercise of the Optional Accelerated Prepayment Option. (e) The Issuer admits in writing its inability to pay its debts as they fall due or suspends making payments on any of its debts or by reason of actual financial difficulties commences negotiations with one or more creditors with a view to rescheduling its indebtedness; 2. **<u>Security based Defaults:</u>** (a) If the fails to create and / or perfect the Security (i.e., filing CHG-9 Form with ROC) within the stipulated timelines as mentioned in this Placement Memorandum.

	(b) If the Issuer fails to submit the Asset Cover Statement in terms of the Deed of Hypothecation setting out the details of the receivables which are free from encumbrance and meeting the Eligibility Criteria; (c) In the event that the Security Cover falls below the Minimum-Security Cover and the Issuer fails to reinstate the same within 30 (Thirty) calendar days from the date of such fall in the Security Cover; 3. **Covenants & Information based Defaults:** (a) The breach of any terms, covenants (including, without limitation, negative covenants, affirmative covenants, reporting covenants) or obligation under the Transaction Documents 4. **Defaults relating to the validity of the Transaction Documents** (a) The Disclosure Document or any other Transaction Document in whole or in part, becomes invalid or ceases to be a legally valid, binding and enforceable obligation of the Issuer; (b) It is or becomes unlawful for the Issuer to perform any of its obligations under the Transaction Documents and/or any obligation or obligations of the Issuer under any Transaction Document are not or cease to be valid, binding or enforceable; (c) Any representation or warranty made by the Issuer in any Transaction Document or in any certificate, financial statement or other document delivered to the Debenture Trustee/ Debenture Holders by the Issuer shall have been incorrect, false or misleading in any respect when made or deemed made; (d) The Issuer repudiates any of the Transaction Documents, or evidences an intention to repudiate any of the Transaction Documents; (e) Any of the Transaction Documents failing to provide the security interests, rights, title, remedies, powers or privileges intended to be created thereby (including the priority intended to be created thereby), or such security interests failing to have the priority contemplated under the Transaction Documents, or the security interests becoming unlawful, invalid or unenforceable or the security over the Hypothecated Assets is in jeopardy; 5. **Other Defaults** (a) There shall have occurred Material Adverse Effect and such Material Adverse Effect has not been remedied or rectified within a period of 15 (Fifteen) calendar days; (b) Any corporate action, legal proceedings or other procedure or

	step is taken in relation to: i. the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganization (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Issuer; ii. the composition, compromise, assignment or arrangement with any creditor of the Issuer; iii. the appointment of a liquidator, receiver or similar other officer in respect of the Issuer, a composition, compromise, assignment or arrangement with any creditor of the Issuer; iv. enforcement of any security over any assets of the Issuer or any analogous procedure or step is taken in any jurisdiction; v. any other event occurs or proceeding is instituted that under any applicable law would have an effect analogous to any of the events listed in paragraphs (a), (b), (c) and (d) above; (c) Any Governmental Authority condemns, nationalizes, seizes, expropriates or otherwise assumes custody or control of all or any substantial part of the business, operations, property or other assets (including assets forming part of the security) of the Issuer or of its share capital, or takes any action for the dissolution of the Issuer or any action that would prevent the Issuer or its officers from carrying on all or a substantial part of its business or operations; (d) The Issuer's organizational status or any licenses or franchise is revoked or suspended by any government agency or authority after the Issuer has exhausted all remedies and appeals relating thereof; (e) Surrender, revocation or suspension of the Issuer's certificate of registration as a non-banking financial Issuer by the Reserve Bank of India provided that this shall not apply where such certificate of registration is surrendered pursuant to obtaining a banking license; (f) The listing of the Debentures ceases or is suspended at any point of time prior to the Maturity Date (g) The Issuer ceases to carry on its business or any substantial part thereof or gives notice of its intention to do so. (h) The Issuer has taken or suffered to be taken any action for reorganization of its capital or any rearrangement, merger or amalgamation without prior approval of the Debenture Holders in terms hereof; (i) Any material act of fraud, embezzlement, misstatement, misappropriation, or siphoning off of the Issuer/Promoter funds or revenues or any other act having a similar effect being committed by the management of the Issuer/ Promoter.

	(j) The Promoters and/or the directors/ or the key managerial personnel of the Issuer are accused of, charged with, arrested or convicted a criminal offence involving moral turpitude, dishonesty or which otherwise impinges on the integrity of the Promoters and/or the directors and/ or the key managerial personnel of the Issuer, including any accusations, charges and/or convictions of any offence relating to bribery or being declared a willful defaulter; (k) In the event that an application for corporate insolvency resolution process of the Issuer is filed or any form of communication indicating an intention to file such application is issued or any creditor of the Issuer takes any steps requesting the filing of such application, in each case, by the appropriate regulator (i.e. the Reserve Bank of India), under the IBC and the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019; (l) If the Issuer commences a voluntary proceeding under any applicable bankruptcy, insolvency, winding up or other similar law now or hereafter in effect (including by passing any resolution of the Board or the shareholders of the Issuer) or consents to the entry of an order for relief in an involuntary proceeding under any such law, or consents to the appointment of or the taking of possession by a receiver, liquidator, assignee (or similar official) for any or a substantial part of its property; (m) If a petition is filed for the winding up of the Issuer under the Companies Act, 2013 and the same is not stayed or dismissed within a period of 15 days of its filing; (n) Any order/ judgment passed by any of the regulatory authorities against any of the Promoter / Promoter Group /Issuer resulting in debarment of the Promoter / Promoter Group/Issuer for raising funds from the financial markets. (o) The Issuer commences negotiations with one or more of its lenders/ debenture trustees/ debenture holders with a view to rescheduling any of its indebtedness or failure or inability of the Issuer to pay its debts as they mature. In case of breach of any of the above-mentioned covenants, the Issuer shall have a cure period of 15 calendar days for rectify the breach. However, there shall be no cure period for Payment based Defaults, Security based defaults and Covenants & Information based defaults. Subject to the approval of the debenture holders and the conditions as may be specified by the SEBI from time to time, the Debenture Trustee, on behalf of the debenture holders, may enter into inter-creditor agreements provided under the framework specified by the Reserve Bank of India. The voting shall be through show of hands or poll or through such other manner as the Majority Debenture Holder/s may deem fit.

	For the purposes of this Placement Memorandum: "**Maturity Date**" shall mean the date falling at the expiry of 36 (Thirty-Six) months from the Deemed Date of Allotment or such other earlier date on which the Debentures are required to be redeemed pursuant to the Transaction Documents.
Provisions related to Cross Default Clause	As mentioned in paragraph clause 1 (b) & clause 1 (c) of the row titled 'Events of Default'
Consequences Of Events Of Default	On and at any time after the occurrence of an Event of Default, unless such Event of Default at the request of the Issuer is expressly waived by the Debenture Trustee acting on the instructions of the Majority Debenture Holder(s), (a) upon the expiry of the cure period provided to the Issuer, if any, or (b) if the cure period provided is mutually extended by the Parties hereto upon the expiry of such extended period or (c) where no cure period is provided or it is not practical to provide a cure period, then forthwith, or (d) where no cure period has been provided and the Parties mutually agree to provide for a cure period, upon the expiry of such mutually agreed cure period, the Debenture Trustee shall if so directed by any of the Debenture Holder(s): declare that all or part of the obligations be immediately due and payable, whereupon they shall become immediately due and payable; i. accelerate the redemption of the Debentures; ii. enforce such security in such a manner as the Debenture Holders may deem fit; iii. Disclosure of information to relevant authorities or regulatory such as Credit Information Bureau (India) Limited and/or any other agency so authorized by the Reserve Bank of India in any such manner that deem fit to the Debenture Trustee iv. Exercise all the rights and remedies available to it in such manner as Debenture Holder may deem fit without intervention of the Court and without having to obtain any consent of the Issuer; v. without prejudice to its other rights hereunder or under IBC or any other applicable Law, in its sole discretion to exercise all the rights, powers and remedies vested in it for the protection, perfection and enforcement of its rights in respect of the Security herein. vi. Appoint a Nominee Director
Creation of recovery expense fund	The Issuer shall create a recovery expense fund in accordance with the applicable SEBI regulations, including but not limited to the SEBI circular dated October 22, 2020 (bearing reference number: SEBI/HO/MIRSD/CRADT/CIR/P/2020/207) and inform the Debenture Trustee of the same. The recovery expense fund shall be utilised in such manner and for such purposes as is more particularly provided under the said Regulations and Applicable Law.
Conditions for breach of covenant (as specified in the Debenture Trust Deed)	The Conditions for breach of covenants if any shall be specified in the Debenture Trust Deed
EBP Process	**Issue and Payment Procedure** • **Bidding Process**

	All Eligible Participants are required to apply for the Issue and make payment of the full application amount in accordance with the Bidding Process outlined in the Placement Memorandum. The Issue will be through open bidding on the EBP platform in line with EBP Guidelines vide SEBI circular SEBI/HO/DDHS/CIR/P/2018/122 dated August 16, 2018 or such other circular issued from time to time.

- **Manner of settlement**

  Settlement of the Issue will be done through the [escrow account of the Issuer / ICCL] and the account details are given in the section on 'Payment Mechanism' of this Disclosure Document.

- **Provisional or Final Allocation**

  Allocation shall be made on a pro rata basis in the multiples of the bidding lot size, i.e., in multiples of Rs. 10,00,000 (Rupees Ten Lakh Only). Post completion of bidding process, the Issuer will upload the provisional allocation on the BSE EBP platform. Post receipt of details of the successful bidders, the Issuer will upload the final allocation file on the BSE-EBP platform.

- **Method of Allotment**

  The allotment will be done on Uniform Yield basis in line with EBP Guidelines.

- **Settlement cycle**

  The process of pay-in of funds by investors and pay-out to Issuer will be done on T+1 day, where T is the Bidding day. For further, details, please see below section named 'Settlement Process'.

- **Payment Mechanism**

  Payment of subscription money for the Bonds should be made by the Identified Investors as notified by the Issuer.
  The participants should complete the funds pay-in to the designated bank account of Indian Clearing Corporation Ltd (ICCL).

List of Designated Banks is as under:

	ICICI BANK	YES BANK	HDFC BANK
Beneficiary Name	Indian Clearing Corporation Ltd	Indian Clearing Corporation Ltd	Indian Clearing Corporation Ltd
Account Number	ICCLEB	ICCLEB	ICCLEB
IFSC Code	ICIC0000106	YESB0CMSNOC	HDFC0000060
Mode	RTGS	RTGS	RTGS

	Successful bidders must do the subscription amount payment to the Designated Bank Account on or before 10:30 a.m. on the Pay-in Date ("**Pay-in Time**"). Identified Investors should ensure to make payment of the subscription amount for the Bonds from their same bank account which is updated by them in the BSE EBP platform while placing the bids. In case of mismatch in the bank account details between BSE - EBP platform and the bank account from which payment is done by the successful bidder, the payment would be returned. **Note**: In case of failure of any Identified Investor to complete the subscription amount payments by the Pay-in Time or the funds are not received in the Designated Bank Account by the Pay-in Time for any reason whatsoever, the bid will liable to be rejected and the Issuer shall not be liable to issue Bonds to such Identified Investors. • **Settlement Process** Upon final allocation by the Issuer, the Issuer or the Registrar on behalf of the Issue shall instruct the Depositories on the Pay-In Date, and the Depositories shall accordingly credit the allocated Bonds to the demat account of the successful bidder. The Issuer shall give the instruction to the Registrar for crediting the Debentures by 12:00 p.m. on the Pay-In Date. The Registrar shall provide corporate action file along with all requisite documents to Depositories by 12:00 p.m. on the Pay-In Date. On the Pay-In Date, the Depositories shall confirm to the Issuer the transfer of Bonds in the demat account(s) of the successful bidder(s).
Manner of Bidding	Open Book Bidding
Mode of Allotment	Uniform Yield
Settlement Through	ICCL & BSE
Right to Re-purchase and Re-issue the Debenture	The Issuer, subject to the prevailing guidelines, rules/regulations of Reserve Bank of India, the Securities and Exchange Board of India and other Authorities, shall have the option from time to time to repurchase a part or all of the Debentures from the secondary markets or otherwise, on prior mutual consent(s) from the debenture holder(s), at any time prior to the date of maturity. In the event of a part or all of its Debentures being repurchased as aforesaid or redeemed under any circumstances whatsoever, the Issuer shall have, and shall be deemed to have had, the power to reissue the Debenture either by reissuing the same Debentures or by issuing other Debenture in their place. Further the Issuer, in respect of such repurchased/redeemed Debenture shall have the power exercisable either for a part or all of those Debenture, to cancel, keep alive, appoint nominee(s) to hold or reissue at such price and on such terms and conditions as it may deem fit and as permitted by law..
Role and Responsibilities of The Debenture Trustee	The Debenture Trustee shall protect the interest of the Debenture Holders in the event of default by the Issuer in regard to timely payment of interest

	and repayment of principal and shall take necessary action at the cost of the Issuer. No Debenture Holder shall be entitled to proceed directly against the Issuer unless the Debenture Trustee, having become so bound to proceed, fail to do so. It shall be the duty of the Debenture Trustee to: a. satisfy itself that the Placement Memorandum does not contain any matter which is inconsistent with the terms of the issue of Debentures or with the Debenture Trust Deed and/or other document(s); b. satisfy itself that the covenants in the Debenture Trust Deed and/or other document(s)are not prejudicial to the interest of the Debenture Holders; c. call for periodical status or performance reports from the Issuer; d. communicate promptly to the Debenture Holders defaults, if any, with regard to payment of interest or redemption of Debentures and action taken by the Debenture Trustee therefor; e. appoint a nominee director on the Board of the Issuer in the event of: i. 2 (two) consecutive defaults in payment of interest to the Debenture Holders; or ii. default in redemption of Debenture Holders. f. ensure that the Issuer does not commit any breach of the terms of issue of Debentures or covenants of the Debenture Trust Deed and/or other document(s)and take such reasonable steps as may be necessary to remedy any such breach; g. inform the Debenture Holders immediately of any breach of the terms of issue of Debentures or covenants of the Debenture Trust Deed and/or other document(s); h. ensure that the assets of the Issuer issuing Debentures and of the guarantors, if any, are sufficient to discharge the interest and principal amount at all times and that such assets are free from any other encumbrances except those which are specifically agreed to by the Debenture Holders; i. require the Issuer to provide it with for reports on the utilization of funds raised by the issue of Debentures; j. take steps to convene a meeting of the Debenture Holders as and when such meeting is required to be held; k. ensure that the Debentures have been redeemed in accordance with the terms of the issue of Debentures; l. perform such acts as are necessary for the protection of the interest of the Debenture Holders and do all other acts as are necessary in order to resolve the grievances of the Debenture Holders. The Debenture Trustee shall convene the meeting of all the Debenture Holders on: 1. requisition in writing signed by Debenture Holders holding at least 1/10th (one- tenth) in value of the Debentures for the time being outstanding; or 2. happening of any event, which constitutes a breach, default or which in the opinion of the Debenture Trustee affects, the interest of the Debenture Holders. The Debenture Trustee shall carry out its duties and perform its functions

	as required to discharge its obligations under the terms of the Act, NCS Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, Debenture Trustee Agreement, Debenture Trust Deed and/or other document(s), and all other related transaction documents, with due care, diligence and loyalty. The Issuer shall execute the Debenture Trust Deed and/or other document(s) in Form No.SH.12 or as near thereto as possible, in favour of the Debenture Trustee before making an application to Stock Exchange and submit the Debenture Trust Deed with the Stock Exchange. Further, the charge created by the Issuer shall be registered with the Registrar of Companies within 30 days of creation of such charge. In case the charge is not registered anywhere or is not independently verifiable, then the same shall be considered a breach of covenants/ terms of the issue by the Issuer. The Issuer shall, till the redemption of the Debentures, submit its latest audited/ limited review half yearly consolidated (if available) and standalone financial information such as statement of profit and loss, balance sheet and cash flow statement and auditor qualifications, if any, to the Debenture Trustee within the timelines as mentioned in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Further, the Issuer shall within 180 days from the end of the financial year, submit a copy of the latest annual report to the Debenture Trustee and the Debenture Trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional Buyers' (QIBs) and other existing Debenture Holders within 2 (Two) working days of their specific request.
Risk Factors pertaining to the Issue	As mentioned in the Placement Memorandum under the captioned "Risk Factor"
Reissuance	Issuer reserves the right to make multiple issuance under the same ISIN with reference to SEBI circular CIR/IMD/DF-1/67/2017 dated 30th June 2017 Issue can be made either by way of creation of fresh ISIN or by way of issuance under the existing ISIN at premium / par / discount as the case may be in line with SEBI circular CIR/IMD/DF-1/67/2017 dated 30th June 2017.
Governing Law	This Placement Memorandum and the Transaction Documents shall be governed by and shall be construed in accordance with the applicable laws of India. Subject to the paragraph below, any disputes which may arise out of or in connection with the Transaction Documents shall be subject to the exclusive jurisdiction of the courts and tribunals at Chennai and that accordingly, any suit, action or proceedings ("**Proceedings**") arising out of or in connection with the Transaction Documents may be brought in such courts or tribunals. Any dispute arising in connection with the interpretation, performance,

	termination of this Placement Memorandum, or otherwise in connection with this Placement Memorandum ("**Dispute**") shall be finally settled by arbitration under the Arbitration and Conciliation Act, 1996. The arbitral tribunal shall be composed of 1 (One) arbitrator appointed by the Debenture Trustee and the Company mutually. The arbitration proceedings shall be conducted in English and the seat and venue of arbitration shall be Chennai, India. The sole arbitrator may, from time to time, lay down the procedure to be followed in conducting the arbitration proceedings and shall conduct the arbitration proceedings in such manner as it considers appropriate. The arbitration award including any interim awards made by the arbitrator shall be final and binding on the Parties, and enforceable in accordance with its terms. The arbitrator shall state reasons for its findings in writing. The Parties agree to be bound thereby and to act accordingly. The costs of such arbitration shall be borne by the Company. The Debenture Trustee, may, however, in its absolute discretion commence any Proceedings arising out of this Term Sheet in any other court and tribunal in India, and the Company irrevocably submits to and accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of such court or tribunal, and the Company irrevocably waives any objection it may have now or in the future to the laying of the venue of any Proceedings and any claim that any such Proceedings have been brought in an inconvenient forum.
Transaction Costs	The Issuer shall bear all transaction related costs incurred by the Debenture Holders/ Debenture Trustee with respect to legal counsel, valuers and auditors/ consultants. Such costs include: • Debenture Trustee fees; • Rating fees; • Stamping and registration costs in relation to all Transaction Documents; Any other reasonable transaction related expense incurred by the Debenture Holders/ Debenture Trustee.
Taxes, Duties, Costs and Expenses	Relevant taxes, duties and levies are to be borne by the Issuer. The charges/ fees and any amounts payable under the Debentures by the Issuer as mentioned herein do not include any applicable taxes, levies including service tax etc. and all such impositions shall be borne by the Issuer additionally.

Note:

1. If there is any change in Coupon Rate pursuant to any event including elapse of certain time period or downgrade in rating then such new Coupon Rate and events which lead to such change shall be disclosed

2. The procedure used to decide the dates on which the payment can be made and adjusting payment dates in response to days when payment can't be made due to any reason like sudden bank holiday etc, should be laid down

3. The list of documents which has been executed or will be executed in connection with the issue and subscription of debt securities shall be annexed.

4. While the debt securities are secured to the tune of 110% of the principal and interest amount or as per the terms of offer document/ Placement Memorandum, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

Schedule I

Illustration of Bond Cash Flows	
Issuer	**Shriram Housing Finance Limited**
Face Value per NCD	Rs.10,00,000 (Rupees Ten Lakh only)
Date of Allotment	March 04, 2022
Redemption	Bullet, At Par, At Maturity
Initial Coupon Rate	7.45 % p.a.
Frequency of the Coupon	The Coupon shall be compounded monthly and payable on a Quarterly basis and on Redemption Date.
Day Count Convention	Actual/ Actual

Cash flow on a Per Debenture Basis:

Face Value		10,00,000				
Coupon Rate		7.45%				
Months	**Date**	**Net Cash Flow (Principal +Interest including compounded Interest)**	**Principal**	**Interest**	**Compounded Interest**	**Principal O/s**
0	Friday, March 4, 2022	(1,000,000)				1,000,000
1	Monday, April 4, 2022	-	-	-	6,327	
2	Wednesday, May 4, 2022	-	-	-	6,162	
3	Saturday, June 4, 2022	18,896		6,406		1,000,000
4	Monday, July 4, 2022	-			6,123	
5	Thursday, August 4, 2022	-			6,366	
6	Sunday, September 4, 2022	18,896	-	6,406		1,000,000
7	Tuesday, October 4, 2022	-			6,123	
8	Friday, November 4, 2022	-			6,366	
9	Sunday, December 4, 2022	18,689	-	6,200		1,000,000

10	Wednesday, January 4, 2023	-	-		6,327		
11	Saturday, February 4, 2023	-	-		6,367		
12	Saturday, March 4, 2023	18,482	-	5,788		1,000,000	
13	Tuesday, April 4, 2023	-	-		6,327		
14	Thursday, May 4, 2023	-	-		6,162		
15	Sunday, June 4, 2023	18,896	-	6,406		1,000,000	
16	Tuesday, July 4, 2023	-	-		6,123		
17	Friday, August 4, 2023	-	-		6,366		
18	Monday, September 4, 2023	18,896	-	6,406		1,000,000	
19	Wednesday, October 4, 2023	-			6,123		
20	Saturday, November 4, 2023	-			6,366		
21	Monday, December 4, 2023	18,689	-	6,200		1,000,000	
22	Thursday, January 4, 2024	-			6,310		
23	Sunday, February 4, 2024	-			6,350		
24	Monday, March 4, 2024	18,638	-	5,978		1,000,000	
25	Thursday, April 4, 2024	-			6,310		
26	Saturday, May 4, 2024	-			6,145		
27	Tuesday, June 4, 2024	18,844	-	6,389		1,000,000	Leap Year
28	Thursday, July 4, 2024	-			6,107		
29	Sunday, August 4, 2024	-			6,349		
30	Wednesday, September 4, 2024	18,844	-	6,389		1,000,000	
31	Friday, October 4, 2024	-			6,107		

32	Monday, November 4, 2024	-			6,349	
33	Wednesday, December 4, 2024	18,638	-	6,183		1,000,000
34	Saturday, January 4, 2025	-			6,327	
35	Tuesday, February 4, 2025	-			6,367	
36	Tuesday, March 4, 2025	1,018,482	1,000,000	5,788		-

** Cashflow is been drawn considering the Initial Coupon rate mentioned herein, however the same is subject to Coupon Reset Process mentioned herein.*

Annexure – II

MATERIAL CONTRACTS AND DOCUMENTS FOR THE ISSUE

MATERIAL CONTRACTS AND DOCUMENTS FOR THE ISSUE

The contracts and documents referred in this Annexure are material to the Issue, may be inspected at the registered office of the Issuer between 10.00 am to 4.00 pm on a Business Day or before the Issue Closing Date.

Sl. No.	Nature of Contract
1	Certified true copy of the Memorandum and Articles of Association of the Issuer
2	Certified true copy of the certificate of incorporation of the Issuer
3	Board Resolution dated April 20, 2018 authorizing issue of Debentures offered under terms of the Placement Memorandum
4	Board Resolution dated April 28, 2021 approval for issuance of Non-Convertible Debentures on Private Placement Basis
5	Shareholder Resolution dated July 8, 2021 authorizing the issue of Debenture by the Issuer
6	Shareholder Resolution dated July 12, 2018 authorizing the borrowing by the Issuer
7	Copies of annual reports of the Issuer for the last three financial years
8	Credit rating letter from the Rating Agency
9	Letter from Beacon Trusteeship limited giving its consent to act as Debenture Trustee
10	Agreement with Register and Transfer Agent
11	The tripartite agreement between the Issuer, the Registrar and Transfer Agent and NSDL
12	The tripartite agreement between the Issuer, the Registrar and Transfer Agent and CDSL

Annexure – III

CONSENT AND DUE DILIGENCE LETTER OF DEBENTURE TRUSTEE

19574/CL/MUM/21-22/DEB/205
Date: February 28,2022

Shriram Housing Finance Limited
Wockhardt Towers,
East Wing ,Level 3 ,
C-2, G Block ,Bandra-Kurla Complex ,
Mumbai-400,Maharashtra
India

Kind Attn: Mr. GS Agarwal

Sub: Consent Letter to act as Debenture Trustee for Secured Listed Non-Convertible Debentures aggregating upto Rs. 100.00 Crores

Dear Sir,

This is with reference to our discussion regarding appointment of Beacon Trusteeship Limited as Debenture Trustee for Secured Listed Non-Convertible Debentures aggregating to Rs. 100.00 Crores

In this regards it would indeed be our pleasure to be associated with your esteemed organization as Debenture Trustee. In this connection, we confirm our acceptance to act as Debenture Trustee for the same.

We are also agreeable for inclusion of our name as trustees in the Company's offer document/disclosure document/ listing application/any other document to be filed with the Stock Exchange(s) or any other authority as required.

Looking forward to a long and fruitful association with your esteemed organization.

Yours faithfully

For Beacon Trusteeship Limited

Authorised Signatory

Accepted
For Shriram Housing Finance Limited

Authorised Signatory

BEACON
TRUSTEESHIP

DUE DILIGENCE CERTIFICATE – ANNEXURE A

Ref No: BTL/OPR/21-22/19583 **Date: February 28, 2022**

To,
BSE Limited
25th Floor, P. J. Towers,
Dalal Street, Mumbai -400001

SUB.: ISSUE OF SECURED, LISTED, RATED, REDEEMABLE, SENIOR, NON-CONVERTIBLE DEBENTURES OF A FACE VALUE INR 10,00,000 EACH AGGREGATING UPTO INR 100 CRORES BY WAY OF A PRIVATE PLACEMENT BY SHRIRAM HOUSING FINANCE LIMITED.

We, the debenture trustee(s) to the above-mentioned forthcoming issue state as follows:

1) We have examined documents pertaining to the said issue and other such relevant documents, reports and certifications.
2) On the basis of such examination and of the discussions with the Issuer, its directors and other officers, other agencies and on independent verification of the various relevant documents, reports and certifications:

We confirm that:

a) The Issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the debt securities to be issued.
b) The Issuer has obtained the permissions / consents necessary for creating security on the said property(ies).
c) The Issuer has made all the relevant disclosures about the security and its continued obligations towards the holders of debt securities.
d) Issuer has adequately disclosed all consents/ permissions required for creation of further charge on assets in offer document or private placement memorandum/ information memorandum and all disclosures made in the offer document or private placement memorandum/ information memorandum with respect to creation of security are in confirmation with the clauses of debenture trustee agreement.
e) Issuer has given an undertaking that charge shall be created in favour of debenture trustee as per terms of issue before filing of listing application.
f) Issuer has disclosed all covenants proposed to be included in debenture trust deed (including any side letter, accelerated payment clause etc.), offer document or private placement memorandum/ information memorandum and given an undertaking that debenture trust deed would be executed before filing of listing application.
g) All disclosures made in the draft offer document or private placement memorandum/ information memorandum with respect to the debt securities are true, fair and adequate to enable the investors to make a well-informed decision as to the investment in the proposed issue.

We have satisfied ourselves about the ability of the Issuer to service the debt securities.

For Beacon Trusteeship Limited

Beacon Trusteeship Limited

Authorised Signatory
Place: Mumbai

Annexure – IV

CREDIT RATING LETTER, PRESS RELEASE AND RATING RATIONALE

India Ratings & Research
A Fitch Group Company

FitchGroup

Mr. Ravi Subramanian
Managing Director & CEO
Shriram Housing Finance Ltd
Level 3, Wockhardt towers
East Wing, Bandra Kurla Complex
Bandra East
Mumbai - 400051

February 17, 2022

Dear Sir/Madam,

Re: Rating Letter for non-convertible debenture (NCD) programme of Shriram Housing Finance Limited

India Ratings and Research (Ind-Ra) is pleased to communicate the rating of Shriram Housing Finance Limilted:
INR 5.4 billion Non-Convertible Debentures: 'IND AA/Positive '
Out of the above SHFL has issued INR 1.88 billion of NCD
Please refer to detailed annexure.

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings' factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors

Users of India Ratings' ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

India Ratings & Research
A Fitch Group Company

FitchGroup

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It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, “India Ratings” means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at infogrp@indiaratings.co.in

Sincerely,

India Ratings

Prakash Agarwal

J.Z.Haria

Prakash Agarwal
Director

Jindal Zaverchand Haria
Director

Annexure: Facilities Breakup

Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (INR billion)	Rating/Outlook
NCDs	INE432R07117	29-Apr-16	9	29-Apr-23	0.25	IND AA/Positive
NCDs	INE432R07125	2-May-16	9	2-May-23	0.15	IND AA/Positive
NCDs	INE432R07141	1-Jul-16	9.5	1-Jul-21	0.2	WD (paid in full)
NCDs	INE432R07257	11-Dec-20	9.6	11-Dec-30	0.17	IND AA/Positive
NCDs	INE432R07265	15-Jan-21	9.42	15-Jan-31	0.21	IND AA/Positive
NCDs	INE432R07273	3-May-21	9.32	2-May-31	0.1	IND AA/Positive
NCDs	INE432R07281	30-Nov-21	3 month T-bill + 400bp	30-Jun-23	1	IND AA/Positive
		Total utilised			1.88	
		Unutilised			3.52	
		Total			**5.4**	

India Ratings Affirms Shriram Housing Finance's Debt at 'IND AA'/Stable; Off RWN

08

DEC 2020

By Amit Rane

India Ratings and Research (Ind-Ra) has affirmed Shriram Housing Finance Limited's (SHFL) debt instrument to 'IND AA' with a Stable Outlook while resolving the Rating Watch Negative (RWN). The instrument-wise rating actions are given below:

Instrument Type	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (billion)	Rating/Outlook	Rating Action
Bank loans	-	-	-	INR15	IND AA/Stable	Affirmed; Off RWN
Non-convertible debentures* (NCDs)	-	-	-	INR5.6	IND AA/Stable	Affirmed; Off RWN

*Details in Annexure

Analytical Approach: Ind-Ra continues to factor in the ratings the support SHFL receives from its parent, Shriram City Union Finance (SCUF; 'IND AA'/Stable; 77.25% stake) and also in the latter's credit strength.Ind-Ra has taken a consolidated view of SCUF and SHFL, to arrive at the ratings of SCUF. While SCUF mainly provides business loans, SHFL provides housing loans across segments and plans to leverage the Shriram Group's ecosystem.

The affirmation and resolution of RWN reflects a similar action on SCUF. SCUF's ratings have been affirmed due to an overall improvement in the macro-economic and funding situation as well as a significant pick-up in its collections.

Despite being pre-dominantly into the self-employed segment, SHFL's collection efficiency (collections against overdues + current month collections, divided by current month billing) has shown healthy improvement to 97% in October 2020 (June 2020: 50%). The company's quarterly disbursements improved to a record high of INR5.2 billion in 2QFY21 (1QFY21: INR0.8 billion) and the management expects it to sustain based on the trend witnessed in

October 2020. Also, SHFL has been able to mobilise funds at competitive rates from various sources, despite the COVID-19 pandemic-led disruptions. Thus, Ind-Ra does not foresee any major challenge for the company to raise funds incrementally.

KEY RATING DRIVERS

Support-driven Rating: Ind-Ra believes SCUF will remain SHFL's single-largest shareholder and retain management control in the foreseeable future. The agency considers SHFL to be important to SCUF's strategy to focus on the underpenetrated customer segments, and believes the parent will continue to monitor SHFL's business and funding strategy. Ind-Ra believes SCUF could provide low-delinquency housing finance products to its existing borrowers through SHFL, thereby supporting the stickiness of SCUF's borrowers.

SHFL benefits from its strong linkages with the Shriram Group for market know-how. Its new business strategy also focuses on leveraging the Shriram Group's customer and distribution network, especially in states where the group has a dominant presence. Moreover, the managing director, chief executive officer and the chairperson of the audit committee of SCUF are on the board of SHFL. Furthermore, several senior executives from the Shriram Group have been moved in various functions of SHFL (including the managing director and chief executive officer of SHFL) over the last two years, to strengthen the management team of SHFL. SHFL has access to funding lines worth INR3 billion from SCUF in the form of short-term bridge lines.

Healthy Improvement in Collection Efficiency: As on end-1HFY21, 81% of SHFL's borrowers were self-employed. The collection efficiency has shown healthy improvement to 97% in October 2020 (June: 50%). Adjusting for the past overdues, the collection efficiency would have been 91% in October 2020 (June: 46%). As on end-October 2020, 92% of the company's borrowers were making timely payments, of which 86% are making full payments and 6% are making partial payments. SHFL's gross non-performing loans have declined to 2.2% in 1HFY21 (FY20: 2.4%; FY19: 2.8%; FY18: 5.6%), benefitting from the improvement across its product segments. The agency believes that the company has sufficient pre-provision operating profit buffer and COVID-19 related provisions to cover the credit costs that it could suffer in FY21 and FY22. However, a second wave of the pandemic, would be a key monitorable.

As of end-September 2020, SHFL's stage-3 assets (90+days past due) in the book, originated under the new strategy are nil while the overdue portfolio is 1.2% of the total book. While newer originations that have been subjected to the new risk and pricing frameworks may fare better, Ind-Ra believes the performance of originations prior to FY19, currently 40% of the assets under management (AUM), would be sub-par. The company has reworked its business strategy to focus on the INR4 million- 8 million ticket size and will concentrate in seven key states (as compared to all the17 states it is present in), rather than spreading out.

Low Dependence on Capital Market Borrowings: Banks have been the predominant source of funding for SHFL, with a 76% share of in the funding mix (including the funding from National Housing Bank, ('IND AAA'/Stable) which contributes 5%) and the balance 24% is contributed by capital market borrowings in the form of NCDs. The company has borrowing relationships with over 10 banks, and its dependence on capital market borrowings is among the lowest, compared to its peer groups in AA-rated category. SHFL has been able to mobilise INR6.7 billion of funds including INR2.4 billion of NCDs in 1HFY21. Ind-Ra does not foresee any major challenge for the company to raise debt funds incrementally to meet its aggressive growth plans in FY21-FY22.

Liquidity Indicator- Adequate; Supported by Parent: The contractual asset liability management for September 2020 showed positive cumulative gap up to one-year bucket with cumulative surplus (excess of short-term assets over short-term liabilities) at 1.5% of the total assets. As of end-October 2020, SHFL had cash and cash equivalents of INR2.5 billion and unutilised bank lines of INR0.7 billion. The agency believes this liquidity is adequate to cover SHFL's debt repayments and operating expenses till March 2021, even while assuming nil collections. As per the management, the company plans to maintain minimum on-balance sheet liquidity to meet two months of disbursements, expenses and debt obligations. Moreover, while SHFL has a funding line of INR3 billion from SCUF, the agency believes SHFL would not require any liquidity support from the parent over the near term.

Comfortable Leverage: SHFL's leverage (debt/equity) was comfortable at 4.2x at end-1HFY21 (FY20: 3.8x; FY19: 3.7x; FY18: 3.3x). With year-to-date AUM growth of 20.5% in 1HFY21, the company has aggressive plans to grow its AUM by 50% for FY21, which is partly attributable to its low base. With an aim to grow at over 25% even in FY22, the company plans to raise equity capital in early FY22, and Ind-Ra expects support from its parent on the same. The company expects to maintain its leverage at 5x-6x in the medium term.

RATING SENSITIVITIES

Positive: A revision in the parent's rating could lead to a similar action on SHFL.

Negative: A dilution in SCUF's management control, a material reduction in SCUF's ownership, or a downgrade of SCUF's Long-Term Issuer Rating could lead to a downgrade in SHFL's rating. Additionally, any reduction in the liquidity support by the parent, or inability to access funding adequately could lead to a negative rating action for SHFL. The gross stage-3 assets moving above 5% on a sustained basis for SHFL could lead to negative rating action.

COMPANY PROFILE

SHFL was registered as a housing finance company with the National Housing Bank in August 2011 and started lending operations in December 2011. SHFL is promoted by SCUF, a flagship company of the Shriram Group. The company had a network of 73 branches across 15 states and union territories at end-September 2020.

FINANCIAL SUMMARY

Parameters	1HFY21	FY20	FY19
Total assets (INR billion)	29.9	24.9	21.7
Total equity (INR billion)	5.3	5.1	4.6
Net income (INR billion)	0.2	0.5	0.2
Return on average assets (%)	1.7	2.0	0.8
Tier 1 capital (%)	24.1	26.9	29.0
Source: SHFL			

RATING HISTORY

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook/Rating Watch		
	Rating Type	Rated Limits (billion)	Rating	4 May 2020	11 March 2019	12 December 2017
Bank loan	Long-term	INR15.0	IND AA/Stable	IND AA/RWN	IND AA/Stable	IND AA/Stable
NCDs	Long-term	INR5.6	IND AA/Stable	IND AA/RWN	IND AA/Stable	IND AA/Stable

ANNEXURE

Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (billion)	Rating/Outlook
NCDs	INE432R07109	27 October 2015	9	27 October 2020	INR0.40	WD (Paid in full)
NCDs	INE432R07117	29 April 2016	9	29 April 2023	INR0.25	IND AA/Stable
NCDs	INE432R07125	2 May 2016	9	2 May 2023	INR0.15	IND AA/Stable
NCDs	INE432R07141	1 July 2016	9.5	1 July 2021	INR0.20	IND AA/Stable
NCDs		Total unutilised			INR5.00	
		Total			INR5.60	

BANK WISE FACILITIES DETAILS

Click here to see the details

COMPLEXITY LEVEL OF INSTRUMENTS

For details on the complexity level of the instruments, please visit https://www.indiaratings.co.in/complexity-indicators.

SOLICITATION DISCLOSURES

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer.

ABOUT INDIA RATINGS AND RESEARCH

About India Ratings and Research: India Ratings and Research (Ind-Ra) is India's most respected credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance and leasing companies, managed funds, urban local bodies and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India, the Reserve Bank of India and National Housing Bank.

India Ratings is a 100% owned subsidiary of the Fitch Group.

For more information, visit www.indiaratings.co.in.

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Applicable Criteria

Financial Institutions Rating Criteria
Non-Bank Finance Companies Criteria
Rating FI Subsidiaries and Holding Companies

Analyst Names

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India Ratings & Research
A Fitch Group Company

India Ratings Revises Outlook on Shriram Housing Finance's NCDs and Bank Loans to Positive; Affirms 'IND AA'

20

DEC 2021

By Amit Rane

India Ratings and Research (Ind-Ra) has revised Shriram Housing Finance Limited's (SHFL) debt instrument's Outlook to Positive from Stable while affirming the ratings at 'IND AA' as follows:

Instrument Type	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (billion)	Rating/Outlook	Rating Action
Bank loans	-	-	-	INR15	IND AA/Positive	Outlook revised to Positive from Stable; Affirmed
Non-convertible debentures* (NCDs)	-	-	-	INR5.4	IND AA/Positive	Outlook revised to Positive from Stable; Affirmed

*Details in Annexure

Analytical Approach: Ind-Ra continues to factor into the ratings the support SHFL receives from its parent, Shriram City Union Finance (SCUF; 'IND AA'/Positive; 85% stake) and also in the latter's credit strength. Ind-Ra takes a consolidated view of SCUF and SHFL, to arrive at the ratings of SCUF. While SCUF mainly provides business loans, SHFL provides housing loans across segments and leverages the Shriram Group's ecosystem.

The Outlook revision reflects Ind-Ra's consolidated approach for rating SCUF, equity capital support available for SHFL, unchanged management control and board supervision, even post the proposed merger transaction, and board representation of MD and CEO of the combined entity on SHFL.

KEY RATING DRIVERS

Support-driven Rating: The rating action follows the announcement of a merger of SCUF and Shriram Capital Ltd with Shriram Transport Finance Limited (STFC; IND AA+/Stable). Post the merger, the new entity will be named as Shriram Finance Ltd (SFL). Consequently, SHFL will become a subsidiary of SFL with 85.02% holding. Ind-Ra expects the merger to be credit positive for SCUF. Basis 1HFY22 financials, SHFL will contribute only 3% to the assets under management (AUM) and 2% to the profits of the combined entity. SHFL (housing finance company) has not been a part of the merger scheme so that the regulatory arbitrage can continue. There is no change in terms of business operations.

The Outlook revision reflects Ind-Ra's consolidated approach for rating SCUF. Also, the management control, monitoring of business and funding strategy along with board supervision remain unchanged post the proposed merger. Moreover, the managing director, chief executive officer and the chairperson of the audit committee of SCUF are on the board of SHFL. Recently, SCUF infused equity of INR5 billion during FY22 (INR2 billion in May 2021 and INR3 billion in October 2021). Furthermore, SHFL has access to funding lines worth INR3 billion from SCUF in the form of short-term bridge lines.

Low Dependence on Capital Market Borrowings: Banks have been a predominant source of funding for SHFL, with a 85% share of in the funding mix (including 2% funding from National Housing Bank ('IND AAA'/Stable) and the balance 15% is contributed by capital market borrowings in the form of NCDs. Moreover, the company has borrowing relationships with over 22 lenders, and its dependence on capital market borrowings is among the lowest compared to its peer groups in AA-rated category.

SHFL has been able to mobilise INR5.7 billion of funds including INR0.1 billion of NCDs in 1HFY22 at competitive rates. Ind-Ra does not foresee any major challenge for the company to raise debt funds incrementally to meet its aggressive growth plans in FY22-FY23. The company plans to increase the proportion of funding from National Housing Bank, as it is cheaper than the overall cost of funds of the company.

Liquidity Indicator- Adequate; Supported by Parent: The behavioural asset liability management for September 2021 showed a positive cumulative gap up to one-year bucket with cumulative surplus (excess of short-term assets over short-term liabilities) at 1.8% of the total assets. At end-October 2021, SHFL had cash and cash equivalents of INR5.7 billion and unutilised bank lines of INR4.1 billion. As against this, the debt outflows (principal and interest) during November-January 2021 stood at INR 2.0 billion. As per the management, the company plans to maintain minimum on-balance sheet liquidity to meet two months of disbursements, expenses and debt obligations. Moreover, while SHFL has a funding line of INR3 billion from SCUF, the agency believes SHFL would not require any liquidity support from the parent over the near term.

Comfortable Leverage: SHFL's leverage (debt/equity) was comfortable at 4.2x at end-1HFY22 (FY21: 5.6x; FY20: 3.8x; FY19: 3.7x). The company received equity capital of INR2 billion during May 2021, followed by another INR3 billion during 3QFY22. Post this equity infusion, Ind-Ra estimates the debt/equity to have declined below 3.5x in 3QFY22. The company is adequately capitalised to meet its aggressive plans to grow its AUM by 40% for FY22. The company expects to maintain its leverage at 5x-6x in the medium term.

Improving Trend in Asset Quality; but Behaviour of Restructured Loans a Monitorable: At end-1HFY22, 74% of SHFL's borrowers were self-employed. The collection efficiency improved to 100% in October 2021 after reducing to 90% in May 2021 as an impact of the second covid wave. SHFL's gross stage-3 loans reduced to 1.9% in 1HFY22 (1QFY22: 2.3%; FY21: 1.9%; FY20: 2.4%; FY19: 2.8%; FY18: 5.6%), attributable to 53% yoy growth in gross loans to INR42.5 billion and improved underwriting under new management. The agency believes that the company has sufficient pre-provision operating profit buffer and COVID-19 related provisions to cover the credit costs that it could suffer in FY22 and FY23. However, the behaviour of the restructured loans (3.3% of AUM at end-September 2021) would remain a monitorable, given 80% of the loan book is unseasoned.

As of end-September 2021, the newer originations from 4QFY19 constituted 79% of the total AUM, and the gross stage-3 loans (90+days past due) in the new book originated under the new strategy were 0.3% while the 60+ overdue portfolio was 0.8%. While the newer originations that have been subjected to the new risk and pricing frameworks may fare better, Ind-Ra believes the performance of originations prior to FY19 (currently 21% of AUM) would be sub-par. During FY22, the company has implemented strategies under the Griha Poorti initiative to leverage SCUF's 178 branches in Andhra Pradesh and Telangana to build its franchise within the affordable segment. SHFL aims to achieve an AUM of INR10 billion by FY23 under the Griha Poorti initiative.

RATING SENSITIVITIES

Positive: A revision in the parent's rating could lead to a similar action on SHFL.

Negative: The following factors could individually or collectively lead to a negative rating action:
- a dilution in SCUF's management control, a material reduction in SCUF's ownership, or a downgrade of SCUF's Long-Term Issuer Rating
- a material reduction in the liquidity support by the parent, or inability to access funding adequately
- gross stage-3 assets exceeding 5% and leverage exceeding 6x on a sustained basis for SHFL

COMPANY PROFILE

SHFL was registered as a housing finance company with NHB ('IND AAA'/Stable) in August 2011 and started lending operations in December 2011. SHFL is promoted by SCUF, a flagship company of the Shriram Group. The company had a network of 84 branches across 15 states and union territories at end-September 2021.

FINANCIAL SUMMARY

Parameters	1HFY22	FY21	FY20
Total assets (INR billion)	42.3	38.3	24.9
Total equity (INR billion)	8.0	5.7	5.1
Net income (INR billion)	0.3	0.6	0.5
Return on average assets (%)	1.6	2.0	2.0
Tier 1 capital (%)	23.8	22.1	26.9
Source: SHFL, Ind-Ra			

RATING HISTORY

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook/Rating Watch						
	Rating Type	Rated Limits (billion)	Rating	3 December 2021	8 December 2020	4 May 2020	11 March 2019	12 December 2017	1 September 2017	12 July 2017
Bank loan	Long-term	INR15.0	IND AA/Positive	IND AA/Stable	IND AA/Stable	IND AA/RWN	IND AA/Stable	IND AA/Stable	IND AA/RWE	IND AA/RWE
NCDs	Long-term	INR5.4	IND AA/Positive	IND AA/Stable	IND AA/Stable	IND AA/RWN	IND AA/Stable	IND AA/Stable	IND AA/RWE	IND AA/RWE

ANNEXURE

Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (billion)	Rating/Outlook
NCDs	INE432R07117	29 April 2016	9.00	29 April 2023	INR0.25	IND AA/Positive
NCDs	INE432R07125	2 May 2016	9.00	2 May 2023	INR0.15	IND AA/Positive
NCDs	INE432R07257	11 December 2020	9.60	11 December 2030	INR0.17	IND AA/Positive
NCDs	INE432R07265	15 January 2021	9.42	15 January 2031	INR0.21	IND AA/Positive
NCDs	INE432R07273	3 May 2021	9.32	2 May 2031	INR0.1	IND AA/Positive
NCDs	INE432R07281	30 November 2021	3 month T-bill + 400bp	30 June 2023	INR1.0	IND AA/Positive

NCDs		Total utilised			INR1.88	
NCDs		Unutilised			INR3.52	
		Total			**INR5.4**	

BANK WISE FACILITIES DETAILS

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COMPLEXITY LEVEL OF INSTRUMENTS

Instrument Type	Complexity Indicator
Bank loans	Low
NCDs	Low

For details on the complexity level of the instruments, please visit https://www.indiaratings.co.in/complexity-indicators.

SOLICITATION DISCLOSURES

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

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Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India, the Reserve Bank of India and National Housing Bank.

India Ratings is a 100% owned subsidiary of the Fitch Group.

For more information, visit www.indiaratings.co.in.

DISCLAIMER

Applicable Criteria

Financial Institutions Rating Criteria
Non-Bank Finance Companies Criteria
Rating FI Subsidiaries and Holding Companies

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Annexure – V

COPY OF BOARD RESOLUTIONS

SHRIRAM
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Certified true copy of the resolution passed at the Meeting of the Board of Directors of Shriram Housing Finance Limited held on Friday, April 20, 2018 at 11:30 a.m. at the Board Room, Level 1, Wockhardt Towers, East Wing, Bandra Kurla Complex, Mumbai 400 051

Approval for increase in the Borrowing Limits

"RESOLVED THAT pursuant to Sections 42, 62, 71 and 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and relevant Rules prescribed under the Act, (including any statutory modifications and re-enactment thereof for the time being in force) applicable regulations of Securities & Exchange Board of India, National Housing Bank and any other applicable regulations, if any, subject to the approval of the shareholders of the Company, the approval of the Board of Directors of the Company (hereinafter called "Board", which term shall be deemed to include any duly authorised Committee thereof, which the Board may have constituted or hereinafter constitute from time to time by whatever name called to exercise its power including the power conferred by this resolution) be and is hereby accorded to borrow for the purpose of the business of Company any sum or sums of moneys for and on behalf of the Company in Indian Rupees and/or in any foreign currency (i) by way of availing of long/short term loans and all kinds of financial assistance by all permissible methods, secured/ unsecured from banking companies, financial institutions, bodies corporate or any person(s), (ii) by way of issue of commercial papers, rupee denominated bonds/senior notes to eligible person(s), lenders, investor(s) (iii) by way of issue of redeemable nonconvertible debentures, subordinated debentures, bonds or any other security or instrument(s) on private placement basis as well as by way of public issue by issue of shelf-disclosure documents, prospectus, shelf prospectus, information memorandum, offering circular or otherwise, from persons, institutional investors, Foreign Institutional Investors, qualified institutional buyers, resident public financial institutions, multilateral financial institutions, regional financial institutions, statutory corporations, provident funds, pension funds, superannuation funds, gratuity funds, alternative investments funds, insurance companies, mutual funds, national investment fund, insurance funds, non-institutional investors, companies, bodies corporate, societies, educational institutions and association of persons, trusts, scientific and /or industrial research organizations, partnership firms, Limited Liability Partnerships, Resident Individuals, High Net-worth Individuals (HNIs), Hindu Undivided Families (HUFs), retail individual investors, or (iv) by way of issuance of any other permissible instruments or methods of borrowing, whether unsecured or secured by mortgage, charge, hypothecation, lien, pledge or otherwise of the Company's assets and properties, whether movable or immovable, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company, apart from temporary loans obtained and/or to be obtained from the Company's bankers in the ordinary course of business, will or may exceed the aggregate of the paid up share capital of the Company and its free reserves, provided that the total amount borrowed and outstanding at any point of time shall not exceed Rs.5,000 Crore (Rupees Five Thousand Crores only);

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

Shriram Housing Finance Ltd.
Level 3, Wockhardt Towers, East Wing, C-2, G Block, Bandra Kurla Complex, Mumbai - 400051.

Regd Office: No. 123, Angappa Naicken Street, Chennai - 600 001.
CIN : U65929TN2010PLC078004

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shriramhousing.in

RESOLVED FURTHER THAT the Board or such Committee or person(s) as authorized by the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as it/they may consider necessary, expedient, usual or proper to give full effect to the aforesaid resolution, including but not limited to settle any questions or resolve difficulties that may arise in this regard, if any, as it may, in its absolute discretion, deem fit, without requiring the Board to secure any further consent or approval of the Members of the Company to the intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

Certified to be true
For **Shriram Housing Finance Limited**

Bhavita Ashiyani
Company Secretary & Compliance Officer

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

SHRIRAM HOUSING FINANCE

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Certified true copy of the resolution passed at the Meeting of the Board of Directors of Shriram Housing Finance Limited held on Wednesday, April 28, 2021 at 12.30 p.m. through Video Conferencing.

Approval for Issuance of Non-Convertible Debentures Private Placement Basis

"RESOLVED THAT pursuant to Sections 42, 71 and any other applicable provisions of the Companies Act, 2013, as amended from time to time ("Act") read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended, and in accordance with the provisions of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, ("SEBI Debt Regulations") as amended from time to time, Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") as amended from time to time and the circulars and clarifications issued by National Housing Bank ("NHB") from time to time, and such other laws and regulations, and subject to the approval of the Members of the Company in the ensuing Annual General Meeting, the Board of Directors of the Company (hereinafter called "Board", which term shall be deemed to include any duly authorised Committee thereof, which the Board may have constituted or hereinafter constitute from time to time by whatever name called to exercise its power including the power conferred by this resolution), be and is hereby authorized to make offer(s), invitation(s) to invite, offer, issue, allot, secured or unsecured Redeemable Non-Convertible Debentures ("NCDs"), Subordinated Debts, Bonds, Commercial Papers or any other Debt Securities on a private placement basis, within the overall borrowing limits of the Company, in one or more tranches during the period commencing from the date of the ensuing Annual General Meeting ("AGM") until the conclusion of the next AGM of the Company to the Qualified Institutional Buyers ("QIBs"), Foreign Institutional Investors ("FII"), Foreign Portfolio Investors ("FPIs"), Banks, Financial Institutions ("FIs"), Mutual Funds ("MFs"), Provident Funds, Gratuity Funds, Corporates and such other entities / persons eligible to apply / subscribe the securities on such terms and conditions as may be decided by the Board, from time to time, determine and consider proper and most beneficial to the Company including and without limitation the time of issue, consideration for the issue, mode of payment, rate of interest, tenure and security cover thereof, utilisation of the proceeds of the issue.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized and delegate further to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its sole and absolute discretion deem necessary in relation thereto."

Certified to be true
For **Shriram Housing Finance Limited**

Bhavita Ashiyani
Company Secretary & Compliance Officer

Shriram Housing Finance Ltd.
Level 3, Wockhardt Towers, East Wing, C-2, G Block, Bandra Kurla Complex, Mumbai - 400051.

Regd Office: No. 123, Angappa Naicken Street, Chennai - 600 001.
CIN : U65929TN2010PLC078004

SHRIRAM HOUSING FINANCE

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shriramhousing.in

Certified true copy of the resolution passed at the Meeting of the Board of Directors of Shriram Housing Finance Limited held on Monday, October 25, 2021 at 12.15 p.m. through Video Conferencing.

Approval of issuance of Private Placement Document – NHB / RBI

"RESOLVED THAT in terms of Clause 62 of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 14, the approval of the Board be and is hereby granted for issue of Private Placement Offer Cum Application Letter / Information Memorandum / Shelf Disclosure Document for private placement of Non-Convertible Debentures within the overall borrowing powers of the Board of Directors of the Company.

RESOLVED FURTHER THAT the purpose of raising funds through issuance of Non-convertible Debentures are financing activities, business operations (including on-ward lending), re-payment of the existing financial indebtedness and general corporate purposes of the Company.

RESOLVED FURTHER THAT the Directors and Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts and things and deal with all such matters and take all such step as may be necessary to give effect to this resolution and to sign and execute any deeds / documents / agreements / papers / writings, as may be required in this regard."

Certified to be true
For **Shriram Housing Finance Limited**

Bhavita Ashiyani
Company Secretary & Compliance Officer

Annexure – VI

COPY OF SHAREHOLDER RESOLUTIONS

SHRIRAM HOUSING FINANCE

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Certified true copy of the resolution passed at the Annual General Meeting of the Members of Shriram Housing Finance Limited held on Thursday, July 8, 2021 at 11.30 a.m. at No. 144, Santhome High Road, 3rd Floor, Shriram City Business Solutions Center, Mylapore, Chennai - 600 004

Private Placement of Non-Convertible Debentures and / or other Debt Securities

"RESOLVED THAT pursuant to provisions of the Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Securities and Exchange Board of India ("SEBI") (Issue and Listing of Debt Securities) Regulations, 2008, as amended, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as amended time to time, and other applicable SEBI regulations and guidelines, and the circulars and clarifications issued by National Housing Bank ("NHB") from time to time and subject to such other applicable laws, rules and regulations, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "Board", which term shall include any duly constituted Committee of the Board), which the Board may have constituted or hereinafter constitute from time to time by whatever name called to exercise its power including the power conferred by this resolution), for making offer(s) or invitation(s) to subscribe and to allot Secured / Unsecured / Redeemable / Non-Redeemable / Market Linked Non-Convertible Debentures (NCDs) including but not limited to subordinated debentures, bonds, and / or other debt securities, etc., on a private placement basis, in one or more series / tranches during the period commencing from the date of this Annual General Meeting ("AGM") hereof until the conclusion of the next AGM of the Company to the Qualified Institutional Buyers, Foreign Institutional Investors, Foreign Portfolio Investors, Mutual Funds, Provident Funds, Corporates and such other entities / persons eligible to apply / subscribe the securities on such terms and conditions as may be decided, from time to time, determine and consider proper and most beneficial to the Company for refinancing of existing debt within the overall borrowing limits of the Company, as may be approved by the Members from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do determine, negotiate, modify and finalize the terms of issue including the class of investors to whom NCDs are to be issued, time of issue, securities to be offered, the number of NCDs, tranches, issue price, tenor, interest rate, premium / discount, listing, redemption period, utilization of issue proceeds and to do all such acts and things and deal with all such matters and take all such steps as may be necessary and to sign and execute any deeds / documents / undertakings / agreements / papers / writings, as may be required in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any director(s) and/or officer(s) of the Company and/or any Committee, to give effect to the resolution."

Certified to be true
For **Shriram Housing Finance Limited**

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

Bhavita Ashiyani
Company Secretary & Compliance Officer

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Certified true copy of the resolution passed at the Annual General Meeting of the Members of Shriram Housing Finance Limited held on Thursday, July 12, 2018 at 11.00 a.m. at No. 144, Santhome High Road, 3rd Floor, Shriram City Business Solutions Center, Mylapore, Chennai - 600 004

Approval for increase in the Borrowing Powers

"RESOLVED THAT in supersession of the special resolution passed at the Extra Ordinary General meeting held on December 13, 2016 and pursuant to Sections 42, 62, 71 and 180 (1)(c) and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and relevant Rules prescribed under the Act, (including any statutory modifications and re-enactment thereof for the time being in force) applicable regulations of Securities & Exchange Board of India, National Housing Bank and any other applicable regulations, consent of the Company be and is hereby accorded to the Board of Directors of the Company or its Committee as may be authorized by the Board of Directors (hereinafter called "Board", which term shall be deemed to include any duly authorised Committee thereof, which the Board may have constituted or hereinafter constitute from time to time by whatever name called to exercise its power including the power conferred by this resolution) to borrow for the purpose of the business of Company any sum or sums of moneys for and on behalf of the Company in Indian Rupees and/or in any foreign currency (i) by way of availing of long/short term loans and all kinds of financial assistance by all permissible methods, secured/ unsecured from banking companies, financial institutions, bodies corporate or any person(s), (ii) by way of issue of commercial papers, rupee denominated bonds/senior notes to eligible person(s), lenders, investor(s) (iii) by way of issue of redeemable nonconvertible debentures, subordinated debentures, bonds or any other security or instrument(s) on private placement basis as well as by way of public issue by issue of shelf-disclosure documents, prospectus, shelf prospectus, information memorandum, offering circular or otherwise, from persons, institutional investors, Foreign Institutional Investors, qualified institutional buyers, resident public financial institutions, multilateral financial institutions, regional financial institutions, statutory corporations, provident funds, pension funds, superannuation funds, gratuity funds, alternative investments funds, insurance companies, mutual funds, national investment fund, insurance funds, non-institutional investors, companies, bodies corporate, societies, educational institutions and association of persons, trusts, scientific and /or industrial research organizations, partnership firms, Limited Liability Partnerships, Resident Individuals, High Net-worth Individuals (HNIs), Hindu Undivided Families (HUFs), retail individual investors, or (iv) by way of issuance of any other permissible instruments or methods of borrowing, whether unsecured or secured by mortgage, charge, hypothecation, lien, pledge or otherwise of the Company's assets and properties, whether movable or immovable, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company, apart from temporary loans obtained and/or to be obtained from the Company's bankers in the ordinary course of business, will or may exceed the aggregate of the paid up share capital of the Company and its free reserves, provided that the total amount borrowed and outstanding at any point of time shall not exceed Rs.5,000 Crore (Rupees Five Thousand Crores only);

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RESOLVED FURTHER THAT the Board or such Committee or person(s) as authorized by the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as it/they may consider necessary, expedient, usual or proper to give full effect to the aforesaid resolution, including but not limited to settle any questions or resolve difficulties that may arise in this regard, if any, as it may, in its absolute discretion, deem fit, without requiring the Board to secure any further consent or approval of the Members of the Company to the intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

Certified to be true
For **Shriram Housing Finance Limited**

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

Bhavita Ashiyani
Company Secretary & Compliance Officer

Shriram Housing Finance Ltd.
Level 3, Wockhardt Towers, East Wing, C-2, G Block, Bandra Kurla Complex, Mumbai - 400051.

Regd Office: No. 123, Angappa Naicken Street, Chennai - 600 001.
CIN : U65929TN2010PLC078004

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Certified true copy of the resolution passed at the Annual General Meeting of the Members of Shriram Housing Finance Limited held on Thursday, July 12, 2018 at 11.00 a.m. at No. 144, Santhome High Road, 3rd Floor, Shriram City Business Solutions Center, Mylapore, Chennai - 600 004

Creation of Security

"RESOLVED THAT in supersession of the Special resolution passed at the Sixth Annual General Meeting of the Company held on July 28, 2016, and pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the "Act"), consent of the Company be and is hereby accorded to the Board of Directors of the Company or its Committee as may be authorised by the Board of Directors, for mortgaging and/or charging in such form and manner and on such terms and at such time(s) as the Board of Directors or such Committee may deem fit, the immovable and movable properties, receivables of the Company, wherever situate, present and future, whether presently belonging to the Company or not, in favour of any person including, but not limited to, financial/ investment institution(s), bank(s), insurance Company(ies), mutual fund(s), corporate body(ies), trustee(s), agent(s) to secure the debentures, senior notes, bonds, loans, hire purchase and/or lease portfolio management transaction(s) for finance and other credit facilities up to a sum not exceeding Rs.6,250 crores (Rupees Six Thousand Two Hundred and Fifty Crores only).

RESOLVED FURTHER THAT the Board of Directors or such Committee or person(s) as authorized by the Board of Directors be and are hereby authorized to finalize the form, extent and manner of, and the documents and deeds, as may be applicable, for creating the appropriate mortgages and/or charges on such immovable and/or movable properties, receivables of the Company on such terms and conditions as may be decided by the Board of Directors or such Committee in consultation with the lenders/ trustees and for reserving the aforesaid right and for performing all such acts, things and deeds as may be necessary for giving full effect to this resolution."

Certified to be true
For **Shriram Housing Finance Limited**

Bhavita Ashiyani
Company Secretary & Compliance Officer

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Level 3, Wockhardt Towers, East Wing, C-2, G Block, Bandra Kurla Complex, Mumbai - 400051.

Regd Office: No. 123, Angappa Naicken Street, Chennai - 600 001.
CIN : U65929TN2010PLC078004

Annexure – VII

SHAREHOLDING PATTERN AS ON DECEMBER 31, 2021

Shareholding Pattern as on December 31, 2021

Shareholding Pattern					
Authorised Share Capital (Rs.)		400,00,00,000			
Issued, Paid-up and Subscribed Share Capital (Rs.)		325,27,11,120			
Sr. No	**Name of Shareholder**	**No. of Equity Shares**	**Face Value (in Rs.)**	**Value (in Rs.)**	**Percentage**
1	Shriram City Union Finance Limited*	27,65,51,112	10	276,55,11,120	85.02
	Total Indian Holding (A)	**27,65,51,112**	**10**	**276,55,11,120**	**85.02**
	Foreign Holding (B)				
2	Valiant Mauritius Partners FDI Limited	4,87,20,000	10	48,72,00,000	14.98
	Total Foreign Holding (B)	**4,87,20,000**	**10**	**48,72,00,000**	**14.98**
	Grand Total (A) + (B)	**32,52,71,112**	**10**	**325,27,11,120**	**100.00**

*Includes 6 nominees who holds 1 share each

Annexure – VIII

LIMITED REVIEW FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2021 AND AUDITED FINANCIAL STATEMENTS (PROFIT AND LOSS STATEMENT, BALANCE SHEET AND CASH FLOW STATEMENT) OF THE ISSUER FOR EACH OF THE FINANCIAL YEARS ENDED MARCH 31, 2021, MARCH 31, 2020, MARCH 31, 2019 AND AUDITORS REPORTS

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October 25, 2021

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400 001

Dear Sir(s),

Sub.: Outcome of the Board Meeting

Pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), as amended, we wish to inform you that the Board of Directors at their Meeting held on today i.e. Monday, October 25, 2021 among other items have, *inter-alia,* considered and approved Un-audited Financial Results of the Company for the quarter and half-year ended September 30, 2021 along with Limited Review Report thereon.

Accordingly, we hereby submit the followings:

- Unaudited Financial Results of the Company for the quarter and half-year ended September 30, 2021 along with Limited Review Report thereon pursuant to the Regulation 51 and 52 read with Schedule III of the Listing Regulations;

- Disclosure of related party transactions for the half-year ended September 30, 2021 pursuant to the Regulation 23(9) of the Listing Regulations.

The above Un-audited Financial Results were approved by the Board of Directors of the Company at its Meeting held on October 25, 2021 commenced at 12:15 p.m. and concluded at 2:40 p.m.

Request you to kindly take the same on records.

Thanking you.

Yours Faithfully,
For **Shriram Housing Finance Limited**

Bhavita Ashiyani
Company Secretary & Compliance Officer

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

T R Chadha & Co LLP

Chartered Accountants

502, Marathon Icon,
Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park
Lower Parel, Mumbai - 400 013
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Email: mumbai@trchadha.com

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Financial Results of the Company pursuant to regulation 52 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended.

To the Board of Directors of
Shriram Housing Finance Limited

1. We have reviewed the accompanying statement of unaudited financial results of Shriram Housing Finance Limited ('Company') for the quarter and half year ended September 30, 2021 ('the Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial statements based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited to making inquiries of financial information, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

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5. Emphasis of Matter
   We draw attention to Note 11 to the financial results, which describes the extent to which the Covid-19 pandemic will impact the Company's financial result will depend on the future developments, which are highly uncertain.

   Our conclusion is not modified in respect of this matter.

6. Other Matters
   a. The interim financial results of the Company for the quarter ended June 30, 2021, prepared solely for the purpose of inclusion in the consolidated financial results of Shriram City Union Finance Limited, was review by erstwhile auditor whose report dated July 26, 2021, expressed an unmodified conclusion on those interim financial results. We have relied upon the said report for the purpose of our report on this statement.
   b. The financial result for the half year ended September 30, 2020 were reviewed by the erstwhile auditor whose report dated October 28, 2020, expressed an unmodified conclusion on those interim financial results. We have relied upon the said report for the purpose of our report on this statement.
   c. Attention is drawn to the fact that the figures for the corresponding quarter ended September 30, 2020, and for the Statement of Cash Flows for the corresponding half year ended September 30, 2020, as reported in these financial results, have been incorporated based on management certififed financials and duly approved by the Company's Board of Directors and have not been subjected to review since the requirement did not exist under the then applicable guidelines of the Regulation.

   Our conclusion is not modified in respect of these matter.

For T R Chadha & Co LLP
Chartered Accountants
FRN: 006711N/N500028

T R Chadha & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

Pramod tilwani
Partner
Membership No. 076650
UDIN.: 21076650AAAAFI7602

Place: Mumbai
Date: October, 25 2021

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Statement of Un-audited Financial Results for the quarter and half year ended September 30, 2021

Statement of Profit & Loss Account

(₹ in Lakh)

	Particulars	For the quarter ended 30-Sep-2021	For the quarter ended 30-Jun-2021	For the quarter ended 30-Sept-2020	For the half-year ended 30-Sept-2021	For the half-year ended 30-Sept-2020	For the Year ended 31-Mar-2021 (Audited)
	Revenue from operations						
(i)	Interest Income	11,705.82	10,333.00	8,270.61	22,038.80	15,191.73	32,933.23
(ii)	Fees and commission Income	10.22	8.76	8.28	18.97	13.14	28.94
(iii)	Net gain on fair value changes	204.49	215.44	214.96	419.93	333.38	775.29
(iv)	Net gain on derecognition of financial instruments under amortised cost category	658.24	801.69	2,416.28	1,459.93	2,416.28	7,390.05
(v)	Others	274.32	180.84	203.08	455.15	265.23	1,062.98
(I)	**Total Revenue from operations**	12,853.09	11,539.73	11,113.21	24,392.78	18,219.76	42,190.48
(II)	Other income	105.74	125.24	186.06	230.98	263.09	642.11
(III)	**Total income (I+II)**	12,958.83	11,664.97	11,299.27	24,623.76	18,482.86	42,832.59
	Expenses						
(i)	Finance Costs	7,013.48	6,985.31	5,013.47	13,998.80	9,399.51	20,799.95
(ii)	Impairment on financial instruments	(176.52)	133.63	491.65	(42.87)	432.40	2,013.27
(iii)	Employee Benefits Expenses	1,932.13	1,914.82	1,653.55	3,846.96	3,054.74	6,646.66
(iv)	Depreciation, amortization and impairment	201.67	191.13	183.32	392.80	371.22	728.32
(v)	Others expenses	1,442.64	947.55	1,122.45	2,390.17	1,572.38	4,220.78
(IV)	**Total Expenses (IV)**	10,413.40	10,172.44	8,464.44	20,585.86	14,830.25	34,408.98
(V)	Profit / (loss) before exceptional items and tax (III-IV)	2,545.43	1,492.53	2,834.83	4,037.90	3,652.60	8,423.61
(VI)	Exceptional items	-	-	-	-	-	-
(VII)	**Profit/(loss) before tax (V -VI)**	**2,545.43**	**1,492.53**	**2,834.83**	**4,037.90**	**3,652.60**	**8,423.61**

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(₹ in Lakh)

Particulars		For the quarter ended 30-Sep-2021	For the quarter ended 30-Jun-2021	For the quarter ended 30-Sept-2020	For the half-year ended 30-Sept-2021	For the half-year ended 30-Sept-2020	For the Year ended 31-Mar-2021 (Audited)
(VIII)	Tax Expense:						
	(1) Current Tax	550.18	363.85	779.44	914.03	1,012.96	935.98
	(2) Deferred Tax	116.92	41.41	(448.62)	158.33	(463.02)	1,439.66
	(3) Income tax of earlier years	-	-	713.14	-	713.14	(190.33)
(IX)	**Profit / (loss) for the period (VII-VIII)**	**1,878.33**	**1,087.27**	**1,790.88**	**2,965.54**	**2,389.52**	**6,238.30**
(X)	Other Comprehensive Income						
	(i) Items that will not be reclassified to profit or loss						
	Remeasurement gain/(loss) on defined benefit plan	3.52	(10.52)	(19.14)	(7.00)	1.33	3.12
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.89)	2.65	5.63	1.76	(0.34)	(0.78)
	Other Comprehensive Income	**2.63**	**(7.87)**	**(13.51)**	**(5.24)**	**0.99**	**2.34**
(XI)	**Total Comprehensive Income for the period**	**1,880.96**	**1,079.40**	**1,777.36**	**2,960.30**	**2,390.52**	**6,240.64**
(XII)	**Earnings per equity share**						
	Basic (Rs.)	0.76	0.46	0.84	1.20	1.12	2.91
	Diluted (Rs.)	0.75	0.46	0.83	1.19	1.11	2.90

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Statement of Un-audited Assets and Liabilities as at September 30, 2021

(₹ in Lakh)

		Particulars	As at 30-Sept-2021	As at 31 March 2021 (Audited)
I	1	**ASSETS**		
		Financial assets		
		Cash and cash equivalents	9,357.98	10,113.47
		Bank Balance other than above	1,810.42	4,401.04
		Loans	3,67,212.17	3,37,768.23
		Investments	20,379.29	7,402.57
		Other Financial assets	13,459.85	12,898.72
	2	**Non-financial Assets**		
		Tax asset	524.96	418.95
		Investment Property	0.28	0.28
		Property, plant and equipment	436.31	403.77
		Other Intangible assets	378.55	438.98
		Right of Use Assets	808.93	920.48
		Other non-financial assets	9,245.91	8,509.26
		Total Assets	**4,23,614.65**	**3,83,275.75**
II	1	**LIABILITIES AND EQUITY**		
		Financial Liabilities		
		Payables		
		(I)Trade Payables		
		(i) total outstanding dues of micro enterprises and small enterprises	-	-
		(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	984.14	1,604.32
		Debt Securities	51,210.32	57,889.82
		Borrowings (other than debt security)	2,84,981.08	2,60,193.82
		Other Financial liabilities	2,650.24	2,920.31
	2	**Non-financial Liabilities**		
		Provisions	267.50	217.46
		Deferred tax liabilities (net)	2,693.51	2,536.95
		Other non-financial liabilities	215.86	266.02
	3	**Equity**		
		Equity share capital	25,860.44	21,416.00
		Other equity	54,751.56	36,231.05
		Total Liabilities and Equity	**4,23,614.65**	**3,83,275.75**

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Un-audited Statement of Cash Flow for the half-year ended September 30, 2021

		(₹ in Lakh)
Particulars	**For the Half Year Ended 30-Sept-2021**	**For the Half Year Ended 30-Sept-2020**
A) Cash flow from Operating activities		
Net Profit before taxation	4,037.90	3,652.60
Adjustment for :		
Depreciation, amortization and impairment on PPE & ROU Assets	392.80	371.22
(Profit)/Loss on sale of fixed assets (net)	2.05	48.14
NCD issue expenses	76.28	81.76
Bad debts written off	61.74	46.56
EIR Impact of Fixed Rate Bank Term Loan Borrowings	4.64	-
Impairment of financial instruments	(104.52)	385.94
Impairment on lease receivables	(0.09)	(0.11)
Dividend Received	(0.41)	-
(Gain)/Loss on sale of investments	(294.88)	(323.45)
Provision for lease rental	(8.13)	1.38
Interest received	(315.53)	(395.12)
Finance Cost	18.44	-
Actuarial (Gain)/loss on Remeasurement of Gratuity expense	(7.00)	1.33
Net (Gain)/Loss on fair value changes on investments	(125.05)	(9.93)
Fair valuation of ESOP	58.15	53.09
Net (gain)/Loss of derecognition of financial instruments under amortised cost category	(1,459.93)	(2,416.28)
EIR Impact of Fixed Rate Institutional Term Loan Borrowings	6.97	-
Finance Cost related to SCUF Guarantee	-	117.13
Interest income on fair valuation of security deposit	(14.37)	(14.84)
Recognition of Interest on NPA	(181.14)	(198.20)
Amortisation of Processing Fees on Loans & Advances	(343.27)	51.54
Amortisation of Investments on PTCs	1.22	0.91
Mortgage guarantee fee written off	3.42	9.74
Interest on Lease liability	46.87	50.04
Gain on Remeasurement of Leases	(1.03)	(3.39)
Lease Rent Waiver	(45.48)	(44.80)
Interest income of Lease Receivable	(0.51)	(0.66)
Operating profit before working capital changes	**1,809.14**	**1,464.60**
Movement in working capital:		
(Increase) / decrease in loans and advances	(29,775.20)	(41,076.55)
(Increase) / decrease in other Non-Financial Assets	(727.21)	(7.86)
(Increase) / decrease in other Financial Assets	830.32	8.02
Increase / (decrease) in other Non-Financial Liabilities	(50.13)	29.81
Increase / (decrease) in other Financial Liabilities	(339.98)	13,317.50
Increase / (decrease) in Other Payables	29.75	(4.90)
Cash generated from operation	**(28,223.31)**	**(26,269.38)**
Direct Taxes Net of refund / (Direct Taxes Paid)	(1,020.03)	363.33

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		(₹ in Lakh)
Particulars	For the Half Year Ended 30-Sept-2021	For the Half Year Ended 30-Sept-2020
Net Cash flow from/ (used in) operating activities (A)	**(29,243.34)**	**(25,906.05)**
B) Cash flow from investing activities		
Purchase of fixed and intangible assets	(132.04)	(11.50)
Proceeds from sale of fixed assets	0.00	14.34
Proceeds from sale of Security Receipts	103.12	117.77
Purchase of Investments	(1,73,400.00)	(83,400.00)
Proceeds from sale of investments	1,63,252.22	79,208.23
Investment in Commercial Paper	(20,119.68)	-
Proceeds on Maturity of Commercial Paper	17,189.22	-
Investment in Fixed deposit	(55,161.88)	(31,227.21)
Proceeds on Maturity of Fixed Deposits	58,238.61	17,680.44
Interest received (others)	315.53	395.12
Net Cash flow from/(used in) investing activities (B)	**(9,714.90)**	**(17,222.81)**
C) Cash flow from financing activities		
Increase/(Decrease) of debt securities	(7,000.00)	14,000.00
Issue of Equity Shares (including Share Premium)	19,946.50	-
Lease liabilities paid	(369.35)	(157.14)
Interest Paid on lease liabilities	(46.87)	(50.04)
Increase/(Decrease) of Borrowings	25,682.21	21,006.62
NCD issue expenses	(9.74)	(85.58)
Net Cash flow from/(used in) financing activities (C)	**38,202.75**	**34,713.86**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(755.49)**	**(8,415.01)**
Cash and cash equivalents at the beginning of the year	**10,113.47**	**14,871.01**
Cash and cash equivalents at the end of the period	**9,357.98**	**6,456.00**
Component of cash and cash equivalents	**For the Half Year Ended 30-Sep-2021**	**For the Half Year Ended 30-Sept-2020**
Cash on hand	0.05	5.05
Balances with banks:		
- Current Account /Cash Credit Account	6,857.67	947.15
- in deposit accounts having original maturity less than three months	2,500.26	5,503.80
Total Cash and cash equivalents	**9,357.98**	**6,456.00**

T R Chadha & Co LLP * Chartered Accountants * Mumbai

Shriram Housing Finance Limited * Mumbai

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Notes:

1. Shriram Housing Finance Limited ('The Company') is a housing finance company Registered with National Housing Bank (NHB).

2. In compliance with Regulations 52 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, a 'Limited Review' of the above-mentioned financial results have been carried out by the statutory Auditor of the company.

3. Disclosure under Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as certified by the Management, is given in **Annexure A**.

4. The Company has prepared financial results for the quarter and half year ended September 30, 2021 in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, and other accounting principles generally accepted in India.

5. The Rated, Listed, Secured, Redeemable, Non-Convertible Debentures ("NCDs") amounting to Rs.46,232.35 Lakhs are secured by way of first and exclusive charge on specified pool of receivables on respective NCDs and *pari-passu* subservient charge on undivided share of Company's immovable property is maintained with the minimum asset coverage of hundred percent for the NCDs. The Asset Cover available as on 30th September 2021 in case of the Non-Convertible Debentures ("NCDs") issued by the Company is 1.09.

6. Pursuant to Regulation 52(7A), the Company confirms that there have been no material deviations in the use of proceeds of issue of Non-Convertible Debentures from the objects stated in the offer document.

7. The Company is mainly engaged in the housing finance business and all other activities are incidental to the main business activities of the Company. Further, all activities are conducted within India and as such there is no separate reportable segment, as per the Ind AS 108 - "Operating Segments" specified under Section 133 of the Act.

8. Information as required by Reserve Bank of India Circular on Resolution framework for Covid-19 related stress dated 6 August 2020 is attached as **Annexure B.**

9. Information as required by Reserve Bank of India Circular on Resolution framework-2.0 for Covid-19: Related to stress of individuals and small businesses dated 5 May 2021 is attached as **Annexure C.**

10. In terms of SEBI Circular CIR/CFD/CMD/56/2016 dated May 27, 2016, the Company hereby declares that the auditors have issued audit report with unqualified opinion on Reviewed financial results for the quarter and half year ended September 30, 2021.

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11. Estimation of uncertainties relating to the global health pandemic from COVID-19:

Consequent to the outbreak of the COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government, but regional lockdowns continue to be implemented in areas with significant number of COVID-19 cases. During the start of the FY21-22, India experienced the "second wave" of COVID -19 and had resulted in re-imposition of localised lockdowns in various parts of the Country. But, at the same time, the Government has constantly build up capacity and has been administering vaccine to all ages above 18 years which has helped in controlling the Covid-19 cases to a great extent.

The impact on the Company's operations and financial position, including the credit quality and requirement for provisioning, is uncertain and will depend on the pace of economic activities returning to Normalcy. The Company will continue to closely monitor any material changes to the future economic/regulatory conditions. However, operating substantially in asset mortgage business, which is relatively stable asset class, no major impact is anticipated at this juncture.

12. Previous period figures have been regrouped / reclassified wherever necessary in order to make them comparable.

13. The figure for the quarter ended 30 September 2021 and 30 September 2020 are balancing figures between reviewed figures in respect of the half year ended 30 September 2021 and 30 September 2020 and the reviewed figure for the quarter ended 30 June 2021 and 30 June 2020 respectively.

14. The above results were reviewed and recommended to the Board by the Audit and Risk Management Committee. The Board of Directors at its Meeting held on October 25, 2021 approved the above results.

For **Shriram Housing Finance Limited**

Subramanian Jambunathan
Managing Director & CEO
DIN: 00969478

Place : Mumbai
Date : October 25, 2021

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Annexure A

Disclosure pursuant to Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended September 30, 2021

Sr. No.	Particulars	Details
1.	Debt Equity Ratio	4.17
2.	Debenture Redemption Reserve (DRR)	No DRR is required in respect of privately placed debentures in terms of Rule 18(7)(ii) of the Companies (Share Capital and Debentures) Rules, 2014.
3.	Net worth (Amount in Lakh)	Rs.80,612.00 Lakh
4.	Net Profit after Tax (Amount in Lakh)	Rs.1,878.33 Lakh
5.	Earnings per share	0.76
6.	Current Ratio	0.54
7.	Long term debt to working capital	38.08
8.	Bad debts to Account receivables ratio	0.000085
9.	Current liability ratio	33.74%
10.	Total debts to total assets	79.36%
11.	Debtors turnover	Not Applicable
12.	Inventory turnover	Not Applicable
13.	Operating margin (%)	19.64%
14.	Net profit Margin (%)	14.49%
15.	Sector specific equivalent ratio, as applicable: i) Provision coverage Ratio ii) Gross Non Performing Asset (GNPA%) iii) Net Non Performing Asset (NNPA%)	 22.67% 1.91% 1.48%

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Annexure B

Information as required by Reserve Bank of India Circular on Resolution Framework for COVID-19 related stress dated 6th August 2020

Format - A : For the quarter ended September 30, 2021

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	19	449.16	-	-	-
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	17	544.21			-
Total	**36**	**993.37**	-	-	-

Format - B: For the quarter ended 30th September 2021

Type of borrower	(A) Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position as at the end if the previous half year (A)	(B) Of (A), aggregate debt that slipped into NPA during the half year	(C) Of (A) amount written off during the half year	(D) Of (A) amount paid by the borrowers during the half year	(E) Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position as at the end of this half year
Personal Loans	-	-	-	-	-
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-			-
Total	-	-	-	-	-

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Annexure C

Information as required by Reserve Bank of India Circular on Resolution Framework 2.0 Resolution of Covid-19 related stress of Individuals and Small Businesses dated 5th May 2021

Sr. No.	Description	Individual Borrowers		Corporate
		Housing	Non Housing	
(A)	Number of request received for invoking resolution process	342	286	16
(B)	Number of accounts where resolution plan has been implemented under the window	292	241	11
(C)	Exposure to accounts at (B) before implementation of the plan (Rupees in lakh)	6,203.33	5,491.18	1,758.32
(D)	Of (C), aggregate amount of debt that was converted into other securities	-	-	-
(E)	Additional funding sanctioned, if any, including between invocation of the plan & implementation (Rupees in lakh)	-	-	-
(F)	Increase in the provisions on account of the implementation of resolution plan (rupees in lakh)	-	-	-

Note: Additional IRAC provision in accordance with RBI circular DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 has been made for the accounts where resolution plan has been implemented and Expected Credit Loss provided is more than the IRAC provisions.

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Related Party Transactions for the half-year ended September 30, 2021

(Amount in Lakh)

Particulars	Holding Company		Associates / Enterprises having significant influence over the Company		Key Management Personnel		Total	
	As at 30-09-21	As at 31-03-21	As at 30-09-21	As at 31-03-21	As at 30-09-21	As at 31-03-21	As at 30-09-21	As at 31-03-21
Remuneration to Directors (Sitting Fees)								
Mr. V Murali	-	-	-	-	4.09	5.45	4.09	5.45
Ms Lakshminaryanan Priyadarshini	-	-	-	-	4.63	6.81	4.63	6.81
Equity Contribution –SCUF	20,000.00	-	-	-	-	-	20,000.00	-
Remuneration to other KMPs								
Emoloyee Benefits - Mr. Subramanian Jambunathan - Short Term Benefit	-	-	-	-	111.58	185.69	111.58	185.69
Employee Benefits - Mr. Subramanian Jambunathan - Share Based Payment	-	-	-	-	43.81	53.73	43.81	53.73
Employee Benefits - Mr. Gauri Shankar Agarwal	-	-	-	-	41.79	96.17	41.79	96.17
Employee Benefits- Mr. Gauri Shankar Agarwal - Share Based Payment	-	-	-	-	1.85	6.63	1.85	6.63
Employee Benefits – Ms. Bhavita Ashiyani	-	-	-	-	8.30	11.56	8.30	11.56
Reimbursement of Rent & Expenses								
Rent – SCUF	23.01	44.06	-	-	-	-	23.01	44.06
Rent - SFPS	-	-	0.65	-	-	-	0.65	-
Expenses reimbursements - SCUF	6.59	13.47	-	-	-	-	6.59	13.47
Expenses reimbursements - SFPS	-	-	104.71	-	-	-	104.71	-
Expenses reimbursements - SCL	-	-	-	1.48	-	-	-	1.48
Expenses reimbursements - SISBL	-	-	0.55	1.32	-	-	0.55	1.32
Expenses reimbursements - SLIC	-	-	26.74	23.90	-	-	26.74	23.90
Expenses reimbursements - NOVAC	-	-	271.28	373.60	-	-	271.28	373.60
Royalty Fees - SVS	-	-	214.65	461.16	-	-	214.65	461.16
Other Payments								
Transfer of liability for Gratuity/Leave – SCUF	1.00	-	-	-	-	-	1.00	-

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(Amount in Lakh)

Particulars	Holding Company		Associates / Enterprises having significant influence over the Company		Key Management Personnel		Total	
	As at 30-09-21	As at 31-03-21	As at 30-09-21	As at 31-03-21	As at 30-09-21	As at 31-03-21	As at 30-09-21	As at 31-03-21
Transfer of liability for Gratuity/Leave - SCUF	1.46	-	-	-	-	-	1.46	-
Rent Received								
Rent – SCUF	2.80	68.38	-	-	-	-	2.80	68.38
Rent – SFSL	-	-	-	0.80	-	-	-	0.80
Electricity, telephone and printing charges Received								
Expenses reimbursement - SCUF	3.50	10.16	-	-	-	-	3.50	10.16
Expenses reimbursement - SLIC	-	-	3.62	2.27	-	-	3.62	2.27
Received on assignment deal -SCUF	2,188.36	2,550.74	-	-	-	-	2,188.36	2,550.74
Loans given and repayments								
Loan disbursement - Mr. Gauri Shankar Agarwal	-	-	-	-	-	130.00	-	130.00
Loan EMI received - Mr. Gauri Shankar Agarwal	-	-	-	-	8.36	8.45	8.36	8.45
Balance outstanding as at September 30, 2021								
Share Capital - SCUF	20,988.44	16,544.00	-	-	-	-	20,988.44	16,544.00
Share Capital - VMPL	-	-	4,872.00	4,872.00	-	-	4,872.00	4,872.00
Expenses Payable to SCUF	21.54	21.20	-	-	-	-	21.54	21.20
Expenses Receivable from SCUF	48.15	46.69	-	-	-	-	48.15	46.69
Expenses Payable to SFPS	-	-	21.36	-	-	-	21.36	-
Expenses Payable to SVS Royalty	-	-	127.83	119.45	-	-	127.83	119.45
Expenses Payable to SISBL	-	-	0.03	0.38	-	-	0.03	-0.38
Expenses Payable to NOVAC	-	-	50.65	9.23	-	-	50.65	9.23
Loan Receivable from Mr. Gauri Shankar Agarwal	-	-	-	-	121.83	126.45	121.83	126.45

For **Shriram Housing Finance Limited**

Subramanian Jambunathan
Managing Director & CEO

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

Independent Auditor's Report

To the Members of
Shriram Housing Finance Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial Statements of Shriram Housing Finance Limited ("the Company"), which comprise the Balance Sheet as at 31st March 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 31st March 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements of the current period. 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.

Impairment of and Income from Loans and advances

Impairment loss allowance ("Impairment") and income from loans and advances is a Key Audit Matter considering the nature of business of the Company, the size of loan assets in relation to total assets, the geographical spread of the Company's operations and its borrower customers and inherent complexity of Company's model of estimating the impairment loss allowance on its loan assets. Additionally, the unprecedented economic slowdown caused by the COVID-19 pandemic has affected the credit quality of loan assets.

The Reserve Bank of India ("RBI") announced a relief package for select category borrowers in form of a moratorium on loan repayments and DPD freeze. This was followed by Government of India announcing a relief package of refunding the interest on interest charged to customers during the moratorium package announced by RBI. The Hon'ble Supreme Court of India vide its judgement in the case of Small Scale Industrial Manufacturers Association vs UOI & Ors. dated 23rd March 2021 modified and expanded the category of borrowers who were eligible for refund of interest on interest and removal of the stay on DPD freeze of loan accounts. The calculation of interest on loan accounts and provision for impairment loss allowance require large volume of data. The accuracy thereof and adjustments necessitated by the aforementioned developments in the regulatory environment have had a significant impact on the financial statements for the period.

Audit procedures included the following:

1. Understanding of the internal control environment related to Impairment loss allowance and recognition of interest income. Assessment and testing of design of related controls.
2. Review of Company's process of identification of borrower customers eligible for repayment moratorium.
3. Review of Company's process of and controls in crediting the difference between compound interest and simple interest to eligible borrower accounts in accordance with the scheme announced by the Government and also consequent to the judgement of the Hon'ble Supreme Court.
4. Review of Company's process of and controls in identification of and procedure for restructuring the loan accounts in accordance with the new regulatory provisions of RBI.
5. Manual recalculation of impairment loss allowance and credits to borrower accounts as per the relief packages on sample basis.
6. Checking of the provision on loan assets as per IRACP norms.

Emphasis of Matter

We draw attention to Note 77 to the standalone financial statements with respect to accounts overdue as on 29th February 2020 wherein moratorium benefit has been granted, the staging of those accounts under Ind AS as on 31st March 2021 is based on the days past due status as on 29th February 2020 in accordance with the Reserve Bank of India COVID-19 regulatory package. 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.

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 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 judgements 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.

The Board of Directors is 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 statement. As part of an audit in accordance with SAs, we exercise professional judgement 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 31st March 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 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 no pending litigations which would impact its financial position;

      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses and

      (iii) There were no amounts required to be transferred to the Investor Education and Protection Fund (IEPF) by the Company.

For Pijush Gupta & Co.
Chartered Accountants
Firm Registration Number: 309015E

Sangeeta Gupta
Partner
Membership Number: 064225
UDIN: 21064225AAAABI7127

Place: Gurugram
Date: 28th April, 2021

Annexure 1 to the Independent Auditor's Report

(Referred to in paragraph (1) under 'Report on Other Legal and Regulatory Requirements' in the independent Auditor's Report of even date to the members of Shriram Housing Finance Company Limited on the standalone financial statements for the year ended 31st March 2021

i. (a) According to the information and explanations given to us and records produced before us, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) According to the information and explanations given to us and records produced before us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such physical verification.

(c) According to the information and explanations given to us and records produced before us, the title deeds of the immovable properties are held in the name of the Company.

ii. The Company is in the business of providing housing finance services and consequently does not hold inventory. Hence reporting under Clause 3(ii) of the Order is not applicable.

iii. According to the information and explanations given to us, the Company has granted loans, to key managerial personnel covered in the register maintained under Section 189 of the Act. The terms and conditions of such loans are not prejudicial to the Company's interest. The schedule of repayment of principal and interest has been stipulated and the repayments received are regular. (Refer Note 40 to the standalone financial statements)

iv. According to the information and explanations given to us, the Company has not granted any loans, made investments or provide guarantees coming under the purview of the provisions of Section 185 and 186 of the Companies Act, 2013 and hence reporting under Clause 3(iv) of the Order is not applicable.

v. According to the information and explanations given to us records examined by us, the Company has not accepted deposits from the public during the year and hence reporting under Clause 3(v) of the Order is not applicable.

vi. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 148(1) of the Act in respect of the Company's nature of business.

vii. (a) According to the information and explanations provided to us and records examined by us, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, Goods & Service tax, duty of customs, duty of excise, value added tax, cess and other applicable statutory dues to the appropriate authorities. No statutory dues are outstanding as on the date of the Balance Sheet for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax or sales tax or service tax or Goods & Services tax or duty of customs or duty of excise which have not been deposited on account of any dispute.

viii. Based on our audit procedures and as per information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to Banks and Financial Institutions and dues to debenture holders. The Company has not taken any loan or borrowing from the Government during the year.

ix. Based on our audit procedures performed and according to the information and explanations given to us, the money raised by the Company by way of debt instruments and term loans were applied for the purposes for which it was raised. The Company has not raised money by way of initial public offer or further public offer of equity during the financial year.

x. According to the information and explanations given to us and during the course of examination of the books and records of the Company, we have not come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

xi. Based on our audit procedures and as per information and explanations given to us, managerial remuneration paid or provided during the year are in accordance with the requisite approvals mandated by provisions of Section 197 read with Schedule V and are within the limits prescribed under the Act.

xii. In our opinion the Company is not a Nidhi Company and hence reporting under Clause 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records, all transactions with related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the Standalone Financial Statements as required by applicable Ind AS. (Refer Note 40 to the standalone financial statements)

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

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, provisions of clause 3(xv) of the Order are not applicable to the Company.

xvi. According to the information and explanations given to us, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934.

For Pijush Gupta & Co.
Chartered Accountants
Firm Registration Number: 309015E

Sangeeta Gupta
Partner
Membership Number: 064225
UDIN: 21064225AAAABI7127

Place: Gurugram
Date: 28th April 2021

Annexure 2 to the Independent Auditor's Report

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Shriram Housing Finance Limited on the standalone financial statements for the year ended 31st March 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 Housing Finance Limited ("the Company") as of 31st March 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, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March 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 Pijush Gupta & Co.
Chartered Accountants
Firm Registration Number: 309015E

Sangeeta Gupta
Partner
Membership Number: 064225
UDIN: 21064225AAAABI7127

Place: Gurugram
Date: 28th April 2021

Balance Sheet

as at 31st March 2021

(₹ In Lakh)

Particulars	Notes	As at 31st March 2021 (Audited)	As at 31st March 2020 (Audited)
I ASSETS			
1 Financial assets			
Cash and cash equivalents	4	10,113.47	14,871.01
Bank Balance other than above	5	4,401.04	805.50
Receivables	6		
I) Trade Receivables		-	-
II) Other Receivables		-	0.65
Loans	7	3,37,768.23	1,98,848.38
Investments	8	7,402.57	15,632.11
Other Financial assets	9	12,898.72	6,859.74
2 Non-financial Assets			
Non-Current tax assets (net)	10	418.95	2,066.84
Investment Property	11	0.28	0.28
Property, plant and equipment	12	403.77	549.22
Other Intangible assets	13	438.98	575.51
Right of Use Assets	14	920.48	1,091.46
Other non-financial assets	15	8,509.26	8,626.08
Total Assets		**3,83,275.75**	**2,49,926.78**
II EQUITY AND LIABILITIES			
1 Financial Liabilities			
Payables			
(I) Trade Payables	16		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,604.32	2,018.49
(II) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
Debt Securities	17	57,889.82	38,497.28
Borrowings (other than debt security)	18	2,60,193.82	1,48,571.14
Other Financial liabilities	19	2,920.31	8,259.52
2 Non-financial Liabilities			
Provisions	20	217.46	205.71
Deferred tax liabilities (net)	35	2,536.95	886.48
Other non-financial liabilities	21	266.02	186.89
3 Equity			
Equity share capital	22	21,416.00	21,416.00
Other equity	23	36,231.05	29,885.27
Total Liabilities and Equity		**3,83,275.75**	**2,49,926.78**

As per our report of even date

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

Sangeeta Gupta
Partner
Membership No.: 064225

Place: Mumbai
Date: 28th April 2021

For and on behalf of the Board of Directors
Shriram Housing Finance Limited

Subramanian Jambunathan
Managing Director & CEO
DIN: 00969478

Y. S. Chakravarti
Director
DIN: 00052308

Gauri Shankar Agarwal
Chief Financial Officer

Bhavita Ashiyani
Company Secretary

Place: Mumbai
Date: 28th April 2021

Statement of Profit and Loss

for the year ended 31st March 2021

(₹ In Lakh)

	Particulars	Notes	For the year ended 31st March 2021 (Audited)	For the year ended 31st March 2020 (Audited)
	Revenue from operations			
(i)	Interest Income	24	32,940.32	27,692.66
(ii)	Fees and commission Income	24(a)	28.94	3.77
(iii)	Net gain on fair value changes	25	775.29	842.15
(iv)	Net gain on derecognition of financial instruments under amortised cost category	26	7,390.05	6,949.02
(v)	Others (to be specified)	27	1,055.88	828.05
(I)	**Total Revenue from operations**		**42,190.48**	**36,315.65**
(II)	Other Income (to be specified)	28	642.11	283.91
(III)	**Total Income (I+II)**		**42,832.59**	**36,599.56**
	Expenses			
(i)	Finance Costs	29	20,799.95	16,296.92
(ii)	Impairment on financial instruments	30	2,013.27	2,559.11
(iii)	Employee Benefits Expenses	31	6,646.66	6,370.29
(iv)	Depreciation, amortisation and impairment	32	728.32	742.48
(v)	Others expenses (to be specified)	33	4,220.78	4,099.81
(IV)	**Total Expenses (IV)**		**34,408.98**	**30,068.61**
(V)	Profit/(loss) before exceptional items and tax (III-IV)		8,423.61	6,530.95
(VI)	Exceptional items		-	
(VII)	Profit/(loss) before tax (V -VI)		**8,423.61**	**6,530.95**
(VIII)	Tax Expense:			
	(1) Current Tax	34	935.98	1,422.52
	(2) MAT	34	-	1.75
	(3) Deferred Tax	34	1,439.66	456.53
	(4) Income tax of earlier years	34	(190.33)	(1.75)
(IX)	Profit/(loss) for the period from continuing operations (VII-VIII)		6,238.30	4,651.90
(X)	Profit/(loss) from discontinued operations		-	-
(XI)	Tax Expense of discontinued operations		-	-
(XII)	Profit/(loss) from discontinued operations (After tax) (X-XI)		-	-
(XIII)	Profit/(loss) for the period		6,238.30	4,651.90
(XIV)	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss			
	Remeasurement gain/(loss) on defined benefit plan		3.12	9.49
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.78)	(2.76)
	Subtotal (A)		**2.34**	**6.73**
	B (i) Items that will be reclassified to profit or loss			
	(ii) Income tax relating to items that will be reclassified to profit or loss			
	Subtotal (B)		**-**	**-**
	Other Comprehensive Income (A + B)		**2.34**	**6.73**
(XV)	**Total Comprehensive Income for the period**		**6,240.64**	**4,658.63**
(XVI)	Earnings per equity share			
	Basic (₹)		2.91	2.17
	Diluted (₹)		2.90	2.16

As per our report of even date

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

Sangeeta Gupta
Partner
Membership No.: 064225

Place: Mumbai
Date: 28th April 2021

For and on behalf of the Board of Directors
Shriram Housing Finance Limited

Subramanian Jambunathan
Managing Director & CEO
DIN: 00969478

Y. S. Chakravarti
Director
DIN: 00052308

Gauri Shankar Agarwal
Chief Financial Officer

Bhavita Ashiyani
Company Secretary

Place: Mumbai
Date: 28th April 2021

Statement of Changes in Equity

a) Equity Share Capital

	No. of shares	(₹ in Lakh)
Equity shares of ₹ 10 each issued, subscribed and fully paid		
As at 1st April 2019	**21,41,60,000**	**21,416.00**
Changes in share capital during the year	-	-
As at 31st March 2020	**21,41,60,000**	**21,416.00**
Changes in share capital during the period	-	-
As at 31st March 2021	**21,41,60,000**	**21,416.00**

b) Other Equity

(₹ in Lakh)

	Reserves and Surplus					Other Comprehensive Income	Total
	Statutory reserve	Share option outstanding	Securities premium account	Deemed Investment (SCUF)	Retained Earnings	Actuarial gains/ (losses)	
Balance as at 1st April 2019	2,798.69	16.17	12,180.00	183.91	9,920.75	64.85	25,164.37
Profit for the year					4,651.90		4,651.90
Other comprehensive income						6.73	6.73
Transferred from retained earnings to statutory reserve	932.80				(932.80)		-
Transfer from retained earnings		2.63			(2.63)		-
Transfer to retained earnings					3.77		3.77
Share-based payments		58.50					58.50
Balance as at 31st March 2020	**3,731.49**	**77.30**	**12,180.00**	**183.91**	**13,640.99**	**71.58**	**29,885.27**

Statement of Changes in Equity

(₹ in Lakh)

	Reserves and Surplus					Other Comprehensive Income	Total
	Statutory reserve	Share option outstanding	Securities premium account	Deemed Investment (SCUF)	Retained Earnings	Actuarial gains/ (losses)	
Balance as at 1st April 2020	3,731.49	77.30	12,180.00	183.91	13,640.99	71.58	29,885.27
Profit for the year					6,238.30		6,238.30
Other comprehensive income						2.34	2.34
Transferred from retained earnings to statutory reserve	1,254.00				(1,254.00)		-
Transfer to retained earnings		(1.81)			1.81		-
Share-based payments		105.14					105.14
Balance as at 31st March 2021	**4,985.49**	**180.63**	**12,180.00**	**183.91**	**18,627.10**	**73.92**	**36,231.05**

As per our report of even date

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

For and on behalf of the Board of Directors
Shriram Housing Finance Limited

Sangeeta Gupta
Partner
Membership No.: 064225

Subramanian Jambunathan
Managing Director & CEO
DIN: 00969478

Y. S. Chakravarti
Director
DIN: 00052308

Gauri Shankar Agarwal
Chief Financial Officer

Bhavita Ashiyani
Company Secretary

Place: Mumbai
Date: 28th April 2021

Place: Mumbai
Date: 28th April 2021

Cash flow statement
for the year ended 31st March 2021

(₹ in Lakh)

Particulars	For the year ended 31st March 2021 (Audited)	For the year ended 31st March 2020 (Audited)
A) Cash flow from Operating activities		
Net Profit before taxation	8,423.61	6,530.95
Adjustment for:		
Depreciation, amortisation and impairment on PPE & ROU Assets	728.32	742.48
(Profit)/Loss on sale of fixed assets (net)	54.03	11.67
NCD issue expenses	193.70	161.36
Bad debts written off	598.36	1,300.55
Impairment of financial instruments	1,416.98	1,258.09
Impairment on lease receivables	(0.22)	0.47
(Gain)/Loss on sale of investments	(840.56)	(799.91)
Provision for lease rental	0.41	(18.15)
Interest received	(675.04)	(46.97)
Actuarial (Gain)/loss on Remeasurement of Gratuity expense	3.12	9.49
Net (Gain)/Loss on fair value changes on investments	65.27	(42.24)
Fair valuation of ESOP	105.14	58.50
Net (gain)/Loss of derecognition of financial instruments under amortised cost category	(7,390.05)	(6,949.02)
Finance Cost related to SCUF Guarantee	117.13	15.65
Amortisation of Prepaid Lease Rent	-	(1.31)
Interest income on fair valuation of security deposit	(42.75)	(26.55)
Recognition of Interest on NPA	(176.29)	(113.19)
Amortisation of Processing Fees on Loans & Advances	(35.57)	(176.92)
Amortisation of Investments on PTCs	0.60	1.25
Mortgage guarantee fee written off	18.12	33.25
Amortisation of processing fees on cash credit	-	4.14
Interest on Lease liability	94.73	125.05
Gain on Remeasurement of Leases	(3.39)	(1.87)
Lease Rent Waiver	(78.40)	
Rates and Taxes/Brokerage/Professional Charges added to ROU assets	-	(0.79)
Interest income of Lease Receivable	(1.24)	(1.39)
EIR Impact on Fixed Rate Loans	204.20	150.26
Operating profit before working capital changes	**2,780.21**	**2,224.85**
Movement in working capital:		
(Increase)/decrease in loans and advances	(1,37,814.30)	(14,996.80)
(Increase)/decrease in other Non-Financial Assets	(1,062.45)	306.88
(Increase)/decrease in other Financial Assets	740.89	(6.28)
Increase/(decrease) in other Non-Financial Liabilities	79.04	67.82
Increase/(decrease) in other Financial Liabilities	(4,340.98)	943.37
Increase/(decrease) in Other Payables	33.22	(24.50)
Cash generated from operation	**(1,39,584.37)**	**(11,484.66)**
Direct Taxes Net of refund/(Direct Taxes Paid)	1,112.27	(1,774.74)
Net Cash flow from/(used in) operating activities (A)	**(1,38,472.10)**	**(13,259.40)**

Cash flow statement

for the year ended 31st March 2021

(₹ in Lakh)

Particulars	For the year ended 31st March 2021 (Audited)	For the year ended 31st March 2020 (Audited)
B) Cash flow from investing activities		
Purchase of fixed and intangible assets	(87.61)	(394.79)
Proceeds from sale of fixed assets	13.31	4.46
Proceeds from sale of Security Receipts	347.68	530.52
Purchase of Investments	(1,91,327.50)	(15,23,186.00)
Proceeds from sale of investments	1,99,983.82	15,29,722.21
Investment in Fixed deposit	(73,327.50)	(21,601.81)
Proceeds on Maturity of Fixed Deposits	69,800.07	21,000.00
Interest received (others)	675.04	46.97
Net Cash flow from/(used in) investing activities (B)	**6,077.31**	**6,121.56**
C) Cash flow from financing activities		
Increase/(Decrease) of debt securities	18,800.00	(18,400.00)
Lease liabilities paid	(323.94)	(381.67)
Interest Paid on lease liabilities	(94.73)	(125.05)
Increase/(Decrease) of Borrowings	1,09,384.75	39,733.01
NCD issue expenses	(128.83)	(264.56)
Net Cash flow from/(used in) financing activities (C)	**1,27,637.25**	**20,561.73**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(4,757.54)**	**13,423.89**
Cash and cash equivalents at the beginning of the year	**14,871.01**	**1,447.12**
Cash and cash equivalents at the end of the period	**10,113.47**	**14,871.01**

Component of cash and cash equivalents	For the year ended 31st March 2021 (Audited)	For the year ended 31st March 2020 (Audited)
Cash on hand	6.38	3.46
Balances with banks:		
- Current Account/Cash Credit Account	5,791.35	20.12
- in deposit accounts having original maturity less than three months	4,315.74	14,847.43
Total Cash and cash equivalents	**10,113.47**	**14,871.01**

As per our report of even date

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

Sangeeta Gupta
Partner
Membership No.: 064225

Place: Mumbai
Date: 28th April 2021

For and on behalf of the Board of Directors
Shriram Housing Finance Limited

Subramanian Jambunathan
Managing Director & CEO
DIN: 00969478

Y. S. Chakravarti
Director
DIN: 00052308

Gauri Shankar Agarwal
Chief Financial Officer

Bhavita Ashiyani
Company Secretary

Place: Mumbai
Date: 28th April 2021

Notes to Financial Statements

for the year ended 31st March 2021

1. Corporate Information

Shriram Housing Finance Limited (the "Company") is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act, 1956. The Corporate Identification Number (CIN:) is CIN U65929TN2010PLC078004. The Company received its Certificate of Registration from National Housing Bank (NHB) as required under Section 29A of the National Housing Bank Act, 1987, on 4th August 2011. The Company is primarily engaged in the business of providing loans for construction or purchase of residential property and loans against property.

The Company is a subsidiary of Shriram City Union Finance Limited.

The registered office of the Company is at No. 123, Angappa Naicken Street, Chennai – 600 001.

2. Basis of preparation and presentation

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

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). The financial statements are presented in Indian Rupees (INR) which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates and all values are rounded to the nearest Lakh, except when otherwise indicated.

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

3. Significant accounting policies

3.1 Use of estimates, judgements and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. 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.

3.2 Revenue from operations

(i) Interest and similar 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 Fair value through Profit and loss (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 amount (i.e. net of provision) of the financial asset.

Notes to Financial Statements

for the year ended 31st March 2021

(ii) Dividend Income

Dividend income is recognised

a) When the right to receive the payment is established;

b) it is probable that the economic benefits associated with the dividend will flow to the entity; and

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

(iii) Fees & Commission Income

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

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

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

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

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

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

(iv) Net gain on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss (refer Note 25), 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 Fair value through Other Comprehensive Income ("FVOCI") is recognised in net gain/loss on fair value changes.

However, net gain/loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

(v) Rental Income

Rental income from subleases is recognised as per contractual terms. Subleases given by the Company are in nature of operating leases i.e. the Company does not transfer substantially all of the risks and benefits of ownership of the asset.

3.3 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.

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 expenses with the corresponding adjustment to the carrying amount of the liability.

Interest expense includes issue costs that are initially recognised as part of the carrying value of the financial liability and amortised over the expected life using the effective interest method.

Interest on lease liability is recognised on the basis incremental borrowing rate used for discounting the lease liability.

Guarantee commission is in respect of corporate guarantee taken from holding Company.

Net interest on net defined liability of defined employee benefit plan (i.e. interest cost on defined benefit obligation net of any interest income on plan investments) which reflects change in net liability arising from passage of time forms part of finance cost.

(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. 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, 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**
Eligible 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.

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 contributes on a lump sum basis towards the ascertained liabilities to the Trustees – Shriram Housing Finance Limited Employees Group Gratuity Fund Scheme. Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDAI approved Insurance Companies.

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

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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. During the year Company has discontinued providing liabilities towards compensated absences according to Company's policy.

(iii) Rent Expense:

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 1st April 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 buildings, service amenities and furniture therein and motor vehicle.

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 an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The 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 subleases, the Company assesses whether the sublease is a finance lease or operating lease at its commencement on basis of its contractual terms and conditions. The discount rate used for the head lease is used to measure the investment in the sublease in case it is a finance lease.

In case of leases where Ind AS 116 is not applicable and where the Company has opted for exemption available in Ind AS 116, rent expense representing operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognised based on contractual terms.

(iv) 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 flow discounted to their present value using a pre-tax discount rate that reflects current market

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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.

(v) Expenditure on Corporate Social Responsibility (CSR)

The Company accounts the expenditure incurred towards Corporate Social Responsibility as required under the Act as a charge to the statement of profit and loss.

(vi) Rating Expenses

The Company evaluates whether rating fee is directly attributable and incremental to each borrowing/NCD. If such fees are directly attributable to the acquisition of the borrowing, then same is considered for EIR. If such fees are not directly attributable to the acquisition of the borrowing, then the same is charged to Profit and Loss proportionately as and when the borrowing facility is availed.

(vii) Mortgage Guarantee Fee not written off

Mortgage Guarantee fee is the guarantee fee paid to a Mortgage Insurance for risk mitigation when any loan becomes NPA. The Company has decided to amortise such fee on straight line basis over the expected life of loan as expected by management or actual life of loan whichever is earlier.

(viii) Other expenses

All Other expenses are recognised in the period they accrue.

(ix) Taxes

Income tax expense comprises of current and deferred income tax. Income tax expense is recognised in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income.

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 where the Company operates and generates taxable income.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant taxpaying unit intends to settle the asset and liability on a net basis.

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, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

Minimum Alternate Tax (MAT)

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

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to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

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

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

1. 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.
2. 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.

3.4 Property, plant and equipment

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. PPE are initially recognised at cost. The initial cost of Property, plant and equipment (PPE) 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. Subsequent to initial recognition, Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

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

Depreciation

Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives estimated by the management.

The estimated useful lives are as follows:

Particulars	Useful life as prescribed by Schedule II to the Companies Act, 2013	Useful life estimated by the Company
Electrical installation and equipment	10 years	10 years
Furniture and fixture	10 years	10 years
Office equipment	5 years	5 years
Computer	3 years	5 years
Servers	6 years	6 years

Leasehold improvements 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.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed annually.

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

3.5 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

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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 Company considers that the useful life of an intangible asset comprising of computer software will not exceed 5 years from the date when the asset is available for use. 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.

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. Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from/up to the date of acquisition/sale.

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.

3.6 Investment Property

Investment property consists of vacant land. Investment properties are measured initially at cost including transaction costs. Investment property being land is not depreciated.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

3.7 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.

3.8 Assets held for sale

Assets held for sale comprises of house properties, which were held as collaterals against the loans given to customer, whose physical and legal possessing has been taken over by the Company due to customers' default on repayment of the loan. Management intends to sell these properties for which regular auctions are conducted.

Such assets are classified as held for sale when their carrying amount is intended to be recovered principally through sale rather than through continued use.

At the time of initial classification as assets held for sale, these assets are measured at the lower of carrying amount and fair value plus directly attributable cost related to repossessed asset. The fair value of the assets is determined by an independent valuer. These assets are carried at the fair value determined on initial recognition, unless there are indicators of significant changes in real estate market condition requiring a revised valuation.

Asset will have to be sold within three years from possession date. If the investment in such properties (land and buildings) exceeds 20%

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of capital fund as per NBFC – Housing Finance Company (Reserve Bank) directions, 2021 (of which such investment over and above 10% of owned fund shall be in residential units), the excess shall be written off.

3.9 Cash and cash equivalents

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

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

3.10 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

3.11 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

3.11.1 Financial Assets

3.11.1.1 Classification

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 (FVOCI)
3. Financial assets to be measured at fair value through profit or loss account (FVTPL)

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

1. **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:

   a) 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.

   b) 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.

   c) 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).

   d) 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.

2. **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

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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.

3.11.1.2 Initial Recognition – Financial assets are initially recognised at fair value.

3.11.1.3 Subsequent Measurement

Financial assets measured at amortised cost

Debt instruments

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 using the effective interest rate (EIR) method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in Interest income in the profit or loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. The measurement of credit impairment is based on the three-stage expected credit loss model described below in Note 3.14 Impairment of financial assets.

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 are recognised in 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. The measurement of credit impairment is based on the three-stage expected credit loss model as applied to financial assets at amortised cost. The expected credit loss model is described below in Note 3.14 Impairment of financial assets.

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 can be 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

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date, there are no equity instruments measured at FVOCI.

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

Financial assets measured at fair value through profit or loss

Items at fair value through profit or loss comprise:

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

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

Financial instruments held for trading

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

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

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

3.11.2 Financial Liabilities

3.11.2.1 Classification

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.

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.

3.11.2.2 Initial Measurement

Financial liabilities are initially measured fair value minus, in case of financial liability not at FVTPL, transaction costs directly attributable to acquisition or issue. The Company's financial liabilities include loans and borrowings and other payables.

3.11.2.3 Subsequent Measurement

Financial liabilities, except those at FVTPL, are subsequently carried at amortised cost using the effective interest method. 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.

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3.11.3 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.

3.11.4 Financial Guarantees

Financial guarantees given 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.

Financial guarantees received are recognised in the financial statements at fair value of the premium paid. In case of guarantees received without consideration from group companies, the fair value of premium payable over the life of the guarantee is recognised as deemed investment. The fair value of premium is recognised as expense in the statement of profit and loss on a straight-line basis over the life of the guarantee.

3.12 Reclassification of financial assets and liabilities

The Company reclassifies a financial asset or a group of financial assets only on change in business model for managing that financial asset or group of financial assets. Financial liabilities are never reclassified.

3.13 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 3.11 above) 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 as 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

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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 inputs those are significant to the measurement as whole.

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 profit or loss when the inputs become observable, or when the instrument is derecognised.

3.14 Impairment of financial assets

Overview of the ECL principles

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with financial guarantee contracts and loan commitments, lease receivables, and financial assets held at FVOCI; 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-months 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-months 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 housing loan, non-housing loan, and project finance.

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: 12 months ECL

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 loan advances up to 30 days default under this category. Stage 1 loan advances also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2. For these assets, 12-months ECL are recognised and interest revenue is calculated on the gross carrying amount of the asset.

For Investments measured at FVOCI the investment is classified as a Stage 1 in case there is no change in the credit rating or a change of one notch downward in the credit rating.

Stage 2: Lifetime ECL – not credit impaired

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. More than 30 Days Past Due is considered as significant increase in credit risk. For these assets, lifetime ECL are recognised, but interest revenue is still calculated on the gross carrying amount of the asset.

For Investments measured at FVOCI, in case there is a downgrade in credit rating by two or more notches, the investment is taken as at Stage 2 and lifetime PD is applied.

Stage 3: Lifetime ECL – credit impaired

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. More than 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.

For Investments measured at FVOCI, any investment which is non-performing or in default or restructured is taken to be as at Stage 3.

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; and

e) The disappearance of an active market for a security because of financial difficulties.

ECLs are recognised as impairment on financial instruments in profit and loss. In the case of debt instruments measured at fair value through other comprehensive income, the measurement of ECLs is based on the three-stage approach as applied to financial assets at amortised cost.

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 profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets. As at the reporting date, the Company does not have any debt instruments measured at fair value through OCI.

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. As at the reporting date, the Company does not have any such instruments.

Undrawn Loan commitments

ECL is calculated on the undrawn loan commitments considering of same stage as if considered for part disbursed and considering as stage 1 if fully undisbursed. This is shown in the balance sheet as a provision.

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for the year ended 31st March 2021

Lease receivables

The Company has adopted simplified approach for ECL on lease receivable and calculates Lifetime ECL using inputs similar to those used for loan portfolio.

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. PD is considered as an average of past 8 years PD for calculating ECL. The concept of PD is further explained in Note 45.

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

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 in respect of assets which has defaulted in last 7 years. It is usually expressed as a percentage of the EAD. The concept of LGD is further explained in Note 45.

Forward-looking information

While estimating the expected credit losses, the Company reviews macroeconomic 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 macroeconomic trends reasonably.

Collateral Valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, wherever possible. The collateral comes in the form of immovable properties. The fair value of collateral affects the calculation of ECLs. Collateral is valued based on data provided by independent valuers.

Collateral repossessed

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

3.15 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. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

3.16 Recognition and derecognition of financial assets and liabilities

Recognition:

a) Loans and Advances are initially recognised when the cheque is issued or funds are transferred to the customers.

b) Investments are initially recognised on the settlement date.

Notes to Financial Statements

for the year ended 31st March 2021

c) Debt securities 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

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

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

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Derecognition of financial assets other than due to substantial modification

a) Financial assets

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

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

i. The Company has transferred its contractual rights to receive cash flows from the financial asset; or

ii. It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement.

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

i. The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.

ii. The Company cannot sell or pledge the original asset other than as security to the eventual recipients.

iii. The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

i. The Company has transferred substantially all the risks and rewards of the asset; or

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

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is

Notes to Financial Statements

for the year ended 31st March 2021

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.

When, as a result of transfer, a financial asset is derecognised in its entirety but the transfer results in the Company obtaining a new financial asset, the Company recognises the new financial asset at fair value.

b) **Financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

3.17 Deemed investment

Fair value of corporate guarantee taken from holding company is recognised as Deemed Investment and corresponding effect is given to prepaid expenses which is amortised.

3.18 Offsetting

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 and intends to settle on a net basis or to realise the asset and settle the liability simultaneously in all of 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

3.19 Provisions

Provisions are recognised when the enterprise has a present obligation 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 Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. As at reporting date, the Company does not have any such provision where effect of time value of money is material. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. 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.

3.20 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. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

3.21 Earning Per Share (EPS)

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

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for the year ended 31st March 2021

shareholders 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.

3.22 Employee Stock Option Plan

Employees of the Company receive remuneration in the form of equity settled share-based payments in consideration of the services rendered.

The Company recognises compensation expense relating to share-based payments as 'employee benefit expenses' with a corresponding increase in equity, over the vesting period, using the grant date fair-value of the option in accordance with Ind AS 102, share-based payments. The grant date fair value of the options is calculated using the Black-Scholes model.

The estimated fair value of the awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in substance, multiple awards with a corresponding increase to share options outstanding account. At the end of each reporting period, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Company issues fresh equity shares.

Notes to Financial Statements
for the year ended 31st March 2021

Note 4: Cash and cash equivalents

(₹ in Lakh)

Particulars	As at 31st March 2021 (Audited)	As at 31st March 2020 (Audited)
Cash on hand	6.38	3.46
Balances with Banks		
- in current accounts	5,791.35	20.12
- in deposit accounts having original maturity less than three months	4,315.74	14,847.43
Total	**10,113.47**	**14,871.01**

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.

Note 5: Other Bank Balances

(₹ in Lakh)

Particulars	As at 31st March 2021 (Audited)	As at 31st March 2020 (Audited)
Other Bank Balances		
Fixed deposit with original maturity for more than 3 months but less than 12 month	2,640.65	4.50
Fixed deposit with original maturity of more than 12 months	256.89	18.50
Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments*	1,503.50	782.50
Total	**4,401.04**	**805.50**

*Fixed Deposit is under lien for Bank Guarantee purpose to the extent for ₹ 25 Lakh (31st March 2020 ₹ 25 Lakh)

*Fixed Deposit is under lien with bank pending completion of formalities relating to a borrower to the extent of ₹ 110 Lakh (31st March 2020 ₹ 110 Lakh)

*Fixed Deposit is under lien to the extent for ₹ 1298.50 Lakh marked in favour of "IDBI Trusteeship Services Limited" in respect to Securitisation as cash collateral. (31st March 2020 ₹ 647.50 Lakh)

*Fixed Deposit is under lien to extent of ₹ 70 Lakh in favour of ICICI Bank in respect of sourcing and servicing agreement. (31st March 2020 is Nil)

Note 6: Receivables

(₹ in Lakh)

Particulars	As at 31st March 2021 (Audited)	As at 31st March 2020 (Audited)
Secured, considered good	-	-
Unsecured, considered good	-	0.65
Total	**-**	**0.65**

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. No ECL is taken on receivable as amount is immaterial and management considers all receivables as good.

Notes to Financial Statements
for the year ended 31st March 2021

Note 7: Loans

(₹ in Lakh)

Particulars	As at 31st March 2021 (Audited)						As at 31st March 2020 (Audited)					
	Amortised Cost	At Fair value					Amortised Cost	At Fair value				
		Through Other Comprehensive Income	Through profit or loss	Designated at Through profit or loss	Sub-total	Total		Through Other Comprehensive Income	Through profit or loss	Designated at Through profit or loss	Sub-total	Total
(A)												
i) Term loans	3,42,609.74	-	-	-	-	3,42,609.74	2,02,436.73	-	-	-	-	2,02,436.73
Total (A) - Gross	**3,42,609.74**	**-**	**-**	**-**	**-**	**3,42,609.74**	**2,02,436.73**	**-**	**-**	**-**	**-**	**2,02,436.73**
Less: Impairment loss allowance	(4,841.51)	-	-	-	-	(4,841.51)	(3,588.35)	-	-	-	-	(3,588.35)
Total (A) - Net	**3,37,768.23**	**-**	**-**	**-**	**-**	**3,37,768.23**	**1,98,848.38**	**-**	**-**	**-**	**-**	**1,98,848.38**
(B)												
i) Secured by tangible assets	3,42,609.74	-	-	-	-	3,42,609.74	2,02,436.73	-	-	-	-	2,02,436.73
Total (B) - Gross	**3,42,609.74**	**-**	**-**	**-**	**-**	**3,42,609.74**	**2,02,436.73**	**-**	**-**	**-**	**-**	**2,02,436.73**
Less: Impairment loss allowance	(4,841.51)	-	-	-	-	(4,841.51)	(3,588.35)	-	-	-	-	(3,588.35)
Total (B) - Net	**3,37,768.23**	**-**	**-**	**-**	**-**	**3,37,768.23**	**1,98,848.38**	**-**	**-**	**-**	**-**	**1,98,848.38**
(C)												
Loans in India												
i) Public Sector	-	-	-	-	-	-	-	-	-	-	-	-
ii) Others												
Individuals	2,91,869.84					2,91,869.84	1,62,903.82					1,62,903.82
Corporates	50,739.90					50,739.90	39,532.91					39,532.91
Total - Gross	**3,42,609.74**	**-**	**-**	**-**	**-**	**3,42,609.74**	**2,02,436.73**	**-**	**-**	**-**	**-**	**2,02,436.73**
Less: Impairment Loss Allowance	(4,841.51)	-	-	-	-	(4,841.51)	(3,588.35)	-	-	-	-	(3,588.35)
Total - Net	**3,37,768.23**	**-**	**-**	**-**	**-**	**3,37,768.23**	**1,98,848.38**	**-**	**-**	**-**	**-**	**1,98,848.38**
Loans outside India	-	-	-	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-
Total - Net	-	-	-	-	-	-	-	-	-	-	-	-
Total (C)	**3,37,768.23**	**-**	**-**	**-**	**-**	**3,37,768.23**	**1,98,848.38**	**-**	**-**	**-**	**-**	**1,98,848.38**

Loans under Financial Assets ₹ 3,42,609.74 Lakh (31st March 2020 ₹ 2,02,436.73 Lakh) include disbursement cheques for ₹ 29,575.64 Lakh (31st March 2020 ₹ 11,460 Lakh) issued against sanctioned loans not encashed by respective borrowers till 31st March 2021. Interest income of ₹ 150.63 Lakh (March 2020 ₹ 72 Lakh) for the period has been booked in respect of these loans. These loans are also considered for overall stock allocation against secured borrowings of the Company in ordinary course of business. Loans of ₹ 1,302 Lakh have been cancelled after Balance Sheet date. Purchase Consideration of Loans bought during the FY 2020-21 is ₹ 40,022.48 Lakh (FY 2019-20 ₹ 11,310.82 Lakh).

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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 and policies on ECL allowances are set out in Note 45

	Year ended 31st March 2021				Year ended 31st March 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	3,16,481.00			3,16,481.00	1,76,871.60			1,76,871.60
Standard grade	8,116.23			8,116.23	7,083.89			7,083.89
Sub-standard grade		6,041.03		6,041.03		10,356.58		10,356.58
Past due but not impaired		5,549.30		5,549.30		3,240.64		3,240.64
Non-performing:								
Individually impaired			6,422.18	6,422.18			4,884.02	4,884.02
Total	**3,24,597.23**	**11,590.33**	**6,422.18**	**3,42,609.74**	**1,83,955.49**	**13,597.22**	**4,884.02**	**2,02,436.73**

Reconciliation of Gross Carrying amount is given below:

(₹ in Lakh)

	Year ended 31st March 2021				Year ended 31st March 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	1,83,955.49	13,597.22	4,884.02	2,02,436.73	1,59,267.37	20,333.97	5,164.85	1,84,766.19
New assets originated or purchased	2,19,366.20	120.46	5.92	2,19,492.58	1,12,663.86			1,12,663.86
Assets derecognised or repaid (excluding write offs)	(75,532.70)	(2,384.65)	(1,133.28)	(79,050.63)	(86,550.12)	(6,024.02)	(1,740.98)	(94,315.12)
Transfers to Stage 1	5,517.22	(5,454.03)	(63.19)	(0.00)	6,721.00	(6,030.16)	(690.84)	(0.00)
Transfers to Stage 2	(7,350.99)	7,350.99	-	-	(7,078.19)	7,297.32	(219.13)	-
Transfers to Stage 3	(1,357.99)	(1,639.66)	2,997.65	-	(942.97)	(1,433.83)	2,376.80	0.01
Changes to contractual cash flows due to modifications not resulting in derecognition				-				-
Amounts written off			(268.94)	(268.94)	(125.46)	(546.06)	(6.68)	(678.20)
Gross carrying amount closing balance	**3,24,597.23**	**11,590.33**	**6,422.18**	**3,42,609.74**	**1,83,955.49**	**13,597.22**	**4,884.02**	**2,02,436.73**

Reconciliation of ECL balance is given below:

(₹ in Lakh)

	Year ended 31st March 2021				Year ended 31st March 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	1,226.25	303.16	1,058.94	3,588.35	899.35	587.13	1,115.58	2,602.06
New assets originated or purchased	1,360.91	4.56	0.96	1,366.43	663.01			663.01
Assets derecognised or repaid (excluding write offs)	70.10	166.47	(294.56)	(57.99)	(10.03)	(39.49)	(601.63)	(651.15)
Transfers to Stage 1	28.49	(28.10)	(0.39)	(0.00)	46.90	(42.30)	(4.60)	(0.00)
Transfers to Stage 2	(178.43)	178.43	-	-	(149.95)	156.06	(6.11)	0.00
Transfers to Stage 3	(345.17)	(351.82)	696.99	(0.00)	(222.12)	(333.80)	555.92	-

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for the year ended 31st March 2021

(₹ in Lakh)

	Year ended 31st March 2021				Year ended 31st March 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impact on year end ECL of exposures transferred between stages during the year				-				-
Amounts written off			(55.28)	(55.28)	(0.91)	(24.44)	(0.22)	(25.57)
COVID-19 additional provision				-				1,000.00
ECL allowance - closing balance	**2,162.15**	**272.70**	**1,406.66**	**4,841.51**	**1,226.25**	**303.16**	**1,058.94**	**3,588.35**

Out of loan balances written off during the year ₹ 268.94 Lakh (31st March 2020 ₹ 678.19 Lakh), ₹ 268.19 Lakh (31st March 2020 ₹ 84.49) are subject to enforcement activity by the Company.

Disclosure as per RBI circular no. DOR.No.BP.BC.63/21.04.048/2019-20 dt. 17th April 2020

For the Year ended 31st March 2021

(₹ in Lakh)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5)=(3)-(4)	6	(7) = (4)-(6)
Standard	Stage 1	3,24,597.23	2,162.15	3,22,435.08	1,721.95	440.20
	Stage 2	11,590.33	272.70	11,317.63	78.20	194.50
Subtotal		**3,36,187.56**	**2,434.85**	**3,33,752.71**	**1,800.15**	**634.70**
Non-Performing Assets (NPA)						
Substandard	Stage 3	**3,020.80**	**703.63**	**2,317.17**	**420.74**	**282.89**
Doubtful - up to 1 year	Stage 3	1,515.51	332.29	1,183.22	315.05	17.24
1 to 3 years	Stage 3	1,870.38	367.34	1,503.04	555.70	(188.36)
More than 3 years	Stage 3	15.49	3.40	12.09	10.86	(7.46)
Subtotal for doubtful		**3,401.38**	**703.03**	**2,698.35**	**881.61**	**(178.58)**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**6,422.18**	**1,406.66**	**5,015.52**	**1,302.35**	**104.31**
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	18,267.69	103.19	18,164.50	-	103.19
	Stage 2	140.52	4.22	136.30	-	4.22
	Stage 3	-	-	-	-	-
Subtotal		**18,408.21**	**107.41**	**18,300.80**	**-**	**107.41**
Total	Stage 1	3,42,864.92	2,265.34	3,40,599.58	1,721.95	543.39
	Stage 2	11,730.85	276.92	11,453.93	78.20	198.72
	Stage 3	6,422.18	1,406.66	5,015.52	1,302.35	104.31
	Additional provision as per RBI				-	-
	Management overlay - COVID19		1,000.00	(1,000.00)	-	1,000.00
	Total	**3,61,017.95**	**4,948.92**	**3,56,069.03**	**3,102.50**	**1,846.42**

**RBI circular no. DOR.No.BP.BC.63/21.04.048/2019-20 dt. 17th April 2020

Notes to Financial Statements

for the year ended 31st March 2021

For the Year ended 31st March 2020

(₹ in Lakh)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5)=(3)-(4)	6	(7) = (4)-(6)
Standard	Stage 1	1,83,955.49	1,226.25	1,82,729.24	747.76	478.49
	Stage 2	13,597.22	303.16	13,294.06	71.37	231.79
Subtotal		**1,97,552.71**	**1,529.41**	**1,96,023.30**	**819.13**	**710.28**
Non-Performing Assets (NPA)						
Substandard	Stage 3	**2,462.94**	**577.04**	**1,885.90**	**337.09**	**239.95**
Doubtful - up to 1 year	Stage 3	774.79	164.57	610.22	164.32	0.25
1 to 3 years	Stage 3	1,534.29	296.09	1,238.20	461.35	(165.26)
More than 3 years	Stage 3	112.00	21.24	90.76	72.62	(51.38)
Subtotal for doubtful		**2,421.08**	**481.90**	**1,939.18**	**698.29**	**(216.39)**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**4,884.02**	**1,058.94**	**3,825.08**	**1,035.38**	**23.56**
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	18,655.71	126.90	18,528.81	-	126.90
	Stage 2	62.27	2.44	59.83	-	2.44
	Stage 3	-	-	-	-	-
Subtotal		**18,717.98**	**129.34**	**18,588.64**	**-**	**129.34**
Total	Stage 1	2,02,611.20	1,353.15	2,01,258.05	747.76	605.39
	Stage 2	13,659.49	305.60	13,353.89	71.37	234.23
	Stage 3	4,884.02	1,058.94	3,825.08	1,035.38	23.56
	Additional provision as per RBI				151.04	(151.04)
	Management overlay - COVID19		1,000.00	(1,000.00)	644.32	355.68
	Total	**2,21,154.71**	**3,717.69**	**2,17,437.02**	**2,649.87**	**1,067.82**

**RBI circular no. DOR.No.BP.BC.63/21.04.048/2019-20 dt. 17th April 2020

Notes to Financial Statements
for the year ended 31st March 2021

Note 7(a): Disclosure of Restructured Accounts

(₹ in Lakh)

Sr. No	Type of Restructuring		Others									
	Financial year		Year ended 31st March 2021					Year ended 31st March 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	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-
2	Fresh restructuring under COVID 19 relief scheme during the year	No. of borrowers	159	-	-	-	159	-	-	-	-	-
		Amount outstanding	5,819.29	-	-	-	5,819.29	-	-	-	-	-
		Provision thereon	48.06	-	-	-	48.06	-	-	-	-	-
3	Upgradation	No. of borrowers	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-
5	Downgradation of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-
7	**Restructured accounts as on 31st March**	**No. of borrowers**	**159**	**-**	**-**	**-**	**159**	**-**	**-**	**-**	**-**	**-**
		Amount outstanding	**5,819.29**	**-**	**-**	**-**	**5,819.29**	**-**	**-**	**-**	**-**	**-**
		Provision thereon	**48.06**	**-**	**-**	**-**	**48.06**	**-**	**-**	**-**	**-**	**-**

Notes:

(i) The outstanding amount and number of borrowers as at 31st March 2021 and 31st March 2020 is after considering recoveries during the year.

(ii) 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.

Notes to Financial Statements

for the year ended 31st March 2021

Note 8:Investments

(₹ in Lakh)

Particulars	As at 31st March 2021 (Audited)				As at 31st March 2020 (Audited)			
	Amortised Cost	At Fair value: Through Other Comprehensive Income	At Fair value: Through profit or loss	Total	Amortised Cost	At Fair value: Through Other Comprehensive Income	At Fair value: Through profit or loss	Total
i) Mutual funds	-	-	-	-	-	-	12,465.27	12,465.27
ii) Pass through certificates (unquoted)	-	1,396.86	-	1,396.86	-	1,840.73	-	1,840.73
iii) Security Receipts	-	-	980.24	980.24	-	-	1,327.92	1,327.92
iv) Deposits with Financial Institutions	5,027.50	-	-	5,027.50	-	-	-	-
v) Intercorporate Deposit	-	-	-	-				
Total Gross (A)	**5,027.50**	**1,396.86**	**980.24**	**7,404.60**	**-**	**1,840.73**	**13,793.19**	**15,633.92**
i) Investments outside India	-	-	-	-	-	-	-	-
ii) Investments in India	5,027.50	1,396.86	980.24	7,404.60	-	1,840.73	13,793.19	15,633.92
Total Gross (B)	**5,027.50**	**1,396.86**	**980.24**	**7,404.60**	**-**	**1,840.73**	**13,793.19**	**15,633.92**
Less: Allowance for impairment loss (C)	(0.79)	(1.23)	-	(2.03)	-	(1.81)	-	(1.81)
Total - Net D = (A) + (C)	**5,026.71**	**1,395.63**	**980.24**	**7,402.57**	**-**	**1,838.92**	**13,793.19**	**15,632.11**

Out of the Company's FVOCI debt portfolio (PTC), instruments with a principal of ₹ 443.26 Lakh (31st March 2020: ₹ 2,136.30 Lakh) paid during the year.

Credit quality of assets

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 are explained in Note 45

(₹ in Lakh)

Internal Grade Rating	Year ended 31st March 2021				Year ended 31st March 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing								
High Grade	6,007.74	-	-	6,007.74	13,793.19	-	-	13,793.19
Standard grade	1,396.86	-	-	1,396.86	1,840.73	-	-	1,840.73
Non-performing	-	-	-	-	-	-	-	-
Total	**7,404.60**	**-**	**-**	**7,404.60**	**15,633.92**	**-**	**-**	**15,633.92**

An analysis of changes in gross carrying amount and the corresponding ECLs is as follows:

(₹ in Lakh)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Fair value – Opening balance	15,633.92	21,859.75
New assets originated or purchased	1,91,327.50	15,23,186.00
Change in fair value	(65.27)	42.24
Assets derecognised or matured	(1,99,491.55)	(15,29,454.07)
Fair value - Closing balance	**7,404.60**	**15,633.92**

Notes to Financial Statements
for the year ended 31st March 2021

(₹ in Lakh)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Opening balance in ECL	1.81	4.74
New assets originated or purchased	0.79	-
Assets derecognised or matured (excluding write offs)	(0.44)	(2.52)
ECL assumption changes	(0.13)	(0.41)
Closing balance in ECL	**2.03**	**1.81**

Note 9: Other financial assets

(₹ in Lakh)

Particulars	As at 31st March 2021 (Audited)	As at 31st March 2020 (Audited)
Security deposits	366.11	314.69
Interest receivable on Pass through certificates	7.42	10.85
Less: Allowance for impairment against interest receivable on PTC	(0.01)	(0.01)
Net Lease Receivable	11.65	14.72
Less: Impairment loss allowance on lease receivables	(0.25)	(0.47)
Interest Receivable on Assignment Receivables	12,531.74	6,702.30
Less: ECL on Assignment Receivables	(370.36)	(184.83)
Exgratia Receivable from Government	342.83	-
Servicing Fee Receivable - Assignment	9.59	2.49
Total	**12,898.72**	**6,859.74**

Reconciliation of impairment allowance

(₹ in Lakh)

Particulars	General Approach					Simplified Approach
	Interest Receivable on PTC	Assignment Receivable				Net lease Receivable
	Stage 1	Stage 1	Stage 2	Stage 3	Total	
Impairment allowance as per 31st March 2019	**0.03**	**-**	**-**	**-**	**-**	**-**
Add: Addition during the year	-	184.14	0.69	-	184.83	0.47
(Less): Reduction during the year	(0.02)	-	-	-	-	-
Impairment allowance as per 31st March 2020	**0.01**	**184.14**	**0.69**	**-**	**184.83**	**0.47**
Add: Addition during the year	-	172.50	23.47	36.27	232.24	-
(Less): Reduction during the year	(0.00)	(46.42)	(0.29)	-	(46.71)	(0.22)
Impairment allowance as per 31st March 2021	**0.01**	**310.22**	**23.87**	**36.27**	**370.36**	**0.25**

Notes to Financial Statements
for the year ended 31st March 2021

Note 10: Non-Current tax assets/(Liabilities) (net)

(₹ in Lakh)

Particulars	As at 31st March 2021 (Audited)	As at 31st March 2020 (Audited)
Advance income tax & Self Assessment Tax (net of provision for tax)	418.95	2,066.84
Total	**418.95**	**2,066.84**

Note 11: Investment Property

(₹ in Lakh)

Particulars	As at 31st March 2021 (Audited)	As at 31st March 2020 (Audited)
	Land-Freehold	Land-Freehold
At cost or fair value at the beginning of the year	0.28	0.28
Additions	-	-
Disposals	-	-
At cost or fair value at the end of the period	**0.28**	**0.28**
Depreciation and impairment		
Accumulated Depreciation and impairment as at the beginning of the year	-	-
Depreciation charge for the period	-	-
Disposals	-	-
Accumulated Depreciation and impairment as at the end of the period	-	-
Net Carrying amount as at the end of the period	**0.28**	**0.28**

Note 12: Property, Plant and Equipment and Capital work-in-progress

(₹ in Lakh)

Particulars	As at 31st March 2021 (Audited)						As at 31st March 2020 (Audited)					
	Computers	Electrical Installation and Equipment	Furniture & Fixtures	Office Equipment	Leasehold Improvement	Total	Computers	Electrical Installation and Equipment	Furniture & Fixtures	Office Equipment	Leasehold Improvement	Total
At cost or fair value at the beginning of the year	430.82	219.62	88.14	5.19	604.59	1,348.36	402.41	215.60	87.67	4.72	628.50	1,338.90
Additions	38.95	11.18	9.37	-	27.16	86.66	29.39	10.94	6.92	0.47	-	47.72
Disposals	(27.40)	(36.03)	(25.01)	-	(213.89)	(302.33)	(0.98)	(6.92)	(6.45)	-	(23.91)	(38.26)
At cost or fair value at the end of the period	**442.37**	**194.77**	**72.50**	**5.19**	**417.86**	**1,132.69**	**430.82**	**219.62**	**88.14**	**5.19**	**604.59**	**1,348.36**
Accumulated Depreciation and impairment as at the beginning of the year	295.27	74.31	28.10	1.57	399.89	799.14	254.15	54.07	21.74	1.11	309.58	640.65
Depreciation for the year	48.47	20.36	7.39	0.49	88.05	164.76	42.05	22.31	8.21	0.46	107.58	180.61
Disposals	(26.03)	(14.70)	(11.24)	-	(183.01)	(234.98)	(0.93)	(2.07)	(1.85)	-	(17.27)	(22.12)
Accumulated Depreciation and impairment as at the end of the period	**317.71**	**79.97**	**24.25**	**2.06**	**304.93**	**728.92**	**295.27**	**74.31**	**28.10**	**1.57**	**399.89**	**799.14**
Net Carrying amount as at the end of the period	**124.66**	**114.80**	**48.25**	**3.13**	**112.93**	**403.77**	**135.55**	**145.31**	**60.04**	**3.62**	**204.70**	**549.22**
Capital work-in-progress including advances for capital assets						-					-	-

Notes to Financial Statements
for the year ended 31st March 2021

Note 13: Other Intangible Assets

(₹ in Lakh)

Particulars	As at 31st March 2021 (Audited)	As at 31st March 2020 (Audited)
	Software	Software
At cost, beginning of the year	842.83	495.77
Additions	0.96	347.06
Disposals	-	-
Total Cost	**843.79**	**842.83**
Accumulated amortisation and impairment:		
At the beginning of the year	267.32	165.27
Amortisation	137.49	102.05
Disposals	-	-
Total Amortisation and impairment	**404.81**	**267.32**
Net Carrying amount as at the end of the period	**438.98**	**575.51**

Note 14: Right of Use Assets

(₹ in Lakh)

Particulars	As at 31st March 2021 (Audited)			As at 31st March 2020 (Audited)		
	Office Premises	Furniture's & fixtures	Total	Office Premises	Furniture's & fixtures	Total
Opening Balance	1,194.62	356.66	1,551.28	-	-	-
Adoption of Ind AS 116 "Leases"	-	-	-	1,103.25	352.21	1,455.46
Additions	289.61	-	289.61	119.90	12.33	132.23
Remeasurement	(34.51)	-	(34.51)	(28.53)	(7.88)	(36.41)
Total	**1,449.72**	**356.66**	**1,806.38**	**1,194.62**	**356.66**	**1,551.28**
Accumulated Depreciation						
At the beginning of the year	346.72	113.10	459.82	-	-	-
Depreciation	313.54	112.54	426.07	346.72	113.10	459.82
Total Depreciation	**660.26**	**225.64**	**885.90**	**346.72**	**113.10**	**459.82**
Net Carrying amount as at the end of the period	**789.46**	**131.02**	**920.48**	**847.90**	**243.56**	**1,091.46**

Note 15: Other non-financial assets

(₹ in Lakh)

Particulars	As at 31st March 2021 (Audited)	As at 31st March 2020 (Audited)
Unamortised Expenses	300.25	454.01
Prepaid expenses	609.44	514.59
Advance salary	1.08	13.85
GST Receivable	354.19	262.02
Other sundry advances	127.67	91.06
Assets held for Sale	7,116.63	7,290.55
Total	**8,509.26**	**8,626.08**

Notes to Financial Statements

for the year ended 31st March 2021

* Note on Asset held for sale

(₹ in Lakh)

Particulars	As at 31st March 2021 (Audited)	As at 31st March 2020 (Audited)
House Property	7,116.63	7,290.55
Total	**7,116.63**	**7,290.55**

During the year, Company has taken physical and legal possession of House Property, which includes house/ Apartments/vacant land (Collateral securities), with (fair value) of ₹ 2,347.67 Lakh (31st March 2020 ₹ 5,193.42 Lakh). These properties are readily available for sale and management regularly conducts auctions to sell these assets.

Measurement:

The non-recurring fair value measurement for the assets held for sale has been categorised as a Level 2 fair value based on the inputs to the valuation techniques used. For the assets classified as "assets held for sale" during the year valuation has been determined by Independent valuer by using the sales comparison approach for which the price (such as recent sales, municipal valuation, etc.) of the assets in the similar location are considered. This is a level 2 measurement as per the fair value hierarchy.

In respect of the assets held for sale for more than 1-year management continues its efforts to sell these assets. These assets are continued at fair value determined on initial recognition as management believe these fair values to be recoverable due to no major changes in the market condition. Some of the indicators which the management uses to assess change in real estate market condition are changes in local municipal values, prices of similar properties available online, demand for houses, etc.

Note 16: Trade Payables

(₹ in Lakh)

Particulars	As at 31st March 2021 (Audited)	As at 31st March 2020 (Audited)
I) Total outstanding dues of micro enterprises and small enterprises	-	-
II) Total outstanding dues of creditors other than micro enterprises and small enterprises		
Sundry Creditors	308.62	730.48
Outstanding expenses	1,295.70	1,288.01
Total	**1,604.32**	**2,018.49**

Notes to Financial Statements

for the year ended 31st March 2021

Note 17: Debt securities

(₹ in Lakh)

Particulars	As at 31st March 2021 (Audited)				As at 31st March 2020 (Audited)			
	At Amortised Cost	At Fair Value		Total	At Amortised Cost	At Fair Value		Total
		Through profit or loss	Designated through profit or loss			Through profit or loss	Designated through profit or loss	
Privately placed redeemable non-convertible debentures		-	-	-		-	-	-
Secured	50,412.97			50,412.97	31,124.54			31,124.54
Unsecured	7,476.85			7,476.85	7,372.74			7,372.74
Total (A)	**57,889.82**	**-**	**-**	**57,889.82**	**38,497.28**	**-**	**-**	**38,497.28**
Debt securities in India	57,889.82	-	-	57,889.82	38,497.28	-	-	38,497.28
Debt securities outside India	-	-	-	-	-	-	-	-

During the period, NCD's amounting to ₹ 27,800.00 Lakh were issued and repayment of ₹ 9,000 Lakh in principal and ₹ 4,044.56 Lakh towards interest made

Detail of Redeemable Non-Convertible Debentures

(₹ in Lakh)

Sr. No.	ISIN No.	Date of allotment	Date of redemption	Nominal value per debenture (₹ in Lakh)	Total number of debentures	Rate of interest p.a.	As at 31st March 2021 (Face Value)	As at 31st March 2021	As at 31st March 2020 (Face Value)	As at 31st March 2020	Secured/ Unsecured
							Amount	Amount	Amount	Amount	
1	INE432R07109	27-Oct-15	27-Oct-20	10.00	400	9.00%	-	-	4,000.00	4,148.82	Secured
2	INE432R07083	26-Dec-14	26-Dec-21	10.00	150	9.35%	1,500.00	1,534.72	1,500.00	1,531.78	Secured
3	INE432R07216	14-Feb-18	12-Feb-21	10.00	500	9.00%	-	-	5,000.00	5,056.62	Secured
4	INE432R08016	09-May-19	09-May-21	1.00	2500	10.60%	2,500.00	2,513.00	2,500.00	2,468.36	Unsecured
5	INE432R07141	01-Jul-16	01-Jul-21	10.00	200	9.50%	2,000.00	2,142.46	2,000.00	2,141.91	Secured
6	INE432R07208	14-Feb-18	12-Aug-21	10.00	350	8.97%	3,500.00	3,539.24	3,500.00	3,539.24	Secured
7	INE432R07026	10-Oct-14	10-Oct-21	10.00	450	10.25%	4,500.00	4,708.77	4,500.00	4,690.73	Secured
8	INE432R07034	13-Oct-14	13-Oct-21	10.00	150	10.25%	1,500.00	1,568.27	1,500.00	1,561.85	Secured
9	INE432R07232	21-Sep-20	21-Mar-22	10.00	1000	8.15%	10,000.00	9,983.63	-	-	Secured
10	INE432R07240	23-Oct-20	22-Apr-22	10.00	1000	8.15%	10,000.00	10,344.85	-	-	Secured
11	INE432R08024	09-May-19	09-May-22	1.00	2500	10.60%	2,500.00	2,488.13	2,500.00	2,455.54	Unsecured
12	INE432R07117	29-Apr-16	29-Apr-23	10.00	250	9.00%	2,500.00	2,699.23	2,500.00	2,695.18	Secured
13	INE432R07125	02-May-16	02-May-23	10.00	150	9.00%	1,500.00	1,618.41	1,500.00	1,615.98	Secured
14	INE432R08032	09-May-19	09-May-23	1.00	2500	10.60%	2,500.00	2,475.73	2,500.00	2,448.84	Unsecured
15	INE432R07224	05-Jun-20	05-Jun-23	10.00	400	8.55%	4,000.00	4,264.59	-	-	Secured
16	INE432R07018	10-Oct-14	10-Oct-24	10.00	400	10.30%	4,000.00	4,153.85	4,000.00	4,142.43	Secured
17	INE432R07257	11-Dec-20	11-Dec-30	10.00	170	9.60%	1,700.00	1,733.74	-	-	Secured
18	INE432R07265	15-Jan-21	15-Jan-31	10.00	210	9.42%	2,100.00	2,121.20	-	-	Secured
Total amount							**56,300.00**	**57,889.82**	**37,500.00**	**38,497.28**	

Note 18: Borrowings

(₹ in Lakh)

Particulars	As at 31st March 2021 (Audited)				As at 31st March 2020 (Audited)			
	At Amortised Cost	At Fair Value		Total	At Amortised Cost	At Fair Value		Total
		Through profit or loss	Designated through profit or loss			Through profit or loss	Designated through profit or loss	
Secured:								
Term Loan								
From Banks	2,23,308.91	-	-	2,23,308.91	1,22,570.12	-	-	1,22,570.12
From Financial Institutions	23,486.85	-	-	23,486.85	13,480.37	-	-	13,480.37
From Banks - Securitisation	7,412.99	-	-	7,412.99	4,019.31	-	-	4,019.31
Loans repayable on demand								
Cash credit	985.94	-	-	985.94	5,001.69	-	-	5,001.69
Working Capital demand loan from banks	4,999.13	-	-	4,999.13	3,499.65	-	-	3,499.65
Total (A)	**2,60,193.82**	**-**	**-**	**2,60,193.82**	**1,48,571.14**	**-**	**-**	**1,48,571.14**
Borrowings in India	2,60,193.82	-	-	2,60,193.82	1,48,571.14	-	-	1,48,571.14
Borrowings outside India	-	-	-	-	-	-	-	-

Notes to Financial Statements

for the year ended 31st March 2021

B. Term loan form banks

Terms of repayment as at 31st March 2021

(₹ in Lakh)

Tenure (from date of balance sheet date)	Rate of Interest	Repayment Details	Amount
48-60 months	7.60 % to 10.25%	8 - 60 monthly, quarterly, half yearly instalments	22,887.58
36-48 months	7.60 % to 10.25%	8 - 60 monthly, quarterly, half yearly instalments	39,329.96
24-36 months	7.60 % to 10.25%	4 - 60 monthly, quarterly, half yearly instalments	44,838.59
12-24 months	7.30 % to 10.25%	4 - 60 monthly, quarterly, half yearly instalments	64,887.71
0-12 months	7.30 % to 10.25%	4 - 60 monthly, quarterly, half yearly instalments	51,365.07
Total			**2,23,308.91**

Terms of repayment as at 31st March 2020

(₹ in Lakh)

Tenure (from date of balance sheet date)	Rate of Interest	Repayment Details	Amount
48-60 months	9.00% to 10.00%	4 to 18 instalments of Quarterly & half yearly frequency	49,264.58
36-48 months	8.60% to 9.70%	4 to 12 instalments of half yearly frequency	14,996.48
24-36 months	8.35% to 10.00%	6 to 14 instalments of quarterly & half yearly frequency	48,011.33
12-24 months	8.35% to 9.50%	8 to 14 instalments of half yearly frequency	8,059.73
0-12 months	7.55% to 9.00%	8 to 60 instalments of monthly, quarterly & half yearly frequency	2,238.00
Total			**1,22,570.12**

Nature of Security

Term Loans from banks are secured by way of exclusive charge on specified loan receivables.

C. Refinance from National Housing Bank (Financial Institutions)

Terms of repayment as at 31st March 2021

(₹ in Lakh)

Tenure (from date of balance sheet date)	Rate of Interest	Repayment Details	Amount
More than 60 months	10.35%	120 monthly instalments	8,930.04
48-60 months	10.35%	120 monthly instalments	1,378.26
36-48 months	7.10% - 10.35%	20 - 120 monthly, quarterly instalments	2,687.78
24-36 months	7.10% - 10.35%	20 - 120 monthly, quarterly instalments	3,854.65
12-24 months	7.10% - 10.35%	20 - 120 monthly, quarterly instalments	3,746.48
0-12 months	7.10% - 10.35%	20 - 120 monthly, quarterly instalments	2,889.64
Total			**23,486.85**

Terms of repayment as at 31st March 2020

(₹ in Lakh)

Tenure (from date of balance sheet date)	Rate of Interest	Repayment Details	Amount
Above 60 months	9.85% to 9.95%	47 instalments of quarterly frequency	480.37
48-60 months	8.80%	19 instalments of quarterly frequency	13,000
Total			**13,480.37**

Notes to Financial Statements
for the year ended 31st March 2021

Nature of Security

Refinance from NHB is secured by way of exclusive charge on specified book debts.

Cash Credit and Working Capital Demand Loans (Loan Repayable on Demand)

Cash Credit/Overdraft from banks

Terms of repayment as at 31st March 2021

(₹ in Lakh)

Tenure (from date of balance sheet date)	Rate of Interest	Repayment Details	Amount
0-12 months	7.90% - 9.35%	Loan Repayable on Demand	985.94

Terms of repayment as at 31st March 2020

(₹ in Lakh)

Tenure (from date of balance sheet date)	Rate of Interest	Repayment Details	Amount
0-12 months	8.85% to 9.50%	Loan Repayable on Demand	5,001.69

Working Capital Demand Loans

Terms of repayment as at 31st March 2021

(₹ in Lakh)

Tenure (from date of balance sheet date)	Rate of Interest	Repayment Details	As at 31st March 2021	As at 31st March 2020
0-12 months	8.20% - 8.25%	Bullet Payment	4,999.13	3,499.65

Nature of Security

Cash credit and working capital demand loan from banks are secured by way of exclusive charge on specified home loan receivables.

Term loan from banks - Securitisation

Terms of Repayment as at 31st March 2021

(₹ in Lakh)

Tenure (from date of balance sheet date)	Rate of Interest	Repayment Details	As at 31st March 2021
More than 60 months	7.99% - 8.90%	227-290 instalments of monthly frequency	5,572.98
48-60 months	7.99% - 8.90%	227-290 instalments of monthly frequency	357.27
36-48 months	7.99% - 8.90%	227-290 instalments of monthly frequency	321.97
24-36 months	7.99% - 8.90%	227-290 instalments of monthly frequency	289.77
12-24 months	7.99% - 8.90%	227-290 instalments of monthly frequency	260.23
0-12 months	7.99% - 8.90%	227-290 instalments of monthly frequency	610.77
Total			**7,412.99**

Notes to Financial Statements

for the year ended 31st March 2021

Terms of Repayment as at 31st March 2020

(₹ in Lakh)

Tenure (from date of balance sheet date)	Rate of Interest	Repayment Details	As at 31st March 2021
More than 60 months	10.00%	227 instalments of monthly frequency	3,029.84
48-60 months	10.00%	227 instalments of monthly frequency	225.19
36-48 months	10.00%	227 instalments of monthly frequency	204.88
24-36 months	10.00%	227 instalments of monthly frequency	183.62
12-24 months	10.00%	227 instalments of monthly frequency	163.30
0-12 months	10.00%	227 instalments of monthly frequency	212.48
Total			**4,019.31**

Nature of Security

Secured by an exclusive charge by way of hypothecation of specific movable assets being current assets relating to hypothecation loan.

Note 19: Other financial liabilities

(₹ in Lakh)

Particulars	As at 31st March 2021 (Audited)	As at 31st March 2020 (Audited)
Rent deposit	-	275.33
Temporary Book Overdrafts	0.00	5,833.83
Lease Liabilities	1,006.12	1,172.95
Provision for Bonus & Ex Gratia	26.79	26.79
Employee Benefit Payable	-	11.94
Payable on Account of Assignment	1,695.68	821.42
Other liabilities	191.72	117.26
Total	**2,920.31**	**8,259.52**

Lease Liability

The Company has taken various office premises under operating lease. The lease expenses recognised in the Statement of Profit and Loss are ₹ 520.81 Lakh (31st March 2020: ₹ 584.87 Lakh). 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 4 to 45 months as on 31.03.21. There are no restrictions imposed by lease arrangements. The Company has elected to apply the practical expedient as provided in paragraph 46A of Ind AS 116 whereby the Company has not treated as lease modification, the rent concessions occurring directly as a result of the COVID-19 pandemic. The Company has applied this practical expedient to all rent concessions it has received. The amount recognised in profit and loss for the period to reflect changes in lease payments arising from rent concessions is ₹ 78.40 Lakh. (Refer Note 28).

Future minimum lease payments under non-cancellable operating leases as at 31st March 2021 are as follows:

(₹ in Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
Within one year	102.11	150.80
After one year but not more than five years	143.85	151.90
More than five years	-	-

Notes to Financial Statements
for the year ended 31st March 2021

Reconciliation of Future Minimum Lease payment on Lease liability

(₹ in Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
Within one year	450.37	413.44
After one year but not more than five years	412.30	654.41
More than five years	143.45	105.10
Total	**1,006.12**	**1,172.95**

Lease Liability

(₹ in Lakh)

Sr. No.	Class of Underlying Asset	Opening Balance of Lease Liabilities (Balance as on 01.04.2020)	Additions to Lease Liabilities, made during the year	Remeasurements during the year	Finance Cost Accrued during the period	Payment of lease Liabilities during the year	Amount of Lease Liabilities as on 31st March 2021
1	Buildings	884.42	277.72	(37.90)	73.33	(357.17)	840.40
2	Furniture & Fixtures	273.82	-	-	20.17	(139.91)	154.07
3	Car	14.73	-	-	1.24	(4.31)	11.66

The table below provides details regarding the contractual maturities of lease liabilities as on 31st March 2021:

(₹ in Lakh)

Particulars	Undiscounted Basis (IGAAP)	Discounted Basis (IND AS)
Not later than one year	522.87	450.37
Later than one year but not later than five years	528.50	412.30
Later than 5 years	161.24	143.45
Total	**1212.61**	**1,006.12**

Disclosures on Lease Liability

Qualitative Disclosures:

The leased building premises, furniture & fixtures are used to carry out business operations and related support activities. The car is sub leased to the employee. The future cash outflows on lease payments are fixed in nature, subject to escalations. The lease agreements tenor extensions and termination conditions are subject to respective lease agreements. In 4 cases, security deposit is paid but lease is not yet commenced. There are no restrictions or covenants are imposed by lease agreements.

Notes to Financial Statements

for the year ended 31st March 2021

Note 20: Provisions

(₹ in Lakh)

Particulars	As at 31st March 2021 (Audited)	As at 31st March 2020 (Audited)
Provision for non-funded exposure	107.41	129.34
Provision for employee benefits		
- Gratuity	92.60	21.45
- Provision for compensated absences	-	37.88
Provision for Lease Rent	17.45	17.04
Total	**217.46**	**205.71**

Loan commitment

The table below shows the credit quality and the maximum exposure for credit risk based on the Company's internal credit rating system and year-end stage classification. Details of the Company's internal grading system and policies on ECLs are set out in Note 45.

(₹ in Lakh)

Internal rating grade	Year ended 31st March 2021				Year ended 31st March 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing								
High grade	18,207.08			18,207.08	18,537.51			18,537.51
Standard grade	60.60			60.60	118.20			118.20
Sub-standard grade		86.38		86.38		52.31		52.31
Past due but not impaired		54.15		54.15		9.96		9.96
Non-performing								
Individually impaired	-	-	-	-	-	-	-	-
Total	**18,267.68**	**140.53**	**-**	**18,408.21**	**18,655.71**	**62.27**	**-**	**18,717.98**

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to other undrawn commitments is, as follows:

Gross exposure reconciliation

(₹ in Lakh)

Particulars	Year ended 31st March 2021				Year ended 31st March 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance of outstanding exposure	18,655.71	62.27	-	18,717.98	6,626.42	120.41	-	6,746.83
New exposures	14,628.63			14,628.63	16,083.97			16,083.97
Exposures derecognised or matured/lapsed (excluding write-offs)	(14,897.60)	(40.80)		(14,938.40)	(4,040.48)	(72.34)		(4,112.82)
Transfers to Stage 1				-	30.47	(30.47)		-
Transfers to Stage 2	(119.06)	119.06		-	(44.67)	44.67		-
Transfers to Stage 3				-				-
Closing balance of outstanding exposure	**18,267.68**	**140.53**	**-**	**18,408.21**	**18,655.71**	**62.27**	**-**	**18,717.98**

Notes to Financial Statements
for the year ended 31st March 2021

Reconciliation of ECL balance is given below:

(₹ in Lakh)

	Year ended 31st March 2021				Year ended 31st March 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	126.90	2.44	-	129.34	34.50	4.93	-	39.43
New exposures	83.22			83.22	113.51			113.51
Exposures derecognised or matured (excluding write-offs)	(103.46)	(1.69)		(105.15)	(19.60)	(4.00)		(23.60)
Transfers to Stage 1				-	0.20	(0.20)		-
Transfers to Stage 2	(3.46)	3.46		-	(1.71)	1.71	-	-
Transfers to Stage 3				-			-	-
ECL allowance - closing balance	**103.20**	**4.21**	**-**	**107.41**	**126.90**	**2.44**	**-**	**129.34**

Note 21: Other non-financial liabilities

(₹ in Lakh)

Particulars	As at 31st March 2021 (Audited)	As at 31st March 2020 (Audited)
Statutory dues payable	264.75	184.75
Retention money and other sundry liabilities	1.27	2.14
Total	**266.02**	**186.89**

Note 22: Equity

(₹ in Lakh)

Particulars	As at 31st March 2021 (Audited)	As at 31st March 2020 (Audited)
EQUITY SHARE CAPITAL		
Authorised:		
22,00,00,000(Previous Year: 22,00,00,000) equity shares of ₹ 10/- each	22,000.00	22,000.00
Ordinary Shares		
Issued and fully paid		
Issued, subscribed and fully paid up:		
21,41,60,000 (Previous Year: 21,41,60,000) equity shares of ₹ 10/- each	21,416.00	21,416.00
Total Equity	**21,416.00**	**21,416.00**

Issued Capital
The reconciliation of equity shares outstanding at the beginning and at the end of the year.

(₹ in Lakh)

Particulars	As at 31st March 2021 (Audited)	As at 31st March 2020 (Audited)
Authorised		
22,00,00,000 equity shares of ₹ 10/- each	2,200.00	2,200.00
	2,200.00	**2,200.00**
Issued and fully paid up		
21,41,60,000 equity shares of ₹ 10/- each	2,141.60	2,141.60
	2,141.60	**2,141.60**

Notes to Financial Statements
for the year ended 31st March 2021

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	No. of Shares (in Lakh)	₹ (in Lakh)
As at 31st March 2019	2,141.60	21,416.00
Issued during the year	-	-
As at 31st March 2020	2,141.60	21,416.00
Issued during the year	-	-
As at 31st March 2021	**2,141.60**	**21,416.00**

Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share.

Shares held by holding/ultimate holding company and/or their subsidiaries/associates

Out of equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/associates are as below:

(₹ in Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
Shriram City Union Finance Limited	1,654.40	1,654.40
	1,654.40	**1,654.40**

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

(₹ in Lakh)

Particulars	As at 31st March 2021		As at 31st March 2020	
	No. in Lakh	% holding in the class	No. in Lakh	% holding in the class
Shriram City Union Finance Limited	1,654.40	77.25%	1,654.40	77.25%
Valiant Mauritius Partners FDI Ltd.	487.20	22.75%	487.20	22.75%

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, refer Note 37.

Note 23: Other Equity

(₹ in Lakh)

Particulars	As at 31st March 2021 (Audited)	As at 31st March 2020 (Audited)
Statutory reserve (Pursuant to Section 29C of the NHB Act, 1987 & Section 36(1)(viii) of Income Tax Act, 1961)	4,985.49	3,731.49
Security Premium	12,180.00	12,180.00
Retained earnings (Surplus/deficit in profit & loss account)	18,627.10	13,640.99
Deemed Investment	183.91	183.91
Share Option outstanding	180.63	77.30
Other Comprehensive Income	73.92	71.58
Total	**36,231.05**	**29,885.27**

Notes to Financial Statements
for the year ended 31st March 2021

Note 23 (a): Other Equity

(₹ in Lakh)

Particulars	As at 31st March 2021 (Audited)	As at 31st March 2020 (Audited)
Securities Premium Account		
Balance at beginning of the Year	**12,180.00**	**12,180.00**
Add: Premium on shares issued during the year	-	-
Balance at end of the Period	**12,180.00**	**12,180.00**
Share Option Outstanding		
Balance at beginning of the Year	**77.30**	**16.17**
Add: Other Additions/Deductions during the year	105.14	58.50
Add: Transferred to retained earning	(1.81)	2.63
Balance at end of the Period	**180.63**	**77.30**
Statutory reserve (Pursuant to Section 29C of the NHB Act, 1987 & Section 36(1)(viii) of Income Tax Act, 1961)		
Balance at beginning of the Year	**3,731.49**	**2,798.69**
Add: Transfer from surplus balance in the Statement of Profit and Loss	1,254.00	932.80
Balance at end of the Period	**4,985.49**	**3,731.49**
Surplus in Statement of Profit and Loss		
Balance at beginning of the Year	**13,640.99**	**9,920.75**
Add: Profit for the year	6,238.30	4,651.90
Add/(Less): Appropriations	-	3.77
Transfer from/(to) Share option Outstanding	1.81	(2.63)
Transfer to Statutory Reserve	(1,254.00)	(932.80)
Balance at end of the Period	**18,627.10**	**13,640.99**
Other Comprehensive Income		
Balance at beginning of the Year	**71.58**	**64.85**
Remeasurement gain/(loss) on defined benefit plan	3.12	9.49
Income Tax Provision/(Reversal) on above	(0.78)	(2.76)
Balance at end of the Period	**73.92**	**71.58**
Deemed Investment		
Balance at beginning of the Year	**183.91**	**183.91**
Add: Other Additions/Deductions during the year	-	-
Balance at end of the Period	**183.91**	**183.91**

Note 23 (b): Other Equity

Nature and purpose of Reserves

Statutory reserve:

The Company creates Special Reserve every year out of its profits in terms of Section 36(1) (viii) of the Income Tax Act, 1961 read with Section 29C of the National Housing Bank Act, 1987.

The Company transfers amount at least 20% of the total comprehensive income after tax to Statutory reserve.

Securities Premium Reserve:

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Retained earnings:

Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve, any appropriation made.

Notes to Financial Statements

for the year ended 31st March 2021

Deemed Investment

The Company has acquired a refinance from National Housing Bank for which the parent "Shriram City Union Finance Ltd." acted as a Corporate Guarantor.

The Fair value of Financial Guarantee so received has been classified as "Deemed Investments".

ESOP Reserve:

The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 37 for further details of these plans.

Other comprehensive income

Remeasurement gain/ loss related to defined benefit liability /assets is recognised as other comprehensive income.

Note 24: Interest income

(₹ in Lakh)

Particulars	For the Year ended 31st March 2021 (Audited)				For the Year ended 31st March 2020 (Audited)			
	On Financial Assets measured at Amortised Cost	On Financial Assets measured at fair value through OCI	On Financial assets classified at fair value through profit or loss	Total	On Financial Assets measured at Amortised Cost	On Financial Assets measured at fair value through OCI	On Financial assets classified at fair value through profit or loss	Total
Interest on loans	31,986.36	-	-	31,986.36	27,200.67	-	-	27,200.67
Interest income from investments	-	177.51	-	177.51	-	316.35	-	316.35
Interest on deposits								-
- Margin Money deposit with Bank	47.30	-	-	47.30	18.50	-	-	18.50
- Deposit with Financial Institutions	27.50	-	-	27.50	-	-	-	-
- Deposit with bank	592.37	-	-	592.37	80.53	-	-	80.53
Interest income on security deposits	42.75	-	-	42.75	26.55	-	-	26.55
Interest on Intercorporate loan	35.37	-	-	35.37	46.97	-	-	46.97
Interest income on Assignment (EIS)	31.16	-	-	31.16	3.09	-	-	3.09
Total	**32,762.81**	**177.51**	**-**	**32,940.32**	**27,376.31**	**316.35**	**-**	**27,692.66**

Notes to Financial Statements
for the year ended 31st March 2021

Note 24(a): Fees & Commission Income

(₹ in Lakh)

Particulars	For the Year ended 31st March 2021 (Audited)	For the Year ended 31st March 2020 (Audited)
Servicing Fees	19.24	2.11
Commission Fees	9.70	1.66
Total	**28.94**	**3.77**

Note 25: Net gain/(loss) on fair value changes

(₹ in Lakh)

Particulars	For the Year ended 31st March 2021 (Audited)	For the Year ended 31st March 2020 (Audited)
A) Net gain/(loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	775.29	842.15
(ii) On financial instruments designated at fair value through profit or loss	-	-
(B) Others (to be specified)		
Total Net gain/(loss) on fair value changes (C)	**775.29**	**842.15**
Fair Value changes: -Realised	840.56	799.91
-Unrealised	(65.27)	42.24
Total Net gain/(loss) on fair value changes (D) to tally with (C)	**775.29**	**842.15**
Total	**775.29**	**842.15**

Note 26: Net gain on derecognition of financial instruments under amortised cost category

(₹ in Lakh)

Particulars	For the Year ended 31st March 2021 (Audited)				For the Year ended 31st March 2020 (Audited)			
	On Financial Assets measured at Amortised Cost	On Financial Assets measured at fair value through OCI	On Financial assets classified at fair value through profit or loss	Total	On Financial Assets measured at Amortised Cost	On Financial Assets measured at fair value through OCI	On Financial assets classified at fair value through profit or loss	Total
Net gain on Assignment	7,390.05	-	-	7,390.05	6,949.02	-	-	6,949.02
Total	**7,390.05**	**-**	**-**	**7,390.05**	**6,949.02**	**-**	**-**	**6,949.02**

Note 27: Other Operating Income

(₹ in Lakh)

Particulars	For the Year ended 31st March 2021 (Audited)	For the Year ended 31st March 2020 (Audited)
Processing Fees	459.38	330.54
Bad debts recovered	242.57	165.83
Other charges	353.93	331.68
Total	**1,055.88**	**828.05**

Notes to Financial Statements
for the year ended 31st March 2021

Note 28: Other Income

(₹ in Lakh)

Particulars	For the Year ended 31st March 2021 (Audited)	For the Year ended 31st March 2020 (Audited)
Gain on derecognition of property, plant and equipment	4.59	0.28
Interest on Lease Receivable	1.24	1.39
Income from Subleasing of Right of Use Assets	69.19	280.37
Interest on Income Tax Refund	162.84	-
Miscellaneous income	322.46	-
Lease Rent Waiver	78.40	-
Gain on Remeasurement of Leases	3.39	1.87
Total	**642.11**	**283.91**

Note 29: Finance Cost

(₹ in Lakh)

Particulars	For the Year ended 31st March 2021 (Audited)			For the Year ended 31st March 2020 (Audited)		
	On financial liabilities measured at Amortised cost	On financial liabilities measured at Through profit or loss	Total	On financial liabilities measured at Amortised cost	On financial liabilities measured at Through profit or loss	Total
Interest on Bank Borrowings	13,923.37	-	13,923.37	10,556.20	-	10,556.20
Interest on Loan from Financial Institutions	1,498.55	-	1,498.55	266.54	-	266.54
Interest on Debt Securities	4,778.69	-	4,778.69	4,914.99	-	4,914.99
Interest on Lease Liability	94.73	-	94.73	125.05	-	125.05
Interest on Securitisation Loans	384.07	-	384.07	185.32	-	185.32
Interest on Commercial Paper	-	-	-	229.73	-	229.73
Guarantee Commission	117.13	-	117.13	15.65	-	15.65
Interest Cost on Net Defined Liability	3.41	-	3.41	3.44	-	3.44
Total	**20,799.95**	**-**	**20,799.95**	**16,296.92**	**-**	**16,296.92**

Note 30: Impairment of financial assets

(₹ in Lakh)

Particulars	For the Year ended 31st March 2021 (Audited)			For the Year ended 31st March 2020 (Audited)		
	On financial instrument measured at amortised cost	On financial instrument measured at fair value through OCI	Total	On financial instrument measured at amortised cost	On financial instrument measured at fair value through OCI	Total
Loans and advances to customers	1,253.16	-	1,253.16	986.29	-	986.29
Loan undrawn commitments	(21.93)	-	(21.93)	89.91	-	89.91
Investment	0.79	(0.58)	0.21	-	(2.94)	(2.94)
Assignment Receivables	185.53	-	185.53	184.83	-	184.83
Lease Receivables	(0.22)	-	(0.22)	0.47	-	0.47
Bad Debts Written Off	596.52		596.52	1,300.55		1,300.55
Total	**2,013.85**	**(0.58)**	**2,013.27**	**2,562.05**	**(2.94)**	**2,559.11**

Notes to Financial Statements
for the year ended 31st March 2021

The table below shows the ECL charges on financial instruments for the year recorded in the profit and loss based on evaluation stage:

(₹ in Lakh)

Particulars	For the Year ended 31st March 2021					For the Year ended 31st March 2020				
	General Approach			Simplified Approach	Total	General Approach			Simplified Approach	Total
	Stage 1	Stage 2	Stage 3			Stage 1	Stage 2	Stage 3		
Loans and advances to customers	935.90	(30.45)	347.71	-	1,253.16	326.90	(283.97)	(56.64)	1,000.00	986.29
Investment	0.21	-	-	-	0.21	(2.94)	-	-	-	(2.94)
Loan undrawn commitments	(23.71)	1.78	-	-	(21.93)	92.40	(2.49)	-	-	89.91
Assignment receivables	126.08	23.18	36.27	-	185.53	184.14	0.69			184.83
Lease Receivables	-	-	-	(0.22)	(0.22)	-	-	-	0.47	0.47
Total impairment loss	**1,038.48**	**(5.49)**	**383.98**	**(0.22)**	**1,416.75**	**600.50**	**(285.77)**	**(56.64)**	**1,000.47**	**1,258.56**

Note 31: Employee Benefit expenses

(₹ in Lakh)

Particulars	For the Year ended 31st March 2021 (Audited)	For the Year ended 31st March 2020 (Audited)
Salaries and Wages	5,983.82	5,803.95
Contribution to provident and other fund	210.58	181.64
Gratuity expenses	71.41	47.58
Share based payments to employees	105.14	58.50
Interest Expenses on Staff Loan	22.91	8.37
Staff welfare expenses	252.80	270.25
Total	**6,646.66**	**6,370.29**

Notes to Financial Statements

for the year ended 31st March 2021

Note 32: Depreciation, Amortisation & Impairment

(₹ in Lakh)

Particulars	For the Year ended 31st March 2021 (Audited)	For the Year ended 31st March 2020 (Audited)
Depreciation of Tangible Assets	164.76	180.61
Amortisation of Intangible Assets	137.49	102.05
Depreciation of Right of Use Assets	426.07	459.82
Total	**728.32**	**742.48**

Note 33: Other expenses

(₹ in Lakh)

Particulars	For the Year ended 31st March 2021 (Audited)	For the Year ended 31st March 2020 (Audited)
Rent	109.10	104.77
Printing & stationery	73.08	65.21
Travelling and conveyance	233.82	486.34
Books & periodicals	0.11	0.35
Meeting expenses	0.34	47.32
Business promotion	37.37	34.72
Communication	56.91	79.19
Director's sitting fees	12.26	9.49
Electricity	50.04	73.87
Insurance	20.54	15.45
Bank charges	46.58	16.18
Payment to auditors		
- Statutory Audit fees	16.49	15.45
- Tax Audit fees	5.45	5.45
- Certification fees	2.18	-
Royalty	461.16	357.54
Professional Charges	739.84	697.25
Registration & filing fees	5.66	3.82
Office maintenance	191.18	204.42
Business commission	867.80	482.98
Loan processing expenses	598.55	435.55
Postage & courier	40.26	32.45
Rates, duties & taxes	93.86	89.21
Membership fees	14.92	10.91
Mortgage Guarantee Fee	117.56	202.52
Corporate social responsibility	78.64	44.98
Loss on derognition of Property, Plant and Equipment	58.62	11.95
Advertisement	0.79	4.25
Collection & recovery	238.21	543.30
Miscellaneous expenditure	49.46	24.89
Total	**4,220.78**	**4,099.81**

Notes to Financial Statements

for the year ended 31st March 2021

Details of CSR expenditure:

(₹ in Lakh)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
a) Gross amount required to be spent by the Company during the year	89.52	74.93
b) Amount spent during the year	78.64	44.84
- On purposes Other than construction/acquisition of any asset		
- In Cash	78.64	44.84
- Provision of previous years reversed in current year	-	
- Yet to be paid in Cash	-	
Total amount spent during the year	**78.64**	**44.84**

Note 34: Income Tax

The components of income tax expense for the period ended 31st March 2021 are

(₹ in Lakh)

Particulars	For the Year ended 31st March 2021 (Audited)	For the Year ended 31st March 2020 (Audited)
Current tax	935.98	1,422.52
Tax relating to earlier years	(190.33)	(1.75)
Deferred tax	1,439.66	458.28
Total tax charge	**2,185.31**	**1,879.05**

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the periods ended 31st March 2021 and 31st March 2020 is as follows:

(₹ in Lakh)

Particulars	For the Year ended 31st March 2021 (Audited)	For the Year ended 31st March 2020 (Audited)
Profit before tax	8,423.61	6,530.95
Statutory income tax rate	25.17%	29.12%
Expected income tax expense	2,120.06	1,901.81
Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense		
Effect of change in tax rate	(144.00)	(77.22)
Earlier year tax effect	(190.34)	-
Corporate Social Responsibility	13.50	7.15
Deduction JJAA	(3.88)	(4.46)
Others	389.97	51.77
Income tax expense reported in the statement of profit & Loss	**2,185.31**	**1,879.05**

Notes to Financial Statements

for the year ended 31st March 2021

Note 35: Deferred Tax

The following table shows deferred tax recorded in the balance sheet as at 31st March 2021:

(₹ in Lakh)

Particulars	Deferred Tax As at 31st March 2020	Income Statement 2020-21	OCI 2020-21	Deferred Tax As at 31st March 2021
Deferred Tax Asset/(Liabilities) in relation to:				
Property Plant Equipment's & Intangible Assets	4.47	(18.33)		22.80
ECL provision undrawn Loan commitments & Investments	38.20	10.86		27.34
Unamortised Income	53.51	32.52		20.99
ESOP fair value	-	(47.66)		47.66
ECL on Loan & Advances	-	(1,106.78)		1,106.78
ECL on Interest Reversal on NPA		(84.40)		84.40
Provision for Employee benefits	7.90	51.63	(0.78)	(44.52)
Unamortised Expenses	(97.09)	(40.30)		(56.79)
Unrealised gains/loss on securities	(19.01)	(19.01)		-
Provision for lease Rental	(1.34)	(13.72)		12.38
NCD Expenses & Borrowing cost as per EIR	(36.68)	(18.83)		(17.85)
MAT Entitlement Credit	210.03	-		-
Special Reserve u/s 36 1(viii)	(741.64)	(133.94)		(607.70)
Royalty disallowed in earlier Assessment years	4.30	4.30		-
Net Right to use Asset and future rent liability	23.73	2.18		21.55
Interest Receivables on Assignment		3,153.99		(3,153.99)
IND AS transitional Impact on NPA Interest income	(332.86)	(332.86)		-
Total	**(886.48)**	**1,439.66**	**(0.78)**	**(2,536.95)**

Note 36: Earnings per share

(₹ in Lakh)

Particulars	For the Year ended 31st March 2021 (Audited)	For the Year ended 31st March 2020 (Audited)
Net profit attributable to ordinary equity holders of the parent (₹ in Lakh)	6,238.30	4,651.90
Weighted average number of ordinary shares for basic earnings per share (No. in Lakh)	2,141.60	2,141.60
Effect of dilution:		-
Stock options granted under ESOP (Nos.in Lakh)	9.92	9.79
Weighted average number of ordinary shares adjusted for effect of dilution	2,151.52	2,151.39
Earnings per share		
Basic earnings per share (₹)	2.91	2.17
Diluted earnings per share (₹)	2.90	2.16

Notes to Financial Statements
for the year ended 31st March 2021

Note 37: Employee Stock Option Scheme (ESOS)

The Company provides share-based payment schemes to its employees. For the year ended 31st March 2021 following Employee Stock Option Plans (ESOPs) were in existence. The relevant details of the schemes and the grants are as below:

Details of Employee Stock Option Schemes	ESOP Scheme 2013	ESOP Scheme 2013	ESOP Scheme 2016	ESOP Scheme 2013
Date of Shareholder's approval of plan	28th March 2013	28th March 2013	13th December 2016	28th March 2013
Date of grant	28th August 2013 & 20th April 2015	19th December 2018	01st February 2020	23nd February 2021
Number of options granted	3,50,000	25,00,000	12,40,000	5,00,000
Method of settlement	Equity	Equity	Equity	Equity
Vesting Period	3 - 5 years	3 - 10 years	1 - 3 years	1 - 8 years
Exercise Price	10.00	10.00	35.00	10.00
Exercise Period	Not later than 5 years from the date of vesting of options	Not later than 5 years from the date of vesting of options	Not later than 3 years from the date of vesting of options	Not later than 5 years from the date of vesting of options
Vesting Conditions	Employee remaining in the employment of the enterprise during the vesting period			

Details of Vesting

Vesting period from the grant date	ESOP Scheme 2013	ESOP Scheme 2013	ESOP Scheme 2016
Completion of 1 year	-	-	33.33%
Completion of 2 year	-	-	33.33%
Completion of 3 year	-	12.50%	33.33%
Completion of 4 year	50%	12.50%	-
Completion of 5 year	50%	12.50%	-
Completion of 6 year	-	12.50%	-
Completion of 7 year	-	12.50%	-
Completion of 8 year	-	12.50%	-
Completion of 9 year	-	12.50%	-
Completion of 10 year	-	12.50%	-

Details of Vesting of New Options Granted @ 23th February 2021

Vesting period from the grant date	ESOP Scheme 2013
Year 1 - 19th December 2021	12.50%
Year 2 - 19th December 2022	12.50%
Year 3 - 19th December 2023	12.50%
Year 4 - 19th December 2024	12.50%
Year 5 - 19th December 2025	12.50%
Year 6 - 19th December 2026	12.50%
Year 7 - 19th December 2027	12.50%
Year 8 - 19th December 2028	12.50%

Notes to Financial Statements

for the year ended 31st March 2021

Details of activity under each plan

Particulars	ESOP Scheme 2013		ESOP Scheme 2013		ESOP Scheme 2016		ESOP Scheme 2013	
	No. of Options	Weighted Avg. Exercise Price	No. of Options	Weighted Avg. Exercise Price	No. of Options	Weighted Avg. Exercise Price	No. of Options	Weighted Avg. Exercise Price
Outstanding as at 31st March 2020	**1,10,000.00**	**10.00**	**25,00,000.00**	**10.00**	**12,40,000.00**	**35.00**	**-**	**-**
Vested as at 31st March 2020	**5,000.00**	**10.00**	**-**	**-**			**-**	**-**
Outstanding as at 1st April 2020	1,10,000.00	10.00	25,00,000.00	10.00	12,40,000.00	35.00	-	-
Granted during the year	-	-	-	-	-	-	5,00,000.00	10.00
Forfeited during the year	(50,000.00)	10.00	-	-	-	-	-	-
Exercised during the year	-	-	-	-	-	-	-	-
Outstanding as at 31st March 2021	**60,000.00**	**10.00**	**25,00,000.00**	**10.00**	**12,40,000.00**	**35.00**	**5,00,000.00**	**-**
Vested as at 31st March 2021	**5,000.00**		**-**	**-**	**4,13,333**	**-**	**-**	**-**

The value of the underlying shares has been determined by an independent valuer. The following assumptions were used for calculation of fair value of grants in accordance with Black Scholes model, for options granted during the financial year:

(₹ in Lakh)

Particulars	Year ended 31st March 2021
Risk-free interest rate	5.45% - 6.46%
Expected life of options (years) [(year to vesting) + (contractual option term)/2]	3.5 - 10.5 Years
Expected volatility (%)	36.00% - 40.16%
Dividend yield	0%

The risk free interest rates are determined based on the Government bond yields with maturity equal to the expected term of the option. Volatility calculation is based on historical stock prices of comparable listed companies using standard deviation of daily change in stock price. The historical period is taken into account to match the expected life of the option. Dividend yield has been considered taking into account the historical and expected rate of dividend on equity share price as on grant date.

The expense recognised for employee services received during the year is shown in the following table:

(₹ in Lakh)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Expense arising from equity-settled share based payment transactions	105.14	58.50
Expense arising from cash-settled share based payment transactions	-	-
Total expense arising from share based payment transactions	**105.14**	**58.50**

Notes to Financial Statements
for the year ended 31st March 2021

Note 38: Retirement benefit plan

Defined Contribution Plan

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 ₹ 199.03 Lakh for year ended 31st March 2021 (Y.E. 31st March 2020 ₹ 172.43 Lakh) for Provident Fund contributions and ₹ 11.55 Lakh for the year ended 31st March 2021 (Y.E. 31st March 2020 ₹ 9.21 Lakh) 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.

Defined Benefit Plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years of service is eligible for a gratuity on separation at 15 days basic salary (last drawn salary) for each completed year of service. The scheme is funded with the insurance companies in the form of qualifying insurance policy.

During the year 2015-16 the Company created “Shriram Housing Finance Company Employees’ Group Gratuity Fund”. The Trust is recognised by income tax authorities and administered through Trustees. Contributions to the Trust are invested in a scheme with a insurance Company as permitted by law in India.

The following tables summaries the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

Statement of Profit and Loss

Net employee benefit expense recognised in the employee cost

(₹ in Lakh)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Current service cost	71.27	51.36
Interest cost on benefit obligation	11.08	9.27
Expected return on plan assets	(8.23)	(10.07)
Net (benefit)/expense	**74.12**	**50.56**

* Gratuity expenses as per note 31 of the statement of Profit and Loss for the year ended 31st March 2021 is after providing for shortfall in Gratuity Fund account.

Balance Sheet

Reconciliation of present value of the obligation and the fair value of plan assets:

(₹ in Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
Defined benefit obligation	(211.52)	(159.72)
Fair value of plan assets	118.92	138.27
Asset/(liability) recognised in the balance sheet	**(92.60)**	**(21.45)**

*Gratuity Provision is in excess of Fair Value of Assets as on 31st March 2021 as disclosed under “Note 20 - Other Non-Financial Assets” is after netting off amount paid to trust.

Notes to Financial Statements

for the year ended 31st March 2021

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

(₹ in Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
Opening defined benefit obligation	**159.72**	**144.44**
Transfer in/Out	(2.40)	(3.86)
Interest cost	11.08	9.27
Current service cost	71.27	51.36
Liability transferred in/on account of transfer of employees		
Benefits paid	(25.04)	(32.00)
Actuarial loss/(gain) on obligation	(3.12)	(9.49)
Closing defined benefit obligation	**211.52**	**159.72**

Changes in the fair value of plan assets are as follows:

(₹ in Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
Opening fair value of plan assets	**138.27**	**158.54**
Interest Income	8.23	10.07
Expected return	(2.54)	(2.12)
Contributions by employer & Others Exp.	0.00	(0.27)
Adjustment/Transfer	-	4.05
Benefits paid	(25.04)	(32.00)
Closing fair value of plan assets	**118.92**	**138.27**

The Company intends to contribute to the trust the amount as per the actuarial valuation in the next year.

The major categories of plan assets as a percentage of fair value of total plan assets are as follows:

Particulars	As at 31st March 2021	As at 31st March 2020
Investments with insurer	100%	100%

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

Particulars	As at 31st March 2021	As at 31st March 2020
Discount rate	6.91%	6.79%
increase in compensation cost	5.00%	5.00%
Attrition rate	5.00%	5.00%

The estimates of future salary increases, considered in actuarial valuation are on account of inflation, seniority, promotion and other relevant factor, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Notes to Financial Statements

for the year ended 31st March 2021

Amounts for the current period and previous four years are as follows:

(₹ in Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020	As at 31 March 2019	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
Define benefit obligation	(211.52)	(159.72)	(144.44)	(191.06)	(150.42)	(103.09)
Plan assets	118.92	138.27	158.54	180.03	150.42	-
Surplus/(deficit)	(92.60)	(21.45)	14.10	(11.03)	-	(103.09)

(₹ in Lakh)

Assumptions	As at 31st March 2021		As at 31st March 2021		As at 31st March 2020		As at 31st March 2020	
	Discount rate		Future salary increases		Discount rate		Future salary increases	
Sensitivity Level	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease
Impact on defined benefit obligation	402.79	446.61	447.88	401.40	303.81	337.71	338.68	302.75

(₹ in Lakh)

Expected payment for future years	As at 31st March 2021	As at 31st March 2020
Within the next 12 months (next annual reporting period)	6.60	5.27
Between 2 and 5 years	50.48	35.31
Between 5 and 10 years	93.12	72.82
Total expected payments	**150.20**	**113.40**

The weighted average duration of the defined benefit obligation as at 31st March 2021 is 14.61 Years (31st March 2020: 14.91 Years)

The fund is administered by "Shriram Housing Finance Company Employees Group Gratuity Trust". The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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

Particulars	As at 31st March 2021	As at 31st March 2020
Discount rate	6.91%	6.79%
Attrition rate	5.00%	5.00%
Salary escalation	5.00%	5.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Notes to Financial Statements

for the year ended 31st March 2021

Note 39: Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ in Lakh)

Particulars	As at 31st March 2021			As at 31st March 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	10,113.47	-	10,113.47	14,871.01	-	14,871.01
Bank Balance other than above	2,922.54	1,478.50	4,401.04	805.50	-	805.50
Loans	23,215.46	3,14,552.77	3,37,768.23	15,350.26	1,84,498.12	1,99,848.38
Investments	5,137.07	2,265.50	7,402.57	12,795.98	2,836.13	15,632.11
Receivables	-	-	-	0.65	-	0.65
Other financial assets	2,791.08	10,107.64	12,898.72	1,289.78	5,569.96	6,859.74
Non-financial Assets			-			-
Non Current tax asset	-	418.95	418.95	-	2,066.84	2,066.84
Investment Property	-	0.28	0.28	-	0.28	0.28
Property, plant and equipment	-	403.77	403.77	-	549.22	549.22
Other intangible assets		438.98	438.98		575.51	575.51
Right of Use Assets		920.48	920.48	-	1,091.46	1,091.46
Other non-financial assets	7,814.76	694.50	8,509.26	7,953.34	672.74	8,626.08
Total assets	**51,994.38**	**3,31,281.37**	**3,83,275.75**	**53,066.52**	**1,97,860.26**	**2,50,926.79**
Liabilities						
Financial Liabilities						
Trade payables	1,604.32	-	1,604.32	2,018.49	-	2,018.49
Debt Securities	27,193.14	30,696.68	57,889.82	10,151.04	28,346.24	38,497.28
Borrowings (other than debt security)	60,850.35	1,99,343.47	2,60,193.82	45,864.03	1,08,540.94	1,54,404.97
Other Financial liabilities	2,364.54	555.77	2,920.31	1,666.19	759.50	2,425.69
Non-financial Liabilities			-			-
Provision	119.34	98.12	217.46	145.74	59.97	205.71
Deferred tax liabilities (net)	-	2,536.95	2,536.95		886.48	886.48
Other non-financial liabilities	266.02	-	266.02	186.89	-	186.89
Total Liabilities	**92,397.71**	**2,33,230.98**	**3,25,628.70**	**60,032.39**	**1,38,593.14**	**1,98,625.51**
Net	**(40,403.33)**	**98,050.38**	**57,647.05**	**(6,965.87)**	**59,267.13**	**52,301.27**

Notes to Financial Statements
for the year ended 31st March 2021

Note 40: Related party disclosures

Sr. No.	Relationship	Name of the party
(i)	Enterprises having significant influence over the Company/Associates	Valiant Mauritius Partners FDI Ltd. (VMPL)
		Shriram Fortune Solutions Limited (SFSL)*
		Shriram Financial Products Solutions (Chennai) Private Limited (SFPSPL)*
		Shriram General Insurance Company Limited (SGICL)*
		Shriram Insight Share Brokers Limited (SISBL)*
		Shriram Life Insurance Company Limited (SLICL)*
		Shriram Value Services Limited (SVSL)*
		Novac Technology Solutions Pvt. Ltd. (NTSPL)*
		Shriram Ownership Trust (SOT)
		Shriram Capital Limited
(ii)	Holding	Shriram City Union Finance Limited (SCUF)
(iii)	Key Management Personnel	Mr. Subramanian Jambunathan, Managing Director & CEO
		Mr. Gauri Shankar Agarwal, Chief Financial Officer
		Ms. Bhavita Ashiyani, Company Secretary
		Mr. Venkataraman Murali, Director
		Ms. Lakshminarayanan Priyadarshini, Director
		Mr. Yalamati Srinivasa Chakravarti, Director
		Mr. Kunal Karnani, Chief Financial Officer (Ceased w.e.f. 6.9.2019)
		Ms. Nikita Hule, Company Secretary (Ceased w.e.f. 24.07.2019)
(iv)	Relatives of Key Management Personnel	Nil**

* The Company neither holds any shares in the above entities nor these entities hold any shares in the Company. However, these entities are "subsidiaries" of Shriram Capital Limited and these entities are treated as "associates" as per para 9 (b)(ii) of Ind AS 24 and transactions made with these entities are disclosed.

** There are no transactions with relatives of Key Management Personnel for year ended 31st March 2021.

Related party disclosures

Related party transactions during the year:

(₹ in Lakh)

Particulars	Holding Company		Associates/ Enterprises having significant influence over the Company		Key Management Personnel		Total	
	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020
Remuneration to Directors (Sitting Fees)								
Mr. V. Murali					5.45	3.80	5.45	3.80
Ms. Lakshminarayanan Priyadarshini					6.81	4.90	6.81	4.90
Remuneration to other KMPs							-	-
Employee Benefits - Ms. Nikita Hule					-	4.41	-	4.41
Employee Benefits - Mr. Subramanian Jambunathan - Short-term Benefit					185.69	182.81	185.69	182.81
Employee Benefits - Mr. Subramanian Jambunathan - Share Based Payment					53.73	50.05	53.73	50.05
Employee Benefits - Mr. Kunal Karnani					-	30.18	-	30.18

Notes to Financial Statements

for the year ended 31st March 2021

(₹ in Lakh)

Particulars	Holding Company		Associates/ Enterprises having significant influence over the Company		Key Management Personnel		Total	
	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020
Employee Benefits - Mr. Gauri Shankar Agarwal					96.17	39.90	96.17	39.90
Employee Benefits - Mr. Gauri Shankar Agarwal - Share Based Payment					6.63	1.14	6.63	1.14
Employee Benefits - Ms. Bhavita Ashiyani					11.56	5.51	11.56	5.51
Reimbursement of Rent & Expenses								
Rent - SCUF	44.06	56.51					44.06	56.51
Rent - SFSL			-	0.34			-	0.34
Rent - SFPS			-	0.47			-	0.47
Expenses reimbursements - SCUF	13.47	18.22					13.47	18.22
Expenses reimbursements - SFPS			-	0.07			-	0.07
Expenses reimbursements - SCL	-		1.48	-			1.48	-
Expenses reimbursements - SISBL			1.32	1.29			1.32	1.29
Expenses reimbursements - SLIC			23.90	15.67			23.90	15.67
Expenses reimbursements - SVS			-	46.89			-	46.89
Expenses reimbursements - NOVAC			373.60	712.67			373.60	712.67
Royalty Fees - SOT			-	105.39			-	105.39
Royalty Fees - SVS			461.16	252.16			461.16	252.16
Payment on assignment deal - SCUF	-	9,784.26					-	9,784.26
Other Payments								
Transfer of liability for Gratuity/Leave - SCUF	-	13.48					-	13.48
Security Deposit - SCUF	275.33						275.33	-
Other Receipts								
Transfer of liability for Gratuity/Leave - SCUF	-	13.59					-	13.59
Rent Received							-	-
Rent - SCUF	68.38	327.06					68.38	327.06
Rent - SFSL			0.80	3.78			0.80	3.78
Electricity, telephone and printing charges Received								
Expenses reimbursement - SCUF	10.16	24.97					10.16	24.97
Expenses reimbursement - SLIC			2.27	2.39			2.27	2.39
Received on assignment deal - SCUF	2,550.74	1,137.74					2,550.74	1,137.74
Loans given and repayments								
Loan disbursement - Mr. Gauri Shankar Agarwal	-	-			130.00		130.00	-
Loan EMI received - Mr. Gauri Shankar Agarwal					8.45		8.45	-
Balance outstanding as at 31st March 2021:								
Share Capital - SCUF	16,544	16,544.00					16,544.00	16,544.00
Share Capital - VMPL			4,872.00	4,872.00			4,872.00	4,872.00
Expenses Payable to SCUF	21.20	24.88					21.20	24.88

Notes to Financial Statements
for the year ended 31st March 2021

(₹ in Lakh)

Particulars	Holding Company		Associates/ Enterprises having significant influence over the Company		Key Management Personnel		Total	
	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020
Expenses Receivable from SCUF	46.69	47.32					46.69	47.32
Security Deposit - SCUF	-	275.33					-	275.33
Expenses Payable to SVS Royalty			119.45	92.10			119.45	92.10
Expenses Receivable from SFSL			-	0.87			-	0.87
Expenses Payable to SISBL			0.38	0.06			0.38	0.06
Expenses Payable to SVS			-	0.74			-	0.74
Expenses Payable to NOVAC			9.23	11.34			9.23	11.34
Loan Receivable from Mr. Gauri Shankar Agarwal	-	-	-	-	126.45		126.45	-

Note 41: Contingent liabilities & commitments

(A) Contingent Liabilities

(₹ in Lakh)

Particulars	As at 31st March 2021 (Audited)	As at 31st March 2020 (Audited)
Income Tax	-	78.08
Bank guarantees/Mortgage Loan*	135.00	135.00

*Fixed Deposit is under lien for Bank Guarantee purpose to the extent for ₹ 25 Lakh.

*Fixed Deposit is under lien with bank pending completion of formalities relating to a borrower to the extent of ₹ 110 Lakh.

(B) Commitments

(₹ in Lakh)

Particulars	As at 31st March 2021 (Audited)	As at 31st March 2020 (Audited)
Estimated amount of contract remaining to be executed on capital account	24.56	10.97
Undrawn Commitments	18,408.21	18,717.98

Note 42: Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

Notes to Financial Statements
for the year ended 31st March 2021

(₹ in Lakh)

Regulatory capital	As at 31st March 2021 (Audited)	As at 31st March 2020 (Audited)
Common Equity Tier1 (CET1) Capital	56,298.33	49,757.11
Other Tier 2 capital instruments	2,434.85	1,529.40
Total Capital	**58,733.19**	**51,286.51**
Risk weighted assets	2,55,003.58	1,84,765.64
CET1 capital ratio	22.08	26.93
Total capital ratio	**23.03**	**27.76**

Regulatory capital consists of CET 1 capital, which comprises share capital, share premium, retained earnings including current year profit. Certain adjustments are made to Ind AS - based results and reserves, as prescribed by the National Housing Bank. The other component of regulatory capital is other Tier 2 Capital, which includes provision for standard assets.

Note 43: Fair Value Measurement - Financial assets and Liabilities

This Section gives an overview of the significance of financial instruments for the Company and provides additional information on the balance sheet.

Financial Assets and Liabilities

The carrying value of financial instruments by categories and valuation hierarchy as at 31st March 2021 is as follows:

(₹ in Lakh)

Particulars	Carrying Amount	Fair Value		
	As at 31st March 2021 (Audited)	Level 1	Level 2	Level 3
Financial assets at amortised costs:				
Cash and cash equivalents	10,113.47	10,113.47		
Bank Balance other than above	4,401.04		4,401.04	
Receivables	-			-
Loans*	3,37,768.23			2,79,039.49
Other Financial assets	12,898.72			12,898.72
Financial assets at fair value through profit or loss:				
Investments in Mutual Funds	-	-		
Investments in Security Receipts	980.24		980.24	
Financial assets at fair value through OCI:				
Investments in Pass through Certificate	1,396.86		1,396.86	
Total	**3,67,558.56**	**10,113.47**	**6,778.14**	**2,91,938.21**
Financial Liabilities at amortised costs:				
Trade Payables	1,604.32			1,604.32
Debt Securities	57,889.82		53,920.73	
Borrowings	2,60,193.82		2,60,193.82	
Other Financial liabilities	2,920.31			2,920.31
Total	**3,22,608.26**	**-**	**3,14,114.55**	**4,524.63**
Off balance sheet items				
Other commitments	18,408.21			18,408.21
Total off-balance sheet items	**18,408.21**	**-**	**-**	**18,408.21**

*Fixed Rate Loans & Advances having carrying value of ₹ 1,30.653.88 Lakh (Fair Value ₹ 71,925.14 Lakh) on 31st March 2021 have been included above.

Notes to Financial Statements
for the year ended 31st March 2021

The carrying value of financial instruments by categories and valuation hierarchy as at 31st March 2020 is as follows:

(₹ in Lakh)

Particulars	Carrying Amount As at 31st March 2020 (Audited)	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3
Financial assets at amortised costs:				
Cash and cash equivalents	14,871.01	14,871.01		
Bank Balance other than above	805.50		805.50	
Receivables	0.65			0.65
Loans**	1,98,848.38			1,82,126.87
Other Financial assets	6,859.74			6,859.74
Financial assets at fair value through profit or loss:				
Investments in Mutual Funds	12,465.27	12,465.27		
Investments in Security Receipts	1,327.92		1,327.92	
Financial assets at fair value through OCI:				
Investments in Pass through Certificate	1,840.73		1,840.73	
Total	**2,37,019.20**	**27,336.28**	**3,974.15**	**1,88,987.26**
Financial Liabilities at amortised costs:				
Trade Payables	2,018.49			2,018.49
Debt Securities	38,497.28		34,303.77	
Borrowings	1,54,404.97		1,54,404.97	
Other Financial liabilities	2,425.69			2,425.69
Total	**1,97,346.43**	**-**	**1,88,708.74**	**4,444.18**
Off balance sheet items				
Other commitments	18,717.98			18,717.98
Total off-balance sheet items	**18,717.98**	**-**	**-**	**18,717.98**

**Fixed Rate Loans & Advances having carrying value of ₹ 41,204.59 Lakh (Fair Value ₹ 24,483.08 Lakh) on 31st March 2020 have been included above.

The instruments included in level 2 of fair value hierarchy have been measured based on their net asset value (NAV) as published in their period end statement.

Fair Value Measurment - Non-Financial assets

Assets held for sale are non-financial assets which are measured at fair value through profit and loss. At the time of initial classification as assets held for sale, these assets are measured at the lower of carrying amount and fair value less cost to sell. The fair value of the assets is determined by an independent valuer. These assets are carried at the fair value determined on initial recognition, unless there are indicators of significant changes in real estate market condition requiring a re-valuation.

The non-recurring fair value measurement for the assets held for sale has been categorised as a Level 2 fair value based on the inputs to the valuation techniques used. Refer note on Assets held on sale for details, Note 15

(₹ in Lakh)

Particulars	Fair Value Hierarchy - Level 2 As at 31st March 2021 (Audited)	Fair Value Hierarchy - Level 2 As at 31 March 2020 (Audited)
Non-Financial assets at fair value through profit or loss:		
Other non-financial assets		
Assets held for Sale	7,116.63	7,290.55
Total	**7,116.63**	**7,290.55**

Notes to Financial Statements

for the year ended 31st March 2021

Note 44: Accounting Policy

The Accounting policies adopted in the preparation and presentation of these financial statements are the same as those adopted in the preparation and presentation of the preceding annual financial statements for the year ended 31st March 2020.

Note 45: Risk Management note

The Company is registered with the National Housing Bank (NHB), and is in the business of lending to individuals and non-individual clients whether on secured or unsecured basis. The Company faces various risks in its gamut of operations. The Company has out in place a Risk Management Policy to ensure that the risks that the Company faces are identified and dealt/controlled in a manner that the Company can continue its operations in a profitable and sustainable manner.

Risk-taking is an inherent element of business and, indeed, profits are in part the reward for successful risk taking in business. On the other hand, excessive and poorly managed risk can lead to losses and thus endanger the safety of the Company. Accordingly, the Company places significant emphasis on the adequacy of management of risk. This document is set to outline the approach towards risk and the process of oversight and management of the risks.

The Risk Management policy has laid down the various guidelines for risk identification, measurement, monitoring and control at each risk level.

The Board would have the ultimate responsibility in relation to the oversight of the risk management process. The Board of the Company also draws support from the Audit & Risk management committee (ARMC) of the Board which provides oversight over the risk management process. The ARMC has put in place a risk management policy which is implemented in the Company.

Senior management would be responsible for implementing strategies in a manner that limits risks associated with each strategy and that ensures compliance with laws and regulations, risk policies and control limits, on both a long-term and day-to-day basis. Accordingly, management would be fully involved in the activities and possess sufficient knowledge of all major products to ensure that appropriate policies, controls, and risk monitoring systems are in place and that accountability and lines of authority are clearly delineated. Senior management would also responsible for establishing effective internal controls and high ethical standards.

The Company has ensured that adequate policies and procedures are in place for each of the key risks, further a detailed MIS and monitoring mechanism is in place. Further the Company has also put in place internal control mechanisms to review monitor and control risks.

Some of the key risks faced by the Company include –

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 and industry concentrations, and by monitoring exposures in relation to such limits.

Credit risk is monitored by the credit risk department of the Company's independent Risk Controlling Unit. 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 risk managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit risk 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 the Customer.

A detailed credit policy has been designed by the Company for each product type and customer segment.

Credit risk on loans and advances –

Credit risk is controlled by analysing the credit limits and credit worthiness of the customer on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. An impairment analysis is performed at each reporting date on a portfolio basis. The Company holds collateral as security against all the loans advanced. The Company obtains the possession of these collaterals in case of default by customer to meet its obligation. These assets are then sold in to recover the loan value.

Notes to Financial Statements

for the year ended 31st March 2021

The impairment of the credit risk on the loans is carried out through a detailed ECL model. The ECL model provides for the ECL on a 12 months ECL basis for standard to stage 1 assets whereas the same is calculated based on a lifetime ECL for stage 2 & 3 level assets. The ECL is calculated based on a

Probability of default (PD) X Exposure at Default (EAD) X (Loss given default X discount rate – (LGD)).

Company calculates the PD by taking into account the past historical trends of the portfolio and its credit performance based on a homogenous characteristic of the underlying portfolio. This is calculated based on a 12 month PD perspective. In case of impaired assets where lifetime PD is to be applied, the PD is extrapolated to take into account the probability of default over the lifetime of the asset.

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

The Loss Given Default (LGD) is reviewed by the credit and collections teams every 3 months if not earlier. The credit risk assessment is based on a standardised LGD assessment framework that results in a certain LGD rate. These LGD rates take into account the expected EAD in comparison to the amount expected to be recovered or realised from any collateral held.

The Company segments its retail lending products into smaller homogeneous portfolios, based on key characteristics that are relevant to the estimation of future cash flows. The applied data is based on historically collected loss data and involves a wider set of transaction characteristics (e.g., product type, wider range of collateral types) as well as borrower characteristics.

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 LTECL, the Company assesses whether there has been an event which could cause a significantly impair the underlying asset or the customers ability to pay and accordingly increase the 12 month ECL to a LTECL.

Credit risk on Pass Through Certificates –

The Company carries out investments in Pass Through Certificates (PTC). The Company recognises the credit risk in the PTC by estimating the probability of default (PD). The investment is classified as a Stage 1 in case there is no change in the credit rating or a change of one notch in the credit rating. 12 month PD rates are applied for Stage 1 Investments. Further in case there is a higher notch down in credit rating, the investment is taken as at Stage 2 and life time PD is applied. Any investment which is non-performing or in default or restructured is taken to be as at Stage 3.

PD is estimated based on various external information including information available through the CRISIL Default Study Reports among others. The Exposure at Default (EAD) is the carrying value of the investment as at the reporting date. The Loss Given Default (LGD) is calculated as per the RBI FIRB report which stipulates the LGD rates for secured or unsecured investments.

The Company continues to evaluate other external information and data on the Company and the underlying assets to evaluate any changes to the ECL methodology applied.

Credit risk on other financial assets –

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

Liquidity risk –

The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans. 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. The treasury department reporting into the CFO monitors the cash flows on a regular basis. Treasury department is divided into the resource mobilisation and the ALM team. The resource mobilisation team reviews the cash flows, business growth expected and accordingly works with the ALMT to ensure that adequate liquidity is available.

Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at 31st March 2021.

Notes to Financial Statements

for the year ended 31st March 2021

Maturity pattern of assets and liabilities as on 31st March 2021:

(₹ in Lakh)

Particulars	Less than 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Financial assets							-
Cash and cash equivalents and Other Bank Balances	12,871.34	60.27	698.46	1,019.00	-	-	14,649.07
Loans at amortised cost	20,072.10	14,411.77	27,778.80	1,08,928.54	1,01,405.06	4,10,345.18	6,82,941.45
Financial investments at amortised cost	3,031.28	-	2,112.69	-	-	-	5,143.97
Financial investments at FVTPL	-	-	-	326.75	326.75	326.75	980.25
Financial investments at FVOCI	51.91	57.34	112.86	435.26	453.18	973.23	2,083.78
Other Financial Assets	692.99	951.20	1,172.18	3,806.05	2,665.37	3,616.99	12,904.78
Total undiscounted financial assets	**36,719.63**	**15,480.58**	**31,874.98**	**1,14,515.60**	**1,04,850.36**	**4,15,262.15**	**7,18,703.30**
Financial liabilities							
Debt securities	8,567.74	6,534.08	20,683.39	26,644.77	5,102.96	2,219.08	69,752.02
Borrowings (other than debt securities)	14,730.86	15,500.57	24,671.18	56,581.86	1,26,467.12	81,048.86	3,19,000.45
Other Financial Liabilities	1,828.31	242.95	257.02	353.43	201.86	243.30	3,126.87
Total undiscounted financial liabilities	**25,126.91**	**22,277.60**	**45,611.59**	**83,580.06**	**1,31,771.94**	**83,511.24**	**3,91,879.34**
Net undiscounted financial assets/(liabilities)	**11,592.71**	**(6,797.02)**	**(13,736.60)**	**30,935.54**	**(26,921.58)**	**3,31,750.91**	**3,26,823.96**

Maturity pattern of assets and liabilities as on 31st March 2020:

(₹ in Lakh)

Particulars	Less than 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Financial assets							-
Cash and cash equivalents and Other Bank Balances	14,970.44	12.91	50.59	812.85	-	-	15,846.79
Loans at amortised cost	11,848.49	9,873.31	19,198.73	72,783.57	66,329.51	2,10,460.42	3,90,494.03
Financial investments at amortised cost	-	-	-	-	-	-	-
Financial investments at FVTPL	12,465.27	-	-	442.64	442.64	442.64	13,793.19
Financial investments at FVOCI	219.59	100.26	199.78	664.80	660.39	821.49	2,666.31
Other Financial Assets	361.60	335.48	629.88	2,367.13	1,475.08	1,941.15	7,110.33
Total undiscounted financial assets	**39,865.39**	**10,321.97**	**20,078.98**	**77,070.99**	**68,907.63**	**2,13,665.70**	**4,29,910.66**
Financial liabilities							
Debt securities	853.17	494.14	12,436.92	21,394.47	11,706.77	-	46,885.47

Notes to Financial Statements

for the year ended 31st March 2021

(₹ in Lakh)

Particulars	Less than 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Borrowings (other than debt securities)	7,612.84	16,078.72	33,759.99	88,988.34	32,115.89	3,081.43	1,81,637.21
Other Financial Liabilities	969.96	2,191.18	251.93	665.80	421.22	153.51	4,653.60
Total undiscounted financial liabilities	**9,435.97**	**18,764.04**	**46,448.84**	**1,11,048.61**	**44,243.88**	**3,234.94**	**2,33,176.28**
Net undiscounted financial assets/(liabilities)	**30,429.42**	**(8,442.08)**	**(26,369.86)**	**(33,977.62)**	**24,663.75**	**2,10,430.77**	**1,96,734.37**

Interest rate risk –

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

We are subject to interest rate risk, principally because we lend to clients at fixed interest rates and for periods that may differ from our funding sources, while our borrowings are at both fixed and variable interest rates for different periods. We assess and manage our interest rate risk by managing our assets and liabilities. Our Asset Liability Management Committee evaluates asset liability management, and ensures that all significant mismatches, if any, are being managed appropriately.

Note 46: As certified by the Management, loans given by the Company are secured by Equitable Mortgage/ Registered Mortgage of the property & Assets Financed &/or assignment of Life Insurance policies &/or Personal Guarantees &/or undertaking to create a security and are considered secured & good.

Note 47: Company has obtained guarantee on pool of Home Loan contracts with a Mortgage Guarantee extended by India Mortgage Guarantee Corporation Pvt. Ltd. (IMGC). The guarantee from IMGC helps in mitigating credit losses.

Note 48: No Funds raised through Preferential allotment of shares.

Note 49: Value of Imports on CIF basis- NIL (Previous Year-NIL).

Note 50: Foreign exchange earnings - NIL (Previous Year - NIL) and out go - NIL (Previous Year - NIL).

Note 51: The Company does not have licensed capacity as it is a Housing Finance Company.

Note 52: The figures of previous year have been rearranged/regrouped to conform to the current year.

Note 53: Details of Single Borrower Limit (SGL)/Group Borrower Limit (GBL) exceeded by SHFL.

The Company has not lent to any Single Borrower exceeding 15% of its owned funds.

The Company has not lent to any Single group of Borrowers exceeding 25% of its owned funds.

Note 54: The Company has not made any unsecured advances during the current or previous year.

Note 55: The Company has not been obtained registrations from any financial sector regulators.

Note 56: No penalties have been imposed by NHB and other regulators.

Note 57: There are no such circumstances in which revenue recognition has been postponed pending the resolution of significant Uncertainties.

Note 58: There has been no case of draw down of any specific reserves.

Note 59: Details of financing of parent company products - Nil.

Note 60: There have no loans granted against collateral gold jewellery.

Notes to Financial Statements

for the year ended 31st March 2021

Note 61

(a) Forward Rate Agreement (FRA)/Interest Rate Swap (IRS)

Sr. No.	Particulars	As at 31st March 2021	As at 31st March 2020
(i)	The notional principal of swap agreements	NA	NA
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements		
(iii)	Collateral required by the SHFL upon entering into swaps		
(iv)	Concentration of credit risk arising from the swaps		
(v)	The fair value of the swap book		

(b) Exchange Traded Interest Rate (IR) Derivative

Sr. No.	Particulars	As at 31st March 2021	As at 31st March 2020
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	NA	NA
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2021 (instrument-wise)		
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)		
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)		

(c) Disclosures on Risk Exposure in Derivatives

Sr. No.	Particulars	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)	NA	NA
(ii)	Marked to Market Positions [1] (a) Assets (+) (b) Liability (-)		
(iii)	Credit Exposure [2]		
(iv)	Unhedged Exposures		

Notes to Financial Statements
for the year ended 31st March 2021

Note 62: Exposure to Capital Market

Sr. No.	Particulars	As at 31st March 2021	As at 31st March 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.	-	-
(ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds.	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security.	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/ convertible debentures/units of equity oriented mutual funds' does not fully cover the advances.	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers.	-	-
(vi)	Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources.	-	-
(vii)	Bridge loans to companies against expected equity flows/issues.	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Total Exposure to Capital Market	**-**	**-**

Note 63: Overseas Assets

Sr. No.	Particulars	As at 31st March 2021	As at 31st March 2020
	NA	NA	NA

(o) Off-balance Sheet SPVs sponsored

Name of SPV sponsored	
Domestic	**Overseas**
NA	NA

Notes to Financial Statements

for the year ended 31st March 2021

Note 64: 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:

Sr. No.	Particulars	As at 31st March 2021	As at 31st March 2020
(i)	The principal amount remaining unpaid to supplier as at the end of the year	-	-
(ii)	The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
(iii)	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	-	-
(iv)	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	-	-
(v)	The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
(vi)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

Note 64:(a) Exposure to group companies engaged in real estate business

Sr. No.	Description	As at 31st March 2021		As at 31st March 2020	
		Amount (₹ in Lakh)	% of owned fund	Amount (₹ in Lakh)	% of owned fund
(i)	Exposure to any single entity in a group engaged in real estate business	Nil	Nil	Nil	Nil
(ii)	Exposure to all entities in a group engaged in real estate business	Nil	Nil	Nil	Nil

Note 64:(b) Remuneration of Directors - Pecuniary relationship of Non-Executive Directors

Remuneration paid to Directors is reflected in Note 40 "Related Party Transaction". There is no pecuniary relationship or transactions of the Non-Executive Directors with the Company or its Directors, Senior Management or Group Companies.

Note 64:(c) Prior period items and changes in accounting policies

Sr. No.	Description	As at 31st March 2021	As at 31st March 2020
		Amount (₹ in Lakh)	Amount (₹ in Lakh)
ii)	Prior period items	N.A.	N.A.
iii)	Changes in accounting policies.	Refer Notes 1, 2 & 3	Refer Notes 1, 2 & 3

Notes to Financial Statements

for the year ended 31st March 2021

Note 65: Transfer to reserve fund:

As per Section 29C of the National Housing Bank Act, 1987, the Company is required to transfer at least 20% of net profits every year to Reserve Fund. The Company has transferred an amount of ₹ 1,254 Lakh (Previous Year ₹ 932.80 Lakh).

(₹ in Lakh)

Particulars as at	As at 31st March 2021 (Audited)	As at 31st March 2020 (Audited)
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	1,522.08	654.87
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act. 1987.	2,209.41	2,143.82
c) Total	**3,731.49**	**2,798.69**
Addition/Appropriation/Withdrawal during the year		
Add: a) Amount transferred u/s 29C of the NHB Act, 1987	1,048.85	867.21
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act. 1987.	205.15	65.59
Less: a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	2,570.93	1,522.08
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	2,414.56	2,209.41
c) Total	**4,985.49**	**3,731.49**

Capital to Risk Ratio (CRAR)

Items	As at 31st March 2021 (Audited)	As at 31st March 2020 (Audited)
1. CRAR (%)	23.03%	27.76%
2. CRAR (%) Tier I capital	22.08%	26.93%
3. CRAR (%) Tier II capital	0.95%	0.83%
4. Amount of subordinated debt raised as Tier- II Capital	-	-
5. Amount raised by issue of Perpetual Debt Instruments	-	-

Notes to Financial Statements

for the year ended 31st March 2021

Exposure to Real Estate Sector

a) Direct exposure

i) Residential mortgages

Lending fully secured by mortgage on Residential property that is or will be occupied by the borrower or that is rented

(₹ in Lakh)

Category	As at 31st March 2021 (Audited)	As at 31st March 2020 (Audited)
(i) Housing Loan to individuals up to ₹ 15 Lakh	42,031.47	21,363.96
(ii) Housing Loan to individuals more than ₹ 15 Lakh	1,54,186.71	67,164.18
(iii) Non-Housing Loan against residential property	1,05,839.24	85,464.55

(ii) Commercial Real Estate

(₹ in Lakh)

Category	As at 31st March 2021 (Audited)	As at 31st March 2020 (Audited)
Lending secured by mortgages on commercial real - estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.) exposure includes non-fund based (NFB) limits.	36,710.82	25,855.68

iii) Investment in mortgage backed securities (MBS) and other securitised exposures

(₹ in Lakh)

Sr. No.	Category	As at 31st March 2021 (Audited)	As at 31st March 2020 (Audited)
a)	Residential	14.15	76.57
b)	Commercial Real Estate	-	-

b) Indirect exposure

Fund based and non-fund based exposure on National Housing Bank (NHB) and Housing Finance Companies (HFCs) – NIL (Previous year – NIL).

Notes to Financial Statements
for the year ended 31st March 2021

Note 66: Investments

(₹ in Lakh)

Particulars	As at 31st March 2021 (Audited)	As at 31st March 2020 (Audited)
Value of Investments		
(i) Gross value of Investments		
(a) In India	7,404.60	15,633.92
(b) Outside India	-	-
(ii) Provisions for Depreciation*		
(a) In India	(2.03)	(1.81)
(b) Outside India	-	-
(iii) Net value of Investments		
(a) In India	7,402.57	15,632.11
(b) Outside India	-	-
Movement of provisions held towards depreciation on investments*		
(i) Opening balance	1.81	4.74
(ii) Add: Provisions made during the year*	-	-
(iii) Less: Write-off/Written-back of excess provisions during the year*	0.22	(2.93)
(iv) Closing balance	**2.03**	**1.81**

*Amount shown is as per expected credit loss(ECL) on investment in PTC as per Ind AS

Asset Liability Management:

Maturity pattern of certain items of Assets and Liabilities

(₹ in Lakh)

Period	Liabilities		Assets	
	Borrowings from Banks*	Market Borrowings**	Advances	Investment
1 day to 7 days(one month)	191.56	(3.79)	6,622.58	-
8 days to 14 days(one month)	96.05	(3.79)	(2.66)	-
15 days to 30 days(one month)	2,785.12	556.33	220.13	10.52
Over one month to 2 months	742.62	2,660.48	1,619.65	3,022.50
Over 2 months up to 3 months	5,091.00	268.07	1,704.91	9.38
Over 3 months to 6 months	19,064.12	5,642.52	4,560.62	27.00
Over 6 months to 1 year	32,879.88	18,073.33	8,490.23	2,067.67
Over 1 year to 3 years	1,17,913.89	22,928.74	37,505.21	552.47
Over 3 to 5 years	66,810.08	3,985.41	40,190.61	615.65
Over 5 to 7 years	4,083.00	-	43,458.58	651.86
Over 7 to 10 years	7,227.96	3,782.53	67,284.15	256.81
Over 10 Years	3,308.54	-	1,26,114.22	188.71
Total	**2,60,193.82**	**57,889.82**	**3,37,768.23**	**7,402.57**

*Includes Borrowings from National Housing Bank and Life Insurance Corporation of India.

Notes to Financial Statements

for the year ended 31st March 2021

Details of Non-performing financial assets sold:

(₹ in Lakh)

Sr. No.	Particulars	Year ended 31st March 2021 (Audited)	Year ended 31st March 2020 (Audited)
1	No. of accounts sold	-	-
2	Aggregate outstanding (₹ in Lakh)	-	-
3	Aggregate consideration received (₹ in Lakh)	-	-

Note 67: Provisions & Contingencies

(₹ in Lakh)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	As at 31st March 2021 (Audited)	As at 31st March 2020 (Audited)
1. Provisions for depreciation on Investment**	0.21	(2.94)
2. Provision made towards Income tax	935.98	1,422.52
3. Provision towards NPA*	347.71	(56.64)
4. Provision for Standard Assets*	905.45	42.93
5. Provision for COVID-19 impact	-	1,000.00
6. Provision for Assignment Receivables	185.53	184.83
7. Other Provision and Contingencies		
Provision for Gratuity	68.30	38.09
Provision for Leave benefits	(25.62)	(34.67)

* Amount shown is as per expected credit loss(ECL) of loans & non-funded exposure as per Ind AS
** Amount shown is as per expected credit loss(ECL) of investment & ECL on interest on investment as per Ind AS

(₹ in Lakh)

Break up of Loan & Advances and Provisions thereon	Housing		Non-Housing	
	As at 31st March 2021 (Audited)	As at 31st March 2020 (Audited)	As at 31st March 2021 (Audited)	As at 31st March 2020 (Audited)
Standard Assets				
a) Total Outstanding Amount	2,15,039.98	1,00,956.77	1,21,147.58	96,595.94
b) Provisions made*	1,533.29	784.58	901.56	744.83
Sub-Standard Assets				
a) Total Outstanding Amount	1,239.01	1,221.57	1,781.79	1,241.37
b) Provisions made*	274.50	303.57	429.13	273.47
Doubtful Assets – Category-I				
a) Total Outstanding Amount	627.41	144.94	888.10	629.85
b) Provisions made*	142.50	36.44	189.79	128.13
Doubtful Assets – Category-II				
a) Total Outstanding Amount	234.43	348.75	1,635.95	1,185.54
b) Provisions made*	54.40	77.26	312.94	218.83
Doubtful Assets – Category-III				
a) Total Outstanding Amount	14.14	81.73	1.35	30.27
b) Provisions made*	3.10	16.57	0.30	4.67
Loss Assets				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made*	-	-	-	-
Total				
a) Total Outstanding Amount	**2,17,154.97**	**1,02,753.75**	**1,25,454.77**	**99,682.97**
b) Provisions made*	**2,007.79**	**1,218.43**	**1,833.72**	**1,369.93**

*Amount shown under "provisions made" is expected credit loss(ECL) on loans as per IND AS.
Apart from above, additional ECL of ₹ 1,000 Lakh is made on loans on account of COVID-19 pandemic

Notes to Financial Statements
for the year ended 31st March 2021

Note 68: Concentration of Public Deposits, Advances, Exposures and NPAs

(I) Concentration of Public Deposits (for Public Deposit taking/holding HFCs)

(₹ in Lakh)

Particulars	As at 31st March 2021 (Audited)	As at 31st March 2020 (Audited)
Total Deposits of twenty largest depositors	NA	NA
Percentage of Deposits of twenty largest depositors to Total Deposits of the HFC		

(II) Concentration of Loans & Advances

(₹ in Lakh)

Particulars	As at 31st March 2021 (Audited)	As at 31st March 2020 (Audited)
Total Loans & Advances to twenty largest borrowers	22,940.75	20,949.10
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	6.77%	10.48%

(III) Concentration of all Exposure (including off-balance sheet exposure)

(₹ in Lakh)

Particulars	As at 31st March 2021 (Audited)	As at 31st March 2020 (Audited)
Total Exposure to twenty largest borrowers/customers	26,779.85	22,588.89
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the HFC on borrowers/customers	7.50%	10.34%

(IV) Concentration of NPAs

(₹ in Lakh)

Particulars	As at 31st March 2021 (Audited)	As at 31st March 2020 (Audited)
Total Exposure to top ten NPA accounts	1,556.24	1,242.58

(V) Sector-wise NPAs

Sr. No.	Sector	Percentage of NPAs to Total Advances in that sector
A.	**Housing Loans:**	
1	Individuals	0.59%
2	Builders/Project Loan	0.17%
3	Corporates	
4	Others (specify)	
B.	**Non-Housing Loans:**	
1	Individuals	2.13%
2	Builders/Project Loan	
3	Corporates	0.60%
4	Others (specify)	

Notes to Financial Statements

for the year ended 31st March 2021

(VI) Movement of NPAs

(₹ in Lakh)

Sr. No.	Particulars	As at 31st March 2021 (Audited)	As at 31st March 2020 (Audited)
(I)	Net NPAs to Net Advances (%)	1.47%	1.90%
(II)	Movement of NPAs (Gross)		
	a) Opening balance	4,884.02	5,164.85
	b) Additions during the year	3,003.58	2,646.46
	c) Reductions during the year	1,465.41	2,927.29
	d) Closing balance	**6,422.19**	**4,884.02**
(III)	Movement of Net NPAs		
	a) Opening balance	3,825.05	4,049.24
	b) Additions during the year	2,305.63	2,043.69
	c) Reductions during the year	1,115.19	2,267.88
	d) Closing balance	**5,015.50**	**3,825.05**
(IV)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	a) Opening balance	1,058.94	1,115.58
	b) Provisions made during the year	697.94	602.77
	c) Write-off/write-back of excess provisions	350.22	659.41
	d) Closing balance	**1,406.67**	**1,058.94**

Note 69: Rating Assigned by Credit rating agencies and migration of ratings during the year

Rating Agency	Rating Instrument	Rating Assigned as on 31st March 2021	Rating Assigned as on 31st March 2020
India Rating & Research Pvt. Ltd.	Long-Term (NCDs)	IND AA	IND AA
	Bank Loan Ratings	IND AA	IND AA
Credit Analysis & Research Limited	Long-Term (NCDs)	CARE AA	CARE AA+
	Short-Term (CP)	CARE A1+	CARE A1+
	Long-Term Bank Loan Ratings	CARE AA	CARE AA+
	Subordinate Debts	CARE AA	CARE AA+
CRISIL	Bank Loan Ratings	CRISIL AA	CRISIL AA
	Long-Term (NCDs)	CRISIL AA	CRISIL AA

Note: There is a migration in Credit Analysis & Research Limited ratings during the year.

Note 70: Disclosure of Complaints

Customers Complaints

(₹ in Lakh)

Sr. No.	Particulars	Year ended 31st March 2021 (Audited)	Year ended 31st March 2020 (Audited)
a)	No. of complaints pending at the beginning of the year	-	-
b)	No. of complaints received during the year	82	271
c)	No. of complaints redressed during the year	82	271
d)	No. of complaints pending at the end of the year	-	-

Notes to Financial Statements
for the year ended 31st March 2021

71.1 Disclosure Relating Assignment

(i) The information on Direct Assignment of the Company as an originator in respect of outstanding amount of assets assigned under par structure is given below:

(₹ in Lakh)

Sr. No.	Particulars	As at 31st March 2021	As at 31st March 2020
1	No. of transactions Assigned by the Company	12	6
2	Total amount of Outstanding	50,034.13	28,357.19
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	8,923.94	4,470.22
4	Amount of exposures to Assigned transaction other than MRR		
	a) Off-Balance Sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	b) On-Balance Sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-

(ii) Direct Assignment of the Company as an originator in respect of outstanding amount of assets assigned under premium: Nil (31st March 2020: Nil)

71.2 No financial assets are sold to Securitisation/Reconstruction Company for asset reconstruction as on 31st March 2021 and 31st March 2020.

71.3 Details of Assignment transactions undertaken by the Company

(₹ in Lakh)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
No. of accounts	2,600.00	3,257.00
Aggregate value (net of provision) of account sold	30,411.59	29,356.70
Aggregate consideration*	30,411.59	29,356.70
Additional consideration realised in respect of accounts transferred in earlier years	-	-
Aggregate gain/(loss) over net book value	-	-

* Includes Income on assignment transactions realised in respect of accounts transferred in current year.

Notes to Financial Statements
for the year ended 31st March 2021

71.4 The Company has not purchased/sold non-performing assets for the year ended 31st March 2021 and 31st March 2020

72. 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

(₹ in Lakh)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Securitisations		
Carrying amount of transferred assets measured at amortised cost(Held as collateral)	7,161.27	3,972.15
Carrying amount of associated liabilities (Borrowings (other than debt securities)- measured at amortised cost)	7,412.99	4,019.31
Fair value of assets	7,161.27	3,972.15
Fair value of associated liabilities	7,412.99	4,019.31
Net position at FV	(251.73)	(47.16)

72.1 Disclosure Relating to Securitisation

The information on securitisation of the Company as an originator in respect of securitisation transaction done during the year is given below

(₹ in Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
Total number of transactions under par structure	1	1
Total book value of assets	4,068.74	4,464.59
Sale consideration received	4,068.74	4,464.59

72.2 Disclosure Relating to Securitisation

The information on securitisation of the Company as an originator in respect of outstanding amount of securitised assets is given below:

(₹ in Lakh)

Sr. No.	Particulars	As at 31st March 2021	As at 31st March 2020
1	No. of SPVs sponsored by the Company for securitisation transactions (in No.)	2	1
2	Total amount of securitised assets as per books of the SPVs sponsored by the Company	7,384.25	4,001.54
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	1,298.50	647.50
	Others	-	-
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-

Notes to Financial Statements
for the year ended 31st March 2021

(₹ in Lakh)

Sr. No.	Particulars	As at 31st March 2021	As at 31st March 2020
	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	-	-

Note 73: Disclosure of frauds reported during the year ended 31st March 2021

Two frauds were detected during the year ended 31st March 2021 and was duly reported to the Board and National Housing Bank. While in one case, the fraud was detected before the disbursement of loan and hence there was no principal loss to the Company. In the second case, the loan outstanding of ₹22.40 Lakh was fully written-off on 30th September 2020.

Note 74: The Company has 82 branches as at 31st March 2021. The list of branches are as follows:

LIST OF BRANCHES

Sr. No.	State	Name of Branch
1	Andhra Pradesh	Vijayawada
2	Andhra Pradesh	Visakhapatnam
3	Andhra Pradesh	Kurnool
4	Andhra Pradesh	Nellore
5	Andhra Pradesh	Rajahmundry
6	Andhra Pradesh	Guntur
7	Andhra Pradesh	Tirupathi
8	Chhattisgarh	Raipur
9	Chhattisgarh	Bilaspur
10	Delhi	Delhi
11	Gujarat	Surat
12	Gujarat	Rajkot
13	Gujarat	Vadodara
14	Gujarat	Mehsana
15	Gujarat	Palanpur
16	Gujarat	Bhavnagar
17	Gujarat	Bharuch
18	Gujarat	Ahmedabad
19	Gujarat	Ahmedabad-Mani Nagar
20	Gujarat	Veraval
21	Gujarat	Jamnagar
22	Gujarat	Jetpur
23	Gujarat	Morbi
24	Gujarat	Vapi
25	Karnataka	Bengaluru
26	Karnataka	Mysore

Notes to Financial Statements

for the year ended 31st March 2021

LIST OF BRANCHES

Sr. No.	State	Name of Branch
27	Karnataka	Banashankari
28	Karnataka	Hubli
29	Karnataka	Davangere
30	Karnataka	Indira Nagar, Bengaluru
31	Karnataka	Tumkur
32	Karnataka	Belgavi
33	Karnataka	Mangalore
34	Karnataka	Shimoga
35	Kerala	Ernakulam
36	Kerala	Thrissur
37	Madhya Pradesh	Indore
38	Madhya Pradesh	Bhopal
39	Madhya Pradesh	Ujjain
40	Madhya Pradesh	Mandsaur
41	Madhya Pradesh	Gwalior
42	Maharashtra	Nagpur
43	Maharashtra	Aurangabad
44	Maharashtra	Nasik
45	Maharashtra	Kolhapur
46	Maharashtra	Pune
47	Maharashtra	Amaravati
48	Maharashtra	Mumbai
49	Maharashtra	Ahmednagar
50	Maharashtra	Solapur
51	Maharashtra	Pimpri
52	Maharashtra	Thane
53	Pondicherry/ Puducherry	Pondicherry/ Puducherry
54	Punjab	Ludhiana
55	Punjab	Mohali (Chandigarh)
56	Rajasthan	Jodhpur
57	Rajasthan	Jaipur
58	Rajasthan	Alwar
59	Rajasthan	Kota
60	Rajasthan	Ajmer
61	Rajasthan	Udaipur
62	Rajasthan	Bikaner
63	Rajasthan	Sikar
64	Rajasthan	Bhiwadi
65	Tamil Nadu	Chennai
66	Tamil Nadu	Tiruchirappalli
67	Tamil Nadu	Coimbatore
68	Tamil Nadu	Madurai
69	Tamil Nadu	Tirunelveli
70	Tamil Nadu	Hossur
71	Tamil Nadu	Vellore
72	Tamil Nadu	Salem
73	Telangana	Karimnagar
74	Telangana	Hyderabad

Notes to Financial Statements
for the year ended 31st March 2021

LIST OF BRANCHES		
Sr. No.	State	Name of Branch
75	Telangana	Warangal
76	Telangana	Secunderabad
77	Uttar Pradesh	Lucknow
78	Uttar Pradesh	Meerut
79	Uttar Pradesh	Agra
80	Uttarakhand	Dehradun
81	West Bengal	Kolkata
82	West Bengal	Siliguri

Note 75: Disclosure on Liquidity Risk for the twelve months ended 31st March 2021 pursuant to RBI circular dated 4th November 2019 on Liquidity Risk Management Framework

(I) Funding Concentration based on significant counterparty (both deposits and borrowings)

Sr. No.	Number of Significant Counterparties	Amount (₹ In crore)*	% of Total deposits	% of Total liabilities
1	21	2,947.64	NA	92.67

*Includes securitisation liabilities exposure

(II) Top 20 large deposits (amount in ₹ in crore and % of total deposits)

(₹ in Lakh)

Particulars	As at 31st March 2021
Total amount of top 20 large deposits	NA
Percentage of amount of top 20 large deposits to total deposits	NA

(III) Top 10 borrowings (amount in ₹ in crore and % of total borrowings)

(₹ in Lakh)

Particulars	As at 31st March 2021
Total amount of top 10 borrowings * (₹ in Crore)	2,369.22
Percentage of amount of top 10 borrowings to total borrowings	74.48

*Includes securitisation liabilities exposure

(IV) Funding Concentration based on significant instrument/product

Sr. No.	Name of the instrument/product	Amount (₹ in crore)	% of Total Liabilities
1	Public Issue of Redeemable non-convertible debentures	N.A.	N.A.
2	Privately placed Redeemable non-convertible debentures	578.9	18.2
3	Term loan from banks	2,233.09	70.2
4	Term loan from financial institutions/corporates	234.87	7.38
5	Loans repayable on demand from banks (Cash credit from banks & Working capital demand Loan)	59.85	1.88
6	Other loans - Securitisation liabilities	74.13	2.33
7	Public deposits	N.A.	N.A.

Notes to Financial Statements

for the year ended 31st March 2021

(V) Stock Ratios:

Sr. No.	Particulars	as a % of Total public funds	as a % of Total liabilities	as a % of Total assets
1	Commercial papers	-	-	-
2	Non-convertible debentures (original maturity of less than one year)	-	-	-
3	Other short-term liabilities	N.A.	1.88	1.56

(vi) Institutional set-up for liquidity risk management

Sr. No.	Particulars
1	The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.
2	The Board has constituted the Audit and Risk Management Committee (ARMC) which is responsible for monitoring the overall risk process within the Company.
3	The (ARMC) is responsible for managing risk decisions and monitoring risk levels. The meetings of ARMC are held at quarterly interval.
4	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.
5	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.
6	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.
7	In assessing the Company's liquidity position, consideration is given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds. The Company maintains a portfolio of marketable assets that are assumed to be easily liquidated and undrawn cash credit limits which can be used in the event of an unforeseen interruption in cash flow. The Company also enters into securitisation deals (direct assignment as well as pass through certificates) of its loan portfolio, the funding from which can be accessed to meet liquidity needs. In accordance with the Company's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company. Net liquid assets consist of cash, short–term bank deposits and investments in mutual fund available for immediate sale, less issued securities and borrowings due to mature within the next month. Borrowings from banks and financial institutions, issue of debentures and bonds 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.
8	The minutes of ALCO meetings are placed before the ARMC and the Board of Directors in its next meeting for its ratification.
9	The liquidity was ₹ 301.11 crore including sanction lines.

Notes to Financial Statements
for the year ended 31st March 2021

*Notes:

Sr. No.	Particulars
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 4th November 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 4th November 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.
3	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.
4	The amount stated in this disclosure is based on the audited financial statements for the year ended 31st March 2021.

Note 76:

Changes in liabilities arising from financing activities during FY 2020-21

(₹ in Lakh)

Particulars	As at 31st March 2020	Cash Flows	Exchange difference	Other*	As at 31st March 2021
At Amortised Cost					
Debt Securities					
- NCD Public Issue	-	-	-	-	-
- NCD Retail	38,497.28	18,800.00	-	592.53	57,889.82
- NCD Institutional	-	-	-	-	-
Subordinated Liabilities					
- Sub Debt Retail	-	-	-	-	-
- Subdebt Institutional	-	-	-	-	-
Borrowings other than debt securities					
- Term Loan from Banks	1,22,570.12	1,01,691.61	-	(952.82)	2,23,308.91
- Term Loan from Institution	13,480.37	10,207.57	-	(201.09)	23,486.85
- Commercial paper	-	-	-	-	-
- Cash Credit form Banks	5,001.69	(3,999.91)	-	(15.85)	985.94
- Working Capital Demand Loans	3,499.65	1,500.00	-	(0.52)	4,999.13
- Term Loan from Bank-Securitisation	4,019.31	3,410.82	-	(17.14)	7,412.99
- Term Loan from financial Institution/NBFC-Securitisation	-	-	-	-	-
Deposits					
- Public Deposits	-	-	-	-	-
Total	**1,87,068.43**	**1,31,610.09**	**-**	**(594.88)**	**3,18,083.64**

* Represents non-cash adjustments on account of amortisation of processing fees and other transaction costs.

Notes to Financial Statements

for the year ended 31st March 2021

Changes in liabilities arising from financing activities during FY 2019-20

(₹ in Lakh)

Particulars	As at 31st March 2019	Cash Flows	Exchange difference	Other*	As at 31st March 2020
At Amortised Cost					
Debt Securities					
- NCD Public Issue	-	-	-	-	-
- NCD Retail	58,014.79	(19,214.34)	-	(303.16)	38,497.28
- NCD Institutional	-	-	-	-	-
Subordinated Liabilities					
- Sub Debt Retail	-	-	-	-	-
- Subdebt Institutional	-	-	-	-	-
Borrowings other than debt securities					
- Term Loan from Banks	90,472.34	32,405.52	-	(307.74)	1,22,570.12
- Term Loan from Institution	819.85	12,660.52	-		13,480.37
- Commercial paper	4,958.47	(4,958.47)	-		-
- Cash Credit form Banks	8,783.91	(3,767.70)	-	(14.52)	5,001.69
- Working Capital Demand Loans	-	3,500.00	-	(0.35)	3,499.65
- Term Loan from financial Institution/NBFC-Securitisation	-	4,019.31	-	-	4,019.31
Deposits					
- Public Deposits	-	-	-	-	-
Total	**1,63,049.36**	**24,644.84**	**-**	**(625.78)**	**1,87,068.42**

* Represents non-cash adjustments on account of amortisation of processing fees and other transaction costs.

Note 77:

Disclosure as per the circular no. DOR.No.BP.BC.63/21.04.048/2019-20 dated 17th April 2020 issued by Reserve Bank of India on "COVID 19 regulatory package - Asset Classification and provisioning"

i. Amounts in SMA/overdue categories where moratorium/deferment was extended in terms of paragraph 2 and 3 of the above circular

(₹ in Lakh)

SMA category	As at 31st March 2021	As at 31st March 2020
SMA 0	84,445.66	24,266.23
SMA 1	5,886.45	10,141.53
SMA 2	5,473.97	3,039.33
Total	**95,806.08**	**37,447.10**

Notes to Financial Statements

for the year ended 31st March 2021

ii. Respective amount where asset classification benefit is extended: ₹ Nil (31st March 2020: ₹ 12,561.13 Lakh)

iii. The provision as per the ECL model as at 31st March 2020 was more when compared with the provision required as per IRAC norms after including additional 5% provision of ₹ 139.91 Lakh and also after including additional 10% provision as at 30th June 2020, 30th September 2020 and 31st December 2020. Further, the provision as per the ECL model as at 31st March 2021 was more compared to the provision required as per IRAC norms after excluding the additional 10% provision, in accordance with the para 6 of above circular.

iv. Provisions adjusted against the respective accounting periods for slippages and residual provisions in terms of paragraph 5 of the above circular: Not applicable

In accordance with the board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated 27th March 2020, 17th April 2020 and 23rd May 2020 relating to 'COVID-19 - Regulatory Package, the Company has granted moratorium up to six months on the payment of instalments falling due between 1st March 2020 and 31st August 2020 to all eligible borrowers. Further, period for which moratorium is granted has not been considered for computing days past due (DPD) as on 31st March 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 continues to recognise interest income during the moratorium period and in the absence of other credit risk indicators, the granting of the moratorium period does not result in accounts becoming past due and automatically triggering stage 2 or stage 3 classification criteria. As at 31st March 2021, additional ECL provision on loan assets as management overlay on account of COVID-19 stood at ₹ 1,000.00 Lakh. The additional ECL provision on account of COVID-19 is based on the Company's historical experience, collection efficiencies post completion of Moratorium period, scheme by Government of India, 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.

Note 78:

Disclosure to be made as per RBI circular no. DOR.No.BP.BC/3/21.04.048/2020-21 dated 6th August 2020 on Resolution Framework for COVID-19-related Stress

During the year, to relieve COVID-19 pandemic related stress, the Company has invoked resolution plans for eligible borrowers based on parameters laid down in accordance with the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI on 6th August 2020. Based on resolution framework, the Company has provided resolution plan for 159 accounts having an aggregate exposure of ₹ 5,819.29 Lakh.

	(A)	(B)	(C)	(D)	(E)
Type of borrower	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	97	3,639.90	-	-	-
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	62	2,179.39			-
Total	**159**	**5,819.29**	**-**	**-**	**-**

Note: Additional IRAC provision in accordance with RBI circular DOR.No.BP.BC.63/21.04.048/2019-20 dated 17th April 2020 has been made for the accounts where resolution plan has been implemented and Expected Credit Loss provided is more than the IRAC provisions.

Notes to Financial Statements

for the year ended 31st March 2021

79 Hon'ble Supreme Court, in a public interest litigation (Gajendra Sharma vs. Union of India & Anr). vide an interim order dated 3rd September 2020, has directed that accounts which were not declared NPA till 31st August 2020 shall not be declared as NPA till further orders. However, such accounts had been classified as stage 3 and provision had been made accordingly. The interim order stood vacated on 23rd March 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 7th April 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 23rd March 2021.

80 The Company had credited an ex-gratia amount of ₹ 342.83 Lakh for the payment of difference between the compound interest and simple interest to the accounts of borrowers in specified loan accounts between 1st March 2020 and 31st August 2020 as per the eligibility criteria and other features as mentioned in the notification dated 23rd October 2020 issued by Government of India, Ministry of Finance, Department of Financial Services. The Company has already filed a claim with the State Bank of India for reimbursement of the said ex-gratia amount as specified in the notification.

81 In accordance with the RBI circular dated 07nd April 2021 and the Indian Banks' Association ('IBA') advisory letter dated 19th April 2021 consequent to the judgement dated 23rd March 2021 of Hon'ble Supreme Court, the Company has put in place a policy approved by the Board of Directors to refund/adjust the 'interest on interest' charged to borrowers (other than specified borrowers as referred to in Note 80 above) during the moratorium period. i.e. 1st March 2020 to 31st August 2020. The Company estimated the said amount and has credited the same to the accounts of borrowers.

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Shriram Housing Finance Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial Statements of Shriram Housing Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, 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, 2020, 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.

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 period. 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.

1. 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 to a large number of lenders 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 for the Company in estimating individual and collective credit impairment provisions and write-offs against these loans. 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 calculations 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.

Principal Audit Procedures:

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 line with Ind AS 109 "Financial instruments" requirements. 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.

- 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 definition of default of the company;
- We validated the ECL model calculation;
- We have also calculated the ECL provision manually for a selected sample; and

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.

2. Accuracy of recognition, measurement, presentation and disclosures of Leases and other related balances in view of adoption of Ind AS 116 "Leases" (new Lease accounting standard)

The application of the new lease accounting standard involves certain key judgments relating to assessment of whether a contract contains a lease and allocation of the consideration to the lease component on the basis of their relative standalone prices. The Company has applied Ind AS 116 using the modified retrospective method w e f 1st April 2019. The accounting policy adopted by the company is disclosed in Notes to financial Statements.

Principal Audit Procedures:

We have assessed the Company's process to identify the impact of adoption of the new Lease accounting standard.

Our audit approach consisted of following substantive audit procedures:

- Evaluated the design of internal controls relating to implementation of the new lease accounting standard.

- Reviewed the changes made to the accounting policy of the company to be in accordance with the requirements of Ind AS 116.

- Analyzed the terms & conditions of various contracts entered by the company in order to classify it under the Lease contract in accordance with IND AS 116.

- Reviewed the terms and conditions of the lease contracts based on which lease contract were classified into various types of lease such as finance lease, operating lease, short term, low value lease etc. for proper classification and recognition of lease contracts.

- Verified the various inputs such as discounting rate, lease terms i.e. period of lease, lease payments in order to ascertain the correctness of initial recognition of "right of use assets" and "lease liabilities".

- Verified the subsequent measurement of Right of Use assets and lease liability; to ensure whether:

  - Right of use asset is depreciated from the date of commencement of lease to the earlier of the end of useful life of the right of use asset or end of the lease term.

  - Lease liability is measured correctly by using discount rate by accounting for interest on lease liability, lease payments made and adjustments on account of any reassessment or modifications to lease contracts,

- We have verified that the disclosures made in the financial statements as per the requirements of Ind AS 116.

Emphasis of Matter

We draw attention to Note 74 to the Statement with respect to accounts overdue as on February 29, 2020 wherein moratorium benefit has been granted, the staging of those accounts under Ind AS as on March 31, 2020 is based on the days past due status as on February 29, 2020 in accordance with the Reserve Bank of India COVID-19 regulatory package. Further, the extent to which the COVID-19 pandemic will impact the company financial performance is dependent on future developments, which are highly uncertain. Our opinion is not modified in respect of this matter.

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 Ind AS 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.

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

Auditor's Responsibilities for the Audit of the Standalone Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the standalone Ind AS 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 Ind AS 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, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 41 on Contingent Liabilities to the standalone financial statements;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

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

For Pijush Gupta & Co.
Chartered Accountants
Firm Registration Number: 309015E

Sangeeta Gupta
Partner
Membership Number: 064225
UDIN: 20064225AAAAAQ5639

Place : Gurugram
Date : June 08, 2020

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (1) under 'Report on Other Legal and Regulatory Requirements' in the independent Auditor's Report of even date to the members of Shriram Housing Finance Company Limited on the standalone financial statements for the year ended March 31, 2020

i. (a) According to the information and explanations given to us and records produced before us, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) According to the information and explanations given to us and records produced before us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such physical verification.

(c) According to the information and explanations given to us and records produced before us, the title deeds of the immovable properties are held in the name of the company.

ii. The Company is in the business of providing housing finance services and consequently does not hold inventory. Hence reporting under Clause 3(ii) of the Order is not applicable.

iii. According to the information and explanations given to us, 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 and hence reporting under Clause 3(iii) of the Order is not applicable.

iv. According to the information and explanations given to us, the Company has not granted any loans, made investments or provide guarantees coming under the purview of the provisions of section 185 and 186 of the Companies Act, 2013 and hence reporting under Clause 3(iv) of the Order is not applicable.

v. According to the information and explanations given to us, the Company has not accepted deposits from the public during the year and hence reporting under Clause 3(v) of the Order is not applicable.

vi. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 148(1) of the Act in respect of the Company's nature of business.

vii. (a) According to the information and explanations provided to us and records examined by us, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, Goods & Service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues to the appropriate authorities. No statutory dues are outstanding for more than six months as on the date of the Balance Sheet.

(b) According to the information and explanations given to us and the relevant documents produced before us, the following disallowance under Income Tax has been disputed and not deposited by the company.

Statute	Nature of Dues	Amount (₹ Lakh)	Years to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Demands	78.08	Assessment Year 2017-18	Commissioner of Income Tax (Appeals), Chennai

viii. Based on our audit procedures and as per information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to Banks and Financial Institutions and dues to debenture holders. The company has not taken any loan or borrowing from the Government during the year.

ix. Based on our audit procedures performed and according to the information and explanations given to us, the money raised by the company by way of debt instrument and term loans were applied for the purposes for which it was raised. The company has not raised money by way of initial public offer or further public offer of equity during the financial year.

x. According to the information and explanations given to us and during the course of examination of the books and records of the Company, we have not come across any instance of material fraud by the Company or on the Company by its officers or employees noticed or reported during the year, nor have we been informed of any such case by the management.

xi. Based on our audit procedures and as per information and explanations given to us, managerial remuneration paid or provided during the year are in accordance with the requisite approvals mandated by provisions of section 197 read with Schedule V and are within the limits prescribed under the Act.

xii. In our opinion the Company is not a Nidhi Company and hence reporting under Clause 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the Standalone Financial Statements as required by applicable (Refer Note 40 to the standalone financial statements).

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

xv. According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, provisions of clause 3(xv) of the Order are not applicable to the Company.

xvi. According to the information and explanations given to us, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

For Pijush Gupta & Co.
Chartered Accountants
Firm Registration Number: 309015E

Sangeeta Gupta
Partner
Membership Number: 064225
UDIN: 20064225AAAAAQ5639

Place : Gurugram
Date : June 08, 2020

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Shriram Housing Finance Company Limited on the standalone financial statements for the year ended March 31, 2020]

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 Housing Finance Limited ("the Company") as of March 31, 2020 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, an 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, 2020, 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 Pijush Gupta & Co.
Chartered Accountants
Firm Registration Number: 309015E

Sangeeta Gupta
Partner
Membership Number: 064225
UDIN: 20064225AAAAAQ5639

Place : Gurugram
Date : June 08, 2020

BALANCE SHEET
As on 31 March 2020

(₹ in Lakh)

	Particulars	Notes	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
I	**ASSETS**			
	1 Financial assets			
	Cash and cash equivalents	4	14,871.01	1,447.12
	Bank Balance other than above	5	805.50	137.63
	Receivables	6		
	I) Trade Receivables		-	-
	II) Other Receivables		0.65	4.07
	Loans	7	198,848.38	182,164.13
	Investments	8	15,632.11	21,855.01
	Other Financial assets	9	6,859.74	352.92
	2 Non-financial Assets			
	Inventories		-	-
	Non - Current tax assets (net)	10	2,066.84	1,404.77
	Investment Property	11	0.28	0.28
	Property, plant and equipment	12	549.22	698.25
	Other Intangible assets	13	575.51	330.50
	Right of Use Assets	14	1,091.46	-
	Other non financial assets	15	8,626.08	9,152.11
	Total assets		**249,926.78**	**217,546.79**
II	**LIABILITIES AND EQUITY**			
	1 Financial Liabilities			
	Derivative financial instruments		-	-
	Payables			
	(I) Trade Payables	16		
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		2,018.49	1,009.28
	(II)Other Payables			
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
	Debt Securities	17	38,497.28	58,014.79
	Borrowings (other than debt security)	18	154,404.97	110,868.40
	Other Financial liabilities	19	2,425.69	584.42
	2 Non-financial Liabilities			
	Current tax liabilities (net)		-	-
	Provisions	20	205.71	253.11
	Deferred tax liabilities (net)	35	886.48	117.33
	Other non-financial liabilities	21	186.89	119.09
	3 Equity			
	Equity share capital	22	21,416.00	21,416.00
	Other equity	23	29,885.27	25,164.37
	Total Liabilities and Equity		**249,926.78**	**217,546.79**

As per our report of even date

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

Sangeeta Gupta
Partner
Membership No:064225

Place : Mumbai
Date : June 08, 2020

For and on behalf of the Board of Directors
Shriram Housing Finance Limited

Subramanian Jambunathan
Managing Director and CEO
DIN:00969478

Y. S. Chakravarti
Director
DIN:00052308

Gauri Shankar Agarwal
Chief Financial Officer

Bhavita Ashiyani
Company Secretary

Place : Mumbai
Date : June 08, 2020

STATEMENT OF PROFIT AND LOSS

for the Year Ended 31 March 2020

(₹ in Lakh)

	Particulars	Notes	For the Year Ended 31 March 2020 (Audited)	For the Year Ended 31 March 2019 (Audited)
	Revenue from operations			
(i)	Interest Income	24	27,666.11	28,042.26
(ii)	Net gain on fair value changes	25	842.15	288.34
(iii)	Net gain on derecognition of financial instruments under amortised cost category	26	6,949.02	-
(iv)	Others (to be specified)	27	831.82	758.02
(I)	**Total Revenue from operations**		**36,289.10**	**29,088.62**
(II)	Other Income (to be specified)	28	310.46	38.74
(III)	**Total Income (I+II)**		**36,599.56**	**29,127.36**
	Expenses			
(i)	Finance Costs	29	16,296.92	12,867.04
(ii)	Net loss on derecognition of financial instruments under amortised cost category	30	-	3,916.17
(iii)	Impairment on financial instruments	31	2,559.11	(1,338.38)
(iv)	Employee Benefits Expenses	32	6,370.29	5,892.23
(v)	Depreciation, amortization and impairment	33	742.48	232.50
(vi)	Others expenses (to be specified)	34	4,099.81	5,050.53
(IV)	**Total Expenses (IV)**		**30,068.61**	**26,620.09**
(V)	Profit / (loss) before exceptional items and tax (III-IV)		6,530.95	2,507.27
(VI)	Exceptional items		-	-
(VII)	Profit/(loss) before tax (V -VI)		6,530.95	2,507.27
(VIII)	Tax Expense:			
	(1) Current Tax	35	1,422.52	519.89
	(2) MAT	35	1.75	(519.89)
	(3) Deferred Tax	35	456.53	935.08
	(4) Income tax of earlier years	35	(1.75)	(92.94)
(IX)	Profit / (loss) for the period from continuing operations(VII-VIII)		4,651.90	1,665.13
(X)	Profit/(loss) from discontinued operations		-	-
(XI)	Tax Expense of discontinued operations		-	-
(XII)	Profit/(loss) from discontinued operations(After tax) (X-XI)		-	-
(XIII)	Profit/(loss) for the period		4,651.90	1,665.13
(XIV)	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss			
	Remeasurement gain/(loss) on defined benefit plan		9.49	89.19
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(2.76)	(29.77)
	Subtotal (A)		**6.73**	**59.42**

	Particulars	Notes	For the Year Ended 31 March 2020 (Audited)	For the Year Ended 31 March 2019 (Audited)
	B (i) Items that will be reclassified to profit or loss			
	(ii) Income tax relating to items that will be reclassified to profit or loss			
	Subtotal (B)		-	-
	Other Comprehensive Income (A + B)		6.73	59.42
(XV)	Total Comprehensive Income for the period		4,658.63	1,724.55
(XVI)	Earnings per equity share			
	Basic (₹)	36	2.17	0.78
	Diluted (₹)	36	2.16	0.77
(XVII)	Earnings per equity share (for discontinued operations)			
	Basic (₹)		-	-
	Diluted (₹)		-	-
(XVIII)	Earnings per equity share (for continuing and discontinued operations)			
	Basic (₹)	36	2.17	0.78
	Diluted (₹)	36	2.16	0.77

As per our report of even date

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

Sangeeta Gupta
Partner
Membership No:064225

Place : Mumbai
Date : June 08, 2020

For and on behalf of the Board of Directors
Shriram Housing Finance Limited

Subramanian Jambunathan
Managing Director and CEO
DIN:00969478

Y. S. Chakravarti
Director
DIN:00052308

Gauri Shankar Agarwal
Chief Financial Officer

Bhavita Ashiyani
Company Secretary

Place : Mumbai
Date : June 08, 2020

CONDENSED STATEMENT OF CHANGES IN EQUITY

for the Year Ended 31 March 2020

a. Equity Share Capital

	No. of shares	₹ in Lakh
Equity shares of ₹ 10 each issued, subscribed and fully paid		
As at 1 April 2018	**214,160,000**	**21,416.00**
Changes in share capital during the year	-	-
As at 31 March, 2019	**214,160,000**	**21,416.00**
Changes in share capital during the year	-	-
As at 31 March, 2020	**214,160,000**	**21416.00**

b. Other Equity

(₹ in Lakh)

	Reserves and Surplus					Other comprehensive income			
	Statutory reserve	Share option outstanding	Securities premium account	Deemed Investment (SCUF)	Retained Earnings	Debt instruments through other comprehensive income	Equity instruments through other comprehensive income	Actuarial gains/ (losses)	Total
Balance as at April 1, 2018	2,460.70	15.86	12,180.00	183.91	8,584.10	-	-	5.43	23,430.00
Profit for the year					1,665.13				1,665.13
Other comprehensive income								59.42	59.42
Transferred from retained earnings to statutory reserve	337.99				(337.99)				-
Transfer to retained earnings		(9.51)			9.51				-
Share-based payments		9.82							9.82
Balance as at 31 March 2019	**2,798.69**	**16.17**	**12,180.00**	**183.91**	**9,920.75**	**-**	**-**	**64.85**	**25,164.37**

	Reserves and Surplus					Other comprehensive income			
	Statutory reserve	Share option outstanding	Securities premium account	Deemed Investment (SCUF)	Retained Earnings	Debt instruments through other comprehensive income	Equity instruments through other comprehensive income	Actuarial gains/ (losses)	Total
Balance as at April, 2019	2,798.69	16.17	12,180.00	183.91	9,920.75	-	-	64.85	25,164.37
Profit for the year					4,651.90				4,651.90
Other comprehensive income								6.73	6.73
Dividends									-
Transferred from retained earnings to statutory reserve	932.80				(932.80)				-
Transfer from retained earnings		2.63			(2.63)				-
Transfer to retained earnings					3.77				3.77
Share-based payments		58.50							58.50
Balance as at 31 March 2020	**3,731.49**	**77.30**	**12,180.00**	**183.91**	**13,640.99**	**-**	**-**	**71.58**	**29,885.27**

As per our report of even date

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

Sangeeta Gupta
Partner
Membership No:064225

Place : Mumbai
Date : June 08, 2020

For and on behalf of the Board of Directors
Shriram Housing Finance Limited

Subramanian Jambunathan
Managing Director and CEO
DIN:00969478

Y. S. Chakravarti
Director
DIN:00052308

Gauri Shankar Agarwal
Chief Financial Officer

Bhavita Ashiyani
Company Secretary

Place : Mumbai
Date : June 08, 2020

CASH FLOW STATEMENT

for the Year Ended 31 March 2020

(₹ in Lakh)

Particulars	For the Year Ended 31 March, 2020 (Audited)	For the Year Ended 31 March, 2019 (Audited)
A) Cash flow from Operating activities		
Net Profit before taxation	6,530.95	2,507.27
Adjustment for :		
Depreciation, amortization and impairment on PPE & ROU Assets	742.48	232.49
(Profit)/Loss on sale of fixed assets (net)	11.67	22.52
NCD issue expenses	161.36	92.66
Bad debts written off	1,300.55	460.25
Impairement of financial instruments	1,258.09	(1,798.67)
Impairement on lease receivables	0.47	-
(Gain)/Loss on sale of investments	(799.91)	(265.32)
Provision for lease rental	(18.15)	25.73
Interest received	(46.97)	(11.73)
Acturial (Gain)/loss on Remeasurement of Gratuity expense	9.49	89.19
Net (Gain)/Loss on fair value changes on investments	(42.24)	(23.03)
Fair valuation of ESOP	58.50	9.87
Net (gain)/Loss of derecognition of financial instruments under amortised cost category	(6,949.02)	3,916.17
Finance Cost related to SCUF Guarantee	15.65	15.60
Ammortisation of Prepaid Lease Rent	(1.31)	32.39
Interest income on fair valuation of security deposit	(26.55)	(31.20)
Recognition of Interest on NPA	(113.19)	(876.74)
Amortisation of Processing Fees on Loans & Advances	(176.92)	(67.88)
Amortisation of Investments on PTCs	1.25	2.44
Mortgage guarantee fee written off	33.25	41.81
Amortisation of processing fees on cash credit	4.14	(1.14)
Interest on Lease liability	125.05	-
Gain on Remeasurement of Leases	(1.87)	-
Rates and Taxes / Brokerage / Professional Charges added to ROU assets	(0.79)	-
Interest income of Lease Receivable	(1.39)	-
EIR Impact on Fixed Rate Loans	150.26	2.65
Operating profit before working capital changes	**2,224.85**	**4,375.33**
Movement in working capital:		
(Increase) / decrease in loans and advances	(14,996.80)	(9,193.45)
(Increase) / decrease in other Non Financial Assets	306.88	(2,397.41)
(Increase) / decrease in other Financial Assets	(6.28)	38.60
Increase / (decrease) in other Non Financial Liabilities	67.82	(13.99)
Increase / (decrease) in other Financial Liabilities	943.37	(745.29)
Increase / (decrease) in Other Payables	(24.50)	24.39
Cash generated from operation	**(11,484.66)**	**(7,911.82)**
Direct Taxes Paid(Net of refund)	(1,774.74)	(1,375.60)
Net Cash flow from/ (used in) operating activities (A)	**(13,259.40)**	**(9,287.42)**
B) Cash flow from investing activities		
Purchase of fixed and intangible assets	(394.79)	(409.73)
Proceeds from sale of fixed assets	4.46	6.57
Proceeds from sale of Security Deposits	530.52	444.66
Purchase of Investments	(1,523,186.00)	(531,132.00)

Particulars	For the Year Ended 31 March, 2020 (Audited)	For the Year Ended 31 March, 2019 (Audited)
Proceeds from sale of investments	1,529,722.21	519,054.20
Investment in Fixed deposit	(21,601.81)	(1.56)
Proceeds on Maturity of Fixed Deposits	21,000.00	-
Interest received (others)	46.97	11.73
Net Cash flow from/(used in) investing activities (B)	**6,121.56**	**(12,026.13)**
C) Cash flow from financing activities		
Increase/(Decrease) of debt securities	(18,400.00)	(8,000.00)
Lease liabilities paid	(381.67)	-
Interest Paid on lease liabilities	(125.05)	-
Increase/(Decrease) of Borrowings	39,733.01	30,233.16
NCD issue expenses	(264.56)	(9.43)
Net Cash flow from/(used in) financing activities (C)	**20,561.73**	**22,223.73**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**13,423.89**	**910.18**
Cash and cash equivalents at the beginning of the year	**1,447.12**	**536.94**
Cash and cash equivalents at the end of the period	**14,871.01**	**1,447.12**
Component of cash and cash equivalents	**For the Year Ended 31 March, 2020 (Audited)**	**For the Year Ended 31 March, 2019 (Audited)**
Cash on hand	3.46	2.76
Balances with banks:		
- Current Account /Cash Credit Account	20.12	1,444.36
- in deposit accounts having original maturity less than three months	14,847.43	-
Total Cash and cash equivalents	**14,871.01**	**1,447.12**

Notes

1) The above cash- flow statement have been prepared under the indirect method set out in Indian Accounting Standard (IND AS) -7, 'Statement of Cash Flow' as specified in the Companies (Indian Accounting Standards) Rules, 2015.
2) Direct Taxes paid is treated as arising from operating activities and are not bifurcated between investment and financing activities.
3) All figures in brackets indicate cash outflow.

As per our report of even date

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

Sangeeta Gupta
Partner
Membership No:064225

Place : Mumbai
Date : June 08, 2020

For and on behalf of the Board of Directors
Shriram Housing Finance Limited

Subramanian Jambunathan
Managing Director and CEO
DIN:00969478

Y. S. Chakravarti
Director
DIN:00052308

Gauri Shankar Agarwal
Chief Financial Officer

Bhavita Ashiyani
Company Secretary

Place : Mumbai
Date : June 08, 2020

NOTES TO FINANCIAL STATEMENTS
for the Period Ended 31 March 2020

1. Corporate Information

Shriram Housing Finance Limited ("the Company") is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act, 1956. The Corporate Identification Number (CIN) is U65929TN2010PLC078004. The Company received its Certificate of Registration from National Housing Bank (NHB) as required under Section 29A of the National Housing Bank Act, 1987, on August 4, 2011. The Company is primarily engaged in the business of providing loans for construction or purchase of residential property and loans against property.

The Company is a subsidiary of Shriram City Union Finance Ltd.

The registered office of the Company is at No. 123, Angappa Naicken Street, Chennai – 600 001.

The financial statements of the Company for the year ended 31st March, 2020 were approved for issue in accordance with resolution of the Board of Directors on 8th June, 2020

2. Basis of preparation and presentation

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

The Company has adopted Ind AS 116 'Leases' with the date of initial application being 1st April, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. The method of application of this new standard is given in note 3.3(iii).

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).The financial statements are presented in Indian Rupees (INR) which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates and all values are rounded to the nearest Lakh, except when otherwise indicated.

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

3. Significant accounting policies

3.1 Use of estimates, judgements 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 recognized in the period in which the estimates are revised and future periods are affected.

3.2 Revenue from operations

(i) Interest and similar 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 Fair value through Profit and loss (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 amount(i.e. net of provision)of the financial asset.

(ii) Dividend Income

Dividend income is recognised

a. When the right to receive the payment is established;
b. it is probable that the economic benefits associated with the dividend will flow to the entity;
c. the amount of the dividend can be measured reliably

(iii) Fees & Commission Income

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

for the Period Ended 31 March 2020

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

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

(iv) Net gain on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss (refer Note 25), 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 Fair value through Other Comprehensive Income ("FVOCI") is recognised in net gain/ loss on fair value changes.

However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

(v) Rental Income

Rental income from subleases is recognized as per contractual terms. Subleases given by the Company are in nature of operating leases i.e. the Company does not transfer substantially all of the risks and benefits of ownership of the asset.

3.3 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.

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 expenses with the corresponding adjustment to the carrying amount of the liability.

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method.

Interest on lease liability is recognized on the basis incremental borrowing rate used for discounting the lease liability.

Guarantee commission is in respect of corporate guarantee taken from holding company.

Net interest on net defined liability of defined employee benefit plan (i.e. interest cost on defined benefit obligation net of any interest income on plan investments) which reflects change in net liability arising from passage of time forms part of finance cost.

(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. 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, 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

Eligible 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.

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 recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Net interest recognized 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 recognized as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

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

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

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

(iii) Rent Expense:

The Company has adopted Ind AS 116 'Leases' with the date of initial application being 1st April, 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 1st April 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 buildings, service amenities therein and motor vehicle.

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 an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The 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 subleases, the Company assesses whether the sublease is a finance lease or operating lease at its commencement on basis of its contractual terms and conditions. The discount rate used for the head lease is used to measure the investment in the sublease in case it is a finance lease.

In the comparative period, leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Leases that do not transfer to the Company, substantially all of the risks and benefits incidental to ownership of the leased items are operating leases. In case of leases where Ind AS 116 is not applicable and where the Company has opted for exemption available in Ind AS 116, rent expense representing operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognised based on contractual terms.

(iv) Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flow 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.

(v) Expenditure on Corporate Social Responsibility (CSR)

The Company accounts the expenditure incurred towards Corporate Social Responsibility as required under the Act as a charge to the statement of profit and loss.

(vi) Rating Expenses

The Company evaluates whether rating fee is directly attributable and incremental to each borrowing/NCD. If such fees are directly attributable to the acquisition of the borrowing, then same is considered for EIR. If such fees are not directly attributable to the acquisition of the borrowing, then the same is charged to Profit and Loss proportionately as and when the borrowing facility is availed.

(vii) Mortgage Guarantee Fee not written off

Mortgage Guarantee fee is the guarantee fee paid to a Mortgage Insurance for risk mitigation when any loan becomes NPA. The Company has decided to amortise such fee on straight line basis over the expected life of loan as expected by management or actual life of loan whichever is earlier.

(viii) Other expenses

All Other expenses are recognized in the period they accrue.

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(ix) Taxes

Income tax expense comprises of current and deferred income tax. Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

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 where the Company operates and generates taxable income.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant taxpaying unit intends to settle the asset and liability on a net basis.

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, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

Minimum Alternate Tax (MAT)
Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses
Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

1. 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.

2. 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.

3.4 Property, plant and equipment

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. PPE are initially recognised at cost. The initial cost of Property, plant and equipment (PPE) 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. Subsequent to initial recognition, Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

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

Depreciation

Depreciation is calculated using the straight–line method to write down the cost of property and equipment to their residual values over their estimated useful lives estimated by the management.

The estimated useful lives are as follows:

Particulars	Useful life as prescribed by Schedule II to Companies Act, 2013	Useful life estimated by Company
Electrical installation and equipment	10 years	10 years
Furniture and fixture	10 years	10 years
Office equipment	5 years	5 years
Computer	3 years	5 years
Servers	6 years	6 years

Leasehold improvements 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.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed annually.

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

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3.5 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 Company considers that the useful life of an intangible asset comprising of computer software will not exceed 5 years from the date when the asset is available for use. 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.

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. 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.

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.

3.6 Investment Property

Investment property consists of vacant land. Investment properties are measured initially at cost including transaction costs. Investment property being land is not depreciated.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

3.8 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.

3.9 Assets held for sale:

Assets held for sale comprises of house properties, which were held as collaterals against the loans given to customer, whose physical and legal possessing has been taken over by the company due to customers' default on repayment of the loan. Management intends to sell these properties for which regular auctions are conducted.

Such assets are classified as held for sale when their carrying amount is intended to be recovered principally through sale rather than through continued use.

At the time of initial classification as assets held for sale, these assets are measured at the lower of carrying amount and fair value less cost to sell. The fair value of the assets is determined by an independent valuer. These assets are carried at the fair value determined on initial recognition, unless there are indicators of significant changes in real estate market condition requiring a revised valuation.

Assets held for sale are not depreciated while they are held for sale. Assets which are unsold within a period of 3 years from the date of recognition as assets held for sale, the carrying value of such assets is written off.

3.10 Cash and cash equivalents

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

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

3.11 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effectsof transactions of a non-cash nature, any deferrals oraccruals of past or future operating cash receipts orpayments and item of income or expenses associated with investing or financing cash flows. The cash flowsfrom operating, investing and financing activities ofthe Company are segregated.

3.12 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

3.12.1 Financial Assets
3.12.1.1 Classification
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 (FVOCI)

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3. Financial assets to be measured at fair value through profit or loss account (FVTPL)

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

1. *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:

   a. 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.
   b. 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.
   c. 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).
   d. 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.

2. *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.

3.12.1.2 Initial Recognition –Financial assets are initially recognised at fair value.

3.12.1.3 Subsequent Measurement

Financial assets measured at amortised cost

Debt instruments

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 using the effective interest rate (EIR) method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in Interest income in the profit or loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

The measurement of credit impairment is based on the three-stage expected credit loss model described below in Note 3.15 Impairment of financial assets.

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 are recognised in 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. The measurement of credit impairment is based on the three-stage expected credit loss model as applied to financial assets at amortised cost. The expected credit loss model is described below in Note 3.15 Impairment of financial assets.

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 can be 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 FVOCI.

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

Financial assets measured at fair value through profit or loss

Items at fair value through profit or loss comprise:

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

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

Financial instruments held for trading

A financial instrument is classified as held for trading if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is

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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.

3.12.2 Financial Liabilities
3.12.2.1 Classification

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.

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.

3.12.2.2 Initial Measurement

Financial liabilities are initially measured fair value minus, in case of financial liability not at FVTPL, transaction costs directly attributable to acquisition or issue. The Company's financial liabilities include loans and borrowings and other payables.

3.12.2.3 Subsequent Measurement

Financial liabilities, except those at FVTPL, are subsequently carried at amortized cost using the effective interest method. 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.

3.12.3 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.

3.12.4 Financial Guarantees

Financial guarantees given 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.

Financial guarantees received are recognised in the financial statements at fair value of the premium paid. In case of guarantees received without consideration from group companies, the fair value of premium payable over the life of the guarantee is recognised as deemed investment. The fair value of premium is recognised as expense in the statement of profit and loss on a straight-line basis over the life of the guarantee.

3.13 Reclassification of financial assets and liabilities

The Company reclassifies a financial asset or a group of financial assets only on change in business model for managing that financial asset or group of financial assets. Financial liabilities are never reclassified.

3.14 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 3.12 above) 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 as 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.

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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 inputs those are significant to the measurement as whole.

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 profit or loss when the inputs become observable, or when the instrument is derecognised.

3.15 Impairment of financial assets
Overview of the ECL principles

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with financial guarantee contracts and loan commitments, lease receivables, and financial assets held at FVOCI; 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 housing loan, non-housing loan, and project finance.

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: 12-months ECL

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 loan advances upto 30 days default under this category. Stage 1 loan advances also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2. For these assets, 12-month ECL are recognized and interest revenue is calculated on the gross carrying amount of the asset.

For Investments measured at FVOCI the investment is classified as a Stage 1 in case there is no change in the credit rating or a change of one notch downward in the credit rating.

Stage 2: Lifetime ECL – not credit impaired

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. More than 30 Days Past Due is considered as significant increase in credit risk. For these assets, lifetime ECL are recognized, but interest revenue is still calculated on the gross carrying amount of the asset.

For Investments measured at FVOCI, in case there is a downgrade in credit rating by two or more notches, the investment is taken as at Stage 2 and life time PD is applied.

Stage 3: Lifetime ECL – credit impaired

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.

For Investments measured at FVOCI, any investment which is non performing or in default or restructured is taken to be as at Stage 3.

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:

NOTES TO FINANCIAL STATEMENTS
for the Period Ended 31 March 2020

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;
e) The disappearance of an active market for a security because of financial difficulties.

ECLs are recognised as impairment on financial instruments in profit and loss. In the case of debt instruments measured at fair value through other comprehensive income, the measurement of ECLs is based on the three-stage approach as applied to financial assets at amortised cost.

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 profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets. As at the reporting date, the Company does not have any debt instruments measured at fair value through OCI.

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. As at the reporting date, the Company does not have any such instruments.

Undrawn Loan commitments

ECL is calculated on the undrawn loan commitments considering of same stage as if considered for part disbursed and considering as stage 1 if fully undisbursed. This is shown in the balance sheet as a provision.

Lease receivables

The Company has adopted simplified approach for ECL on lease receivable and calculates Lifetime ECL using inputs similar to those used for loan portfolio.

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

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

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

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

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

Forward looking information

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

Collateral Valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, wherever possible. The collateral comes in the form of immovable properties. The fair value of collateral affects the calculation of ECLs. Collateral is valued based on data provided by independent valuers.

Collateral repossessed

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

3.16 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. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the company's procedures for recovery of amounts due.

3.17 Recognition and derecognition of financial assets and liabilities

Recognition:

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

Derecognition

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

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for the Period Ended 31 March 2020

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

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Derecognition of financial assets other than due to substantial modification

a) Financial assets

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

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

i. The Company has transferred its contractual rights to receive cash flows from the financial asset, or

ii. It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement.

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

i. The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.

ii. The Company cannot sell or pledge the original asset other than as security to the eventual recipients.

iii. The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

i. The Company has transferred substantially all the risks and rewards of the asset, or

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

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

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

When, as a result of transfer, a financial asset is derecognised in its entirety but the transfer results in the Company obtaining a new financial asset, the Company recognises the new financial asset at fair value.

b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

3.18 Deemed investment

Fair value of corporate guarantee taken from Holding company is recognised as Deemed Investment and corresponding effect is given to prepaid expenses which is amortised.

3.19 Offsetting

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 amountsand intends to settle on a net basis or to realise the asset and settle the liability simultaneously in all of 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

3.20 Provisions

Provisions are recognised when the enterprise has a present obligation 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 Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. As at reporting date, the Company does not have any such provision where effect of time value of money is material. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.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.

3.21 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

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for the Period Ended 31 March 2020

obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

3.22 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 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.

3.23 Employee Stock Option Plan

Employees of the Company receive remuneration in the form of equity settled share-based payments in consideration of the services rendered.

The Company recognizes compensation expense relating to share-based payments as employee benefit expenses' with a corresponding increase in equity, over the vesting period, using the grant date fair-value of the option in accordance with Ind AS 102, Share-based Payments. The grant date fair value of the options is calculated using the Black-Scholesmodel.

The estimated fair value of the awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in substance, multiple awards with a corresponding increase to share options outstanding account.At the end of each reporting period, the expense is reviewed and adjusted toreflect changes to the level of options expected to vest. When theoptions are exercised, the Company issues fresh equity shares.

NOTES TO FINANCIAL STATEMENTS

for the Period Ended 31 March 2020

Note 4: Cash and cash equivalents

(₹ in Lakh)

Particulars	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
Cash on hand	3.46	2.76
Balances with Banks		
- in current accounts	20.12	1,444.36
- in deposit accounts having original maturity less than three months	14,847.43	-
Total	**14,871.01**	**1,447.12**

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.

Note 5: Other Bank Balances

(₹ in Lakh)

Particulars	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
Other Bank Balances		
Fixed deposit with original maturity for more than 3 months but less than 12 months *	29.50	27.63
Fixed deposit with original maturity of more than 12 months**	776.00	110.00
Total	**805.50**	**137.63**

*Fixed Deposit is under lien for Bank Guarantee purpose to the extent for ₹ 25 Lakh

**Fixed Deposit is under lien with bank pending completion of formalities relating to a borrower to the extent of ₹ 110 Lakh

**Fixed Deposit is under lien to the extent for ₹ 647.50 Lakh marked in favour of "IDBI Trusteeship Services Limited" in respect to Securitisation as cash collateral.

Note 6: Receivables

(₹ in Lakh)

Particulars	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
Secured, considered good	-	-
Unsecured, considered good	0.65	4.07
Unsecured, considered Doubtful	-	-
Total	**0.65**	**4.07**

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. No ECL is taken on receivable as amount is immaterial and management considers all receivables as good.

NOTES TO FINANCIAL STATEMENTS
for the Period Ended 31 March 2020

Note 7: Loans

(₹ in Lakh)

Particulars	As at 31 March 2020 (Audited)						As at 31 March 2019 (Audited)					
	Amortised Cost	At Fair value			Sub-total	Total	Amortised Cost	At Fair value			Sub-total	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at Through profit or loss				Through Other Comprehensive Income	Through profit or loss	Designated at Through profit or loss		
(A)												
i) Term loans	2,02,436.73	-	-	-	-	2,02,436.73	1,84,766.19	-	-	-	-	1,84,766.19
Total (A) - Gross	**2,02,436.73**	-	-	-	-	**2,02,436.73**	**1,84,766.19**	-	-	-	-	**1,84,766.19**
Less : Impairment loss allowance	(3,588.35)	-	-	-	-	(3,588.35)	(2,602.06)	-	-	-	-	(2,602.06)
Total (A) - Net	**1,98,848.38**	-	-	-	-	**1,98,848.38**	**1,82,164.13**	-	-	-	-	**1,82,164.13**
(B)												
i) Secured by tangible assets and intangible assets	2,02,436.73	-	-	-	-	2,02,436.73	1,84,766.19	-	-	-	-	1,84,766.19
	-	-	-	-	-	-	-	-	-	-	-	-
Total (B) - Gross	**2,02,436.73**	-	-	-	-	**2,02,436.73**	**1,84,766.19**	-	-	-	-	**1,84,766.19**
Less : Impairment loss allowance	(3,588.35)	-	-	-	-	(3,588.35)	(2,602.06)	-	-	-	-	(2,602.06)
Total (B) - Net	**1,98,848.38**	-	-	-	-	**1,98,848.38**	**1,82,164.13**	-	-	-	-	**1,82,164.13**
(C)												
Loans in India												
i) Public Sector	-	-	-	-	-	-	-	-	-	-	-	-
ii) Others												
Individuals	1,62,903.82					1,62,903.82	1,57,318.84					1,57,318.84
Corporates	39,532.91					39,532.91	27,447.35					27,447.35
Total - Gross	**2,02,436.73**	-	-	-	-	**2,02,436.73**	**1,84,766.19**	-	-	-	-	**1,84,766.19**
Less: Impairment Loss Allowance	(3,588.35)	-	-	-	-	(3,588.35)	(2,602.06)	-	-	-	-	(2,602.06)
Total - Net	**1,98,848.38**	-	-	-	-	**1,98,848.38**	**1,82,164.13**	-	-	-	-	**1,82,164.13**
Loans outside India	-	-	-	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-
Total - Net	-	-	-	-	-	-	-	-	-	-	-	-
Total (C)	**1,98,848.38**	-	-	-	-	**1,98,848.38**	**1,82,164.13**	-	-	-	-	**1,82,164.13**

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 and policies on ECL allowances are set out in Note 45.

	Year Ended 31 March 2020				Year Ended 31 March 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	1,76,871.60	-	-	1,76,871.60	1,45,681.17	-	-	1,45,681.17
Standard grade	7,083.89	-	-	7,083.89	13,586.20	-	-	13,586.20
Sub-standard grade	-	10,356.58	-	10,356.58	-	7,423.30	-	7,423.30
Past due but not impaired	-	3,240.64	-	3,240.64	-	12,910.67	-	12,910.67
Non- performing :								
Individually impaired	-	-	4,884.02	4,884.02	-	-	5,164.85	5,164.85
Total	**1,83,955.49**	**13,597.22**	**4,884.02**	**2,02,436.73**	**1,59,267.37**	**20,333.97**	**5,164.85**	**1,84,766.19**

Reconciliation of Gross Carrying amount is given below:

(₹ in Lakh)

	Year Ended 31 March 2020				Year Ended 31 March 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**1,59,267.37**	**20,333.97**	**5,164.85**	**1,84,766.19**	**1,47,299.73**	**21,658.01**	**10,049.42**	**1,79,007.16**
New assets originated or purchased	94,563.43	-	-	94,563.43	61,391.83	787.69	69.52	62,249.04
Assets derecognised or repaid (excluding write offs)	(69,061.35)	(5,593.21)	(1,902.30)	(76,556.86)	(42,803.10)	(6,446.36)	(7,351.70)	(56,601.16)
Transfers to Stage 1	(688.50)	-	-	(688.50)	(6,621.09)	-	-	(6,621.09)
Transfers to Stage 2	-	(597.48)	-	(597.48)	-	4,334.63	-	4,334.63
Transfers to Stage 3	-	-	1,628.14	1,628.14	-	-	2,427.90	2,427.90
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Amounts written off	(125.46)	(546.06)	(6.67)	(678.19)	-	-	(30.29)	(30.29)
Gross carrying amount closing balance	**1,83,955.49**	**13,597.22**	**4,884.02**	**2,02,436.73**	**1,59,267.37**	**20,333.97**	**5,164.85**	**1,84,766.19**

NOTES TO FINANCIAL STATEMENTS
for the Period Ended 31 March 2020

Reconciliation of ECL balance is given below:

(₹ in Lakh)

	Year Ended 31 March 2020				Year Ended 31 March 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**899.35**	**587.13**	**1,115.58**	**2,602.06**	**956.07**	**906.09**	**2,506.23**	**4,368.39**
New assets originated or purchased	663.01	-	-	663.01	384.05	32.29	15.16	431.50
Assets derecognised or repaid (excluding write offs)	(362.42)	(184.84)	(431.59)	(978.85)	(390.84)	(416.56)	(1,891.05)	(2,698.45)
Transfers to Stage 1	27.22	-	-	27.22	(49.93)	-	-	(49.93)
Transfers to Stage 2	-	(74.68)	-	(74.68)	-	65.31	-	65.31
Transfers to Stage 3	-	-	375.18	375.18	-	-	491.68	491.68
Amounts written off	(0.91)	(24.45)	(0.23)	(25.59)	-	-	(6.44)	(6.44)
Covid-19 additional provision	-	-	-	1,000.00	-	-	-	-
ECL allowance - closing balance	**1,226.25**	**303.16**	**1,058.94**	**3,588.35**	**899.35**	**587.13**	**1,115.58**	**2,602.06**

For the year ended 31 March 2020

(₹ in Lakh)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5)=(3)-(4)	6	(7) = (4)-(6)
Standard	Stage 1	1,83,955.49	1,226.25	1,82,729.24	747.76	478.49
	Stage 2	13,597.22	303.16	13,294.06	71.37	231.79
Subtotal		**1,97,552.71**	**1,529.41**	**1,96,023.30**	**819.13**	**710.28**
Non-Performing Assets (NPA)						
Substandard	**Stage 3**	**2,462.94**	**577.04**	**1,885.90**	**337.09**	**239.95**
Doubtful - up to 1 year	Stage 3	774.79	164.57	610.22	164.32	0.25
1 to 3 years	Stage 3	1,534.29	296.09	1,238.20	461.35	(165.26)
More than 3 years	Stage 3	112.00	21.24	90.76	72.62	(51.38)
Subtotal for doubtful		**2,421.08**	**481.90**	**1,939.18**	**698.29**	**(216.39)**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**4,884.02**	**1,058.94**	**3,825.08**	**1,035.38**	**23.56**
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	18,655.71	126.90	18,528.81	-	126.90
	Stage 2	62.27	2.44	59.83	-	2.44
	Stage 3	-	-	-	-	-
Subtotal		**18,717.98**	**129.34**	**18,588.64**	-	**129.34**
Total	Stage 1	2,02,611.20	1,353.15	2,01,258.05	747.76	605.39
	Stage 2	13,659.49	305.60	13,353.89	71.37	234.23
	Stage 3	4,884.02	1,058.94	3,825.08	1,035.38	23.56
	Additional provision as per RBI*				151.04	(151.04)
	Management overlay - COVID19		1,000.00	(1,000.00)	644.32	355.68
	Total	**2,21,154.71**	**3,717.69**	**2,17,437.02**	**2,649.87**	**1,067.82**

**RBI circular no. DOR.No.BP.BC.63/21.04.048/2019-20 dt. 17 April 2020

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for the Period Ended 31 March 2020

For the year ended 31 March 2019

(₹ in Lakh)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5)=(3)-(4)	6	(7) = (4)-(6)
Standard	Stage 1	1,59,267.37	899.35	1,58,368.02	688.07	211.28
	Stage 2	20,333.97	587.13	19,746.84	87.91	499.22
Subtotal		1,79,601.34	1,486.48	1,78,114.86	775.98	710.50
Non-Performing Assets (NPA)						
Substandard	Stage 3	3,121.83	705.42	2,416.41	436.04	269.38
Doubtful - up to 1 year	Stage 3	1,508.86	303.46	1,205.40	307.21	(3.75)
1 to 3 years	Stage 3	517.34	103.61	413.73	153.36	(49.75)
More than 3 years	Stage 3	16.82	3.09	13.73	11.05	(7.96)
Subtotal for doubtful		2,043.02	410.16	1,632.86	471.62	(61.46)
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		5,164.85	1,115.58	4,049.27	907.66	207.92
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	6,626.42	34.50	6,591.92	-	34.50
	Stage 2	120.41	4.93	115.48	-	4.93
	Stage 3	-	-	-	-	-
Subtotal		6,746.83	39.43	6,707.40	-	39.43
Total	Stage 1	1,65,893.79	933.85	1,64,959.94	688.07	245.78
	Stage 2	20,454.38	592.06	19,862.32	87.91	504.15
	Stage 3	5,164.85	1,115.58	4,049.27	907.66	207.92
	Additional provision as per RBI*					-
	Management overlay - COVID19				413.78	(413.78)
	Total	**1,91,513.02**	**2,641.49**	**1,88,871.53**	**2,097.42**	**544.07**

**RBI circular no. DOR.No.BP.BC.63/21.04.048/2019-20 dt. 17 April 2020

NOTES TO FINANCIAL STATEMENTS
for the Period Ended 31 March 2020

Note 8: Investments

(₹ in Lakh)

Particulars	As at 31 March 2020 (Audited)				As at 31 March 2019 (Audited)			
	Amortised Cost	At Fair value		Total	Amortised Cost	At Fair value		Total
		Through Other Comprehensive Income	Through profit or loss			Through Other Comprehensive Income	Through profit or loss	
i) Mutual funds	-	-	12,465.27	12,465.27	-	-	16,023.03	16,023.03
ii) Pass through certificates (unquoted)	-	1,840.73	-	1,840.73	-	3,978.28	-	3,978.28
iii) Security Receipts	-	-	1,327.92	1,327.92	-	-	1,858.44	1,858.44
Total Gross (A)	**-**	**1,840.73**	**13,793.19**	**15,633.92**	**-**	**3,978.28**	**17,881.47**	**21,859.75**
i) Investments outside India	-	-	-	-	-	-	-	-
ii) Investments in India	-	1,840.73	13,793.19	15,633.92	-	3,978.28	17,881.47	21,859.75
Total Gross (B)	**-**	**1,840.73**	**13,793.19**	**15,633.92**	**-**	**3,978.28**	**17,881.47**	**21,859.75**
Less : Allowance for impairment loss (C)	-	(1.81)	-	(1.81)	-	(4.74)	-	(4.74)
Total - Net D = (A) + (C)	**-**	**1,838.92**	**13,793.19**	**15,632.11**	**-**	**3,973.54**	**17,881.47**	**21,855.01**

Out of the Company's FVOCI debt portfolio (PTC), instruments with a principal of ₹ 2,136.30 Lakh (2019: ₹ 3,656.88 Lakh) paid during the year.

Credit quality of assets

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 are explained in note 45

(₹ in Lakh)

Internal Grade Rating	Year Ended 31 March 2020				Year Ended 31 March 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing								-
High Grade	13,793.19	-	-	13,793.19	17,881.47	-	-	17,881.47
Standard grade	1,840.73	-	-	1,840.73	3,978.28	-	-	3,978.28
Non Performing	-	-	-	-	-	-	-	-
Total	**15,633.92**	**-**	**-**	**15,633.92**	**21,859.75**	**-**	**-**	**21,859.75**

An analysis of changes in gross carrying amount and the corresponding ECLs is as follows:

(₹ in Lakh)

Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019
Fair value – Opening balance	21,859.75	9,940.70
New assets originated or purchased	15,23,186.00	5,31,132.00
Change in fair value	42.24	23.03
Assets derecognised or matured	(15,29,454.07)	(5,19,235.98)
Fair value - Closing balance	**15,633.92**	**21,859.75**

(₹ in Lakh)

Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019
Opening balance in ECL	4.74	19.88
New assets originated or purchased	-	-
Assets derecognised or matured (excluding write offs)	(2.52)	(9.46)
ECL assumption changes	(0.41)	(5.68)
Closing balance in ECL	**1.81**	**4.74**

Note 9: Other financial assets

(₹ in Lakh)

Particulars	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
Security deposits	314.69	331.27
Interest receivable on Pass through certificates	10.85	21.68
Less : Allowance for impairment against interest receivable on PTC	(0.01)	(0.03)
Net Lease Receivable	14.72	-
Less : Impairement loss allowance on lease receivables	(0.47)	-
Interest Receivable on Assignment Receivables	6,702.30	-
Less : ECL on Assignment Receivables	(184.83)	-
Servicing Fee Receivable - Assignment	2.49	-
Total	**6,859.74**	**352.92**

Reconciliation of impairment allowance

(₹ in Lakh)

Particulars	General Approach				Simplified Approach
	Interest Receivable on PTC	Assignment Receivable			Net lease Receivable
	Stage 1	Stage 1	Stage 2	Total	
Impairment allowance as per March 31, 2019	**0.03**	**-**	**-**	**-**	
Add: Addition during the year		184.14	0.69	184.83	0.47
(Less): Reduction during the year	(0.02)	-	-	-	
Impairment allowance as per March 31, 2020	**0.01**	**184.14**	**0.69**	**184.83**	**0.47**

NOTES TO FINANCIAL STATEMENTS
for the Period Ended 31 March 2020

Note 10: Non - Current tax assets (net)

(₹ in Lakh)

Particulars	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
Advance income tax (net of provision for tax)	2,066.84	1,404.77
Total	**2,066.84**	**1,404.77**

Note 11: Investment Property

(₹ in Lakh)

Particulars	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
	Land-Freehold	Land-Freehold
At cost or fair value at the beginning of the year	0.28	0.28
Additions	-	-
Disposals	-	-
At cost or fair value at the end of the period	**0.28**	**0.28**
Depreciation and impairment		
Accumulated Depreciation and impairment as at the beginning of the year	-	-
Depreciation charge for the period	-	-
Disposals	-	-
Accumulated Depreciation and impairment as at the end of the period	**-**	**-**
Net Carrying amount as at the end of the period	**0.28**	**0.28**

Note 12: Property, Plant and Equipment and Capital work - in -progress

(₹ in Lakh)

Particulars	As at 31 March 2020 (Audited)						As at 31 March 2019 (Audited)					
	Computers	Electrical Installation and Equipment	Furniture & Fixtures	Office Equipment	Leasehold Improvement	Total	Computers	Electrical Installation and Equipment	Furniture & Fixtures	Office Equipment	Leasehold Improvement	Total
At cost or fair value at the beginning of the year	402.41	215.60	87.67	4.72	628.50	1,338.90	363.00	200.54	84.19	4.29	564.25	1,216.27
Additions	29.39	10.94	6.92	0.47	-	47.72	42.04	25.02	9.01	0.43	88.88	165.38
Disposals	(0.98)	(6.92)	(6.45)	-	(23.91)	(38.26)	(2.63)	(9.96)	(5.53)	-	(24.63)	(42.75)
At cost or fair value at the end of the period	**430.82**	**219.62**	**88.14**	**5.19**	**604.59**	**1,348.36**	**402.41**	**215.60**	**87.67**	**4.72**	**628.50**	**1,338.90**
Accumulated Depreciation and impairment as at the beginning of the year	254.15	54.07	21.74	1.11	309.58	640.65	217.14	33.91	14.30	0.68	199.29	465.32
Depreciation for the year	42.05	22.31	8.21	0.46	107.58	180.61	38.80	21.67	8.47	0.43	119.62	188.99
Disposals	(0.93)	(2.07)	(1.85)	-	(17.27)	(22.12)	(1.79)	(1.51)	(1.03)	-	(9.33)	(13.66)
Accumulated Depreciation and impairment as at the end of the period	**295.27**	**74.31**	**28.10**	**1.57**	**399.89**	**799.14**	**254.15**	**54.07**	**21.74**	**1.11**	**309.58**	**640.65**
Net Carrying amount as at the end of the period	**135.55**	**145.31**	**60.04**	**3.62**	**204.70**	**549.22**	**148.26**	**161.53**	**65.93**	**3.61**	**318.92**	**698.25**
Capital work in progress including advances for capital assets	-	-	-	-	-	-	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENTS
for the Period Ended 31 March 2020

Note 13: Other Intangible Assets

(₹ in Lakh)

Particulars	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
	Software	Software
At cost, beginning of the year	495.77	251.43
Additions	347.06	244.34
Disposals	-	-
Total Cost	**842.83**	**495.77**
Accumulated amortisation and impairment:		
At the beginning of the year	165.27	121.76
Amortisation	102.05	43.51
Disposals	-	-
Total Amortisation and impairment	**267.32**	**165.27**
Net Carrying amount as at the end of the period	**575.51**	**330.50**

Note 14: Right Of Use Assets

(₹ in Lakh)

Particulars	As at 31 March 2020 (Audited)			As at 31 March 2019 (Audited)		
	Office Premises	Furnitures & fixtures	Total	Office Premises	Furnitures & fixtures	Total
Opening Balance	-	-	-	-	-	-
Adoption of Ind AS 116 "Leases"	1,103.25	352.21	1,455.46	-	-	-
Additions	119.90	12.33	132.23	-	-	-
Remeasurement	(28.53)	(7.88)	(36.41)	-	-	-
Impairment	-	-	-	-	-	-
Deletions	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
Total	**1,194.62**	**356.66**	**1,551.28**	**-**	**-**	**-**
Accumulated Depreciation						
At the beginning of the year	-	-	-	-	-	-
Depreciation	346.72	113.10	459.82	-	-	-
Deletions	-	-	-	-	-	-
Impairment/ (reversal) of Impairment	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
Total Depreciation	**346.72**	**113.10**	**459.82**	**-**	**-**	**-**
Net Carrying amount as at the end of the period	**847.90**	**243.56**	**1,091.46**	**-**	**-**	**-**

NOTES TO FINANCIAL STATEMENTS
for the Period Ended 31 March 2020

Note 15: Other non financial assets

(₹ in Lakh)

Particulars	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
Unammortised Expenses	454.01	664.31
Prepaid expenses	514.59	184.79
Advance salary	13.85	2.25
Fair Value of Assets in Excess of Gratuity Provision	-	14.10
GST Receivable	262.02	230.28
Other sundry advances	91.06	43.91
Deferred Lease rental	-	84.51
Assets held for Sale	7,290.55	7,927.96
Total	**8,626.08**	**9,152.11**

* Note on Asset held for sale

(₹ in Lakh)

Particulars	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
House Property	7,290.55	7,927.96
Total	**7,290.55**	**7,927.96**

During the year, Company has taken physical and legal possession of house/ Apartments/vacant land (Collateral securities) with (fair value) of ₹ 5,193.42 Lakh (2019 ₹ 4,047.95 Lakh). These properties are readily available for sale and management regularly conducts auctions to sell these assets.

Measurement:
The non-recurring fair value measurement for the assets held for sale has been categorized as a Level 2 fair value based on the inputs to the valuation techniques used. For the assets classified as "assets held for sale" during the year valuation has been determined by Independent valuer by using the sales comparison approach for which the price (such as recent sales, municipal valuation, etc.) of the assets in the similar location are considered. This is a level 2 measurement as per the fair value hierarchy.

In respect of the assets held for sale for more than 1-year management continues its efforts to sell these assets. These assets are continued at fair value determined on initial recognition as management believe these fair values to be recoverable due to no major changes in the market condition. Some of the indicators which the management uses to assess change in real estate market condition are changes in local municipal values, prices of similar properties available online, demand for houses, etc.

NOTES TO FINANCIAL STATEMENTS
for the Period Ended 31 March 2020

Note 16: Trade Payables

(₹ in Lakh)

Particulars	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
I) Total outstanding dues of micro enterprises and small enterprises	-	-
II) Total outstanding dues of creditors other than micro enterprises and small enterprises		
Sundry Creditors	730.48	324.25
Outstanding expenses	1,288.01	685.03
Total	**2,018.49**	**1,009.28**

Note 17: Debt securities

(₹ in Lakh)

Particulars	As at 31 March 2020 (Audited)				As at 31 March 2019 (Audited)			
		At Fair Value				At Fair Value		
	At Amortised cost	Through profit or loss	Designated through profit or loss	Total	At Amortised cost	Through profit or loss	Designated through profit or loss	Total
Privately placed redeemable non-convertible debentures	-	-	-	-	-	-	-	-
Secured	31,124.54	-	-	31,124.54	58,014.79	-	-	58,014.79
Unsecured	7,372.74	-	-	7,372.74	-	-	-	-
Total (A)	**38,497.28**	**-**	**-**	**38,497.28**	**58,014.79**	**-**	**-**	**58,014.79**
Debt securities in India	38,497.28	-	-	38,497.28	58,014.79	-	-	58,014.79
Debt securities outside India	-	-	-	-	-	-	-	-

During the period, NCD's amounting to ₹ 7,500.00 Lakh were issued and repayment of ₹ 25,900 Lakh in principal and ₹ 5,767.94 Lakh towards interest made.

Detail of Redeemable Non-Convertible Debentures

(₹ in Lakh)

Sr. No.	ISIN No.	Date of allotment	Date of redemption	Nominal value per debenture (₹ in Lakh)	Total number of debentures	Rate of interest p.a.	As at 31 March 2020 (Face Value)	As at 31 March 2020	As at 31 March 2019 (Face Value)	As at 31 March 2019	Secured/ Unsecured	Terms of redemption
							Amount	Amount	Amount	Amount		
1	INE432R07174	12-Sep-16	12-Sep-19	10.00	900	8.97%	-	-	9,000.00	9,442.65	Secured	Bullet Payment, at Par
2	INE432R07182	21-Sep-16	19-Sep-19	10.00	1000	8.97%	-	-	10,000.00	10,468.76	Secured	Bullet Payment, at Par
3	INE432R07190	25-Nov-16	25-Nov-19	10.00	140	8.45%	-	-	1,400.00	1,440.13	Secured	Bullet Payment, at Par
4	INE432R07075	26-Dec-14	26-Dec-19	10.00	400	9.25%	-	-	4,000.00	4,089.06	Secured	Bullet Payment, at Par
5	INE432R07109	27-Oct-15	27-Oct-20	10.00	400	9.00%	4,000.00	4,148.82	4,000.00	4,138.43	Secured	Bullet Payment, at Par
6	INE432R07216	14-Feb-18	12-Feb-21	10.00	500	9.00%	5,000.00	5,056.62	5,000.00	5,054.17	Secured	Bullet Payment, at Par
7	INE432R07141	01-Jul-16	01-Jul-21	10.00	200	9.50%	2,000.00	2,141.91	2,000.00	2,140.58	Secured	Bullet Payment, at Par
8	INE432R07208	14-Feb-18	12-Aug-21	10.00	500	8.97%	3,500.00	3,539.24	5,000.00	5,053.78	Secured	Bullet Payment, at Par
9	INE432R07026	10-Oct-14	10-Oct-21	10.00	450	10.25%	4,500.00	4,690.73	4,500.00	4,671.32	Secured	Bullet Payment, at Par
10	INE432R07034	13-Oct-14	13-Oct-21	10.00	150	10.25%	1,500.00	1,561.85	1,500.00	1,554.95	Secured	Bullet Payment, at Par
11	INE432R07083	26-Dec-14	26-Dec-21	10.00	150	9.35%	1,500.00	1,531.78	1,500.00	1,528.44	Secured	Bullet Payment, at Par
12	INE432R07117	29-Apr-16	29-Apr-23	10.00	250	9.00%	2,500.00	2,695.18	2,500.00	2,689.18	Secured	Bullet Payment, at Par
13	INE432R07125	02-May-16	02-May-23	10.00	150	9.00%	1,500.00	1,615.98	1,500.00	1,613.49	Secured	Bullet Payment, at Par
14	INE432R07018	10-Oct-14	10-Oct-24	10.00	400	10.30%	4,000.00	4,142.43	4,000.00	4,129.85	Secured	Bullet Payment, at Par
15	INE432R08016	09-May-19	09-May-21	10.00	250	10.60%	2,500.00	2,468.36	-	-	Unsecured	Bullet Payment, at Par
16	INE432R08024	09-May-19	09-May-22	10.00	250	10.60%	2,500.00	2,455.54	-	-	Unsecured	Bullet Payment, at Par
17	INE432R08032	09-May-19	09-May-23	10.00	250	10.60%	2,500.00	2,448.84	-	-	Unsecured	Bullet Payment, at Par
Total amount							**37,500.00**	**38,497.28**	**55,900.00**	**58,014.79**		

Nature of Security:
The redemption of principal amount of secured redeemable non-convertible debentures with all interest thereon are secured by a legal mortgage on the specified immovable property and by way of charge on the Company's specifically identified movable assets such as books debts / loan receivables in favour of the Trustees appointed.

NOTES TO FINANCIAL STATEMENTS
for the Period Ended 31 March 2020

Note 18: Borrowings

(₹ in Lakh)

Particulars	As at 31 March 2020 (Audited)				As at 31 March 2019 (Audited)			
	At Amortised cost	At Fair Value		Total	At Amortised cost	At Fair Value		Total
		Through profit or loss	Designated through profit or loss			Through profit or loss	Designated through profit or loss	
Secured :								
Term Loan								
From Banks	1,22,570.12	-	-	1,22,570.12	90,472.34	-	-	90,472.34
From Financial Institutions	13,480.37	-	-	13,480.37	819.85	-	-	819.85
From Banks - Securitisation	4,019.31	-	-	4,019.31	-	-	-	-
Loans repayable on demand								
Cash credit / Overdraft from banks	10,835.52	-	-	10,835.52	14,617.74	-	-	14,617.74
Working Capital demand loan from banks	3,499.65	-	-	3,499.65	-	-	-	-
Unsecured :								
Commercial Papers	-	-	-	-	4,958.47	-	-	4,958.47
Total (A)	**1,54,404.97**	**-**	**-**	**1,54,404.97**	**1,10,868.40**	**-**	**-**	**1,10,868.40**
Borrowings in India	1,54,404.97	-	-	1,54,404.97	1,10,868.40	-	-	1,10,868.40
Borrowings outside India	-	-	-	-	-	-	-	-

B. Term loan form banks

Terms of repayment as at 31 March 2020

(₹ in Lakh)

Tenure	Rate of Interest	Repayment Details	Amount
48-60 months	9.00% to 10.00%	4 to 18 instalments of quarterly & half yearly frequency	49,264.58
36-48 months	8.60% to 9.70%	4 to 12 instalments of half yearly frequency	14,996.48
24-36 months	8.35% to 10.00%	6 to 14 instalments of quarterly & half yearly frequency	48,011.33
12-24 months	8.35% to 9.50%	8 to 14 instalments of half yearly frequency	8,059.73
0-12 months	7.55% to 9.00%	8 to 60 instalments of monthly, quarterly & half yearly frequency	2,238.00
Total			**1,22,570.12**

Terms of repayment as at 31 March 2019

(₹ in Lakh)

Tenure	Rate of Interest	Repayment Details	Amount
Above 60 months	9.80%	10 instalments of half yearly frequency	4,961.91
48-60 months	8.35% to 9.50%	4 to 12 instalments of half yearly frequency	14,995.39
36-48 months	8.65% to 10.00%	6 to 14 instalments of quarterly & half yearly frequency	37,386.69
24-36 months	9.00% to 9.05%	6 to 14 instalments of quarterly & half yearly frequency	13,279.48
12-24 months	8.00% to 9.00%	8 to 60 instalments of monthly, quarterly & half yearly frequency	4,850.43
0-12 months	9.01%	Bullet Payment	14,998.44
Total			**90,472.34**

The above classification is based on original tenor of borrowings. Maturity profile of above is covered in Note no. 39.

Nature of Security

Term Loans from banks are secured by way of exclusive charge on specified loan receivables.

C. Refinance from National Housing Bank (Financial Institutions)

Terms of repayment as at 31 March 2020

(₹ in Lakh)

Tenure	Rate of Interest	Repayment Details	Amount
Above 60 months	9.85% to 9.95%	47 instalments of quarterly frequency	480.37
48-60 months	8.80%	19 instalments of quarterly frequency	13,000
			13,480.37

Terms of repayment as at 31 March 2019

(₹ in Lakh)

Tenure	Rate of Interest	Repayment Details	Amount
Above 60 months	8.50% to 9.00%	47 instalments of quarterly frequency	819.85

NOTES TO FINANCIAL STATEMENTS
for the Period Ended 31 March 2020

Nature of Security

Refinance from NHB is secured by way of exclusive charge on specified book debts and corporate guarantee from holding company Shriram City Union Finance Limited.

Cash Credit and Working Capital Demand Loans (Loan Repayable on Demand)

Cash credit / Overdraft from banks

Terms of repayment as at 31 March 2020

(₹ in Lakh)

Tenure	Rate of Interest	Repayment Details	Amount
0-12 months	8.85% to 9.50%	Loan Repayable on Demand	10,835.52

Terms of repayment as at 31 March 2019

(₹ in Lakh)

Tenure	Rate of Interest	Repayment Details	Amount
0-12 months	8.95% to 10.15%	Loan Repayable on Demand	14,617.74

Working Capital Demand Loans

Terms of repayment as at 31 March 2020

(₹ in Lakh)

Tenure	Rate of Interest	Repayment Details	As at March 31,2020	As at March 31,2019
0-12 months	8.90%	Bullet Payment	3,499.65	-

Nature of Security

Cash credit and working capital demand loan from banks are secured by way of exclusive charge on specified home loan receivables.

Term loan from banks - Securitisation

Terms of Repayment as at March 31, 2020

Tenure	Rate of Interest	Repayment Details	As at March 31,2020	As at March 31,2019
227 Months	10.00%	227 installments of monthly frequency	4,019.31	-

Nature of Security

Term loan from Banks - Securitisation is secured by way of cash collateral comprising of Fixed Deposit with a bank rated AA or above to the extent of ₹ 647.50 Lakh and lien marked in favour of the Trustee.

NOTES TO FINANCIAL STATEMENTS
for the Period Ended 31 March 2020

Note 19: Other financial liabilities

(₹ in Lakh)

Particulars	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
Rent deposit	275.33	275.33
Lease Liabilities	1,172.95	-
Provision for Bonus & Ex Gratia	26.79	173.80
Employee Benefit Payable	11.94	-
Payable on Account of Assignment	821.42	-
Other liabilities	117.26	135.29
Total	**2,425.69**	**584.42**

Lease Liability

The Company has taken various office premises under operating lease. The lease expenses recognised in the Statement of Profit and Loss are ₹ 584.87 Lakh (31 March, 2019: ₹ 629.58 Lakh). 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 1 to 58 months as on 31 March 2020. There are no restrictions imposed by lease arrangements.

Future minimum lease payments under non-cancellable operating leases as at March 31, 2020 are as follows:

(₹ in Lakh)

Particulars	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
Within one year	150.80	542.68
After one year but not more than five years	151.90	407.06
More than five years	-	7.84

Reconciliation of Future Minimum Lease payment on Lease liability

(₹ in Lakh)

Particulars	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
Within one year	413.44	-
After one year but not more than five years	654.41	-
More than five years	105.10	-
Total	**1,172.95**	**-**

NOTES TO FINANCIAL STATEMENTS
for the Period Ended 31 March 2020

Lease Liability

(₹ in Lakh)

Sr No.	Class of Underlying Asset	Opening Balance of Lease Liabilities (Balance as on 01.04.2019)	Recognised on transition as on 01.04.2019 of IND As 116 - Leases	Additions to Lease Liabilities, made during the year	Remeasurements during the year	Finance Cost Accrued during the period	Payment of lease Liabilities during the year	Amount of Lease Liabilities as on March 31, 2020
1	Buildings	-	1,083.94	113.94	(30.11)	93.45	(376.80)	884.42
2	Furniture & Fixtures	-	369.37	12.48	(8.33)	30.21	(129.91)	273.82
3	Car	-	17.29	-	-	1.39	(3.95)	14.73

The table below provides details regarding the contractual maturities of lease liabilities as on March 31, 2020

(₹ in Lakh)

Particulars	Undiscounted Basis (IGGAP)	Discounted Basis (IND AS)
Not later than one year	504.78	413.44
Later than one year but not later than five years	756.48	654.41
Later than 5 years	120.75	105.10
Total	**1,382.01**	**1,172.95**

Disclosures on Lease Liability

Qualitative Disclosures:

The leased building premises , furniture & fixtures are used to carry out business operations and related support activities. The car is sub leased to the employee. The future cash outflows on lease payments are fixed in nature, subject to escalations. The lease agreements tenor extensions and termination conditions are subject to respective lease agreements. In one of the instance, security deposit is paid but lease is not yet commenced. There are no restrictions or covenants are imposed by lease agreements.

Note 20: Provisions

(₹ in Lakh)

Particulars	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
Provision for non funded exposure	129.34	39.43
Provision for employee benefits		
- Gratuity	21.45	-
- Provision for compensated absences	37.88	97.93
Provision for Lease Rent	17.04	115.75
Total	**205.71**	**253.11**

Loan commitment

The table below shows the credit quality and the maximum exposure for credit risk based on the Company's internal credit rating system and year-end stage classification. Details of the Company's internal grading system and policies on ECLs are set out in Note 45.

(₹ in Lakh)

Internal rating grade	Year Ended 31 March 2020				Year Ended 31 March 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing								
High grade	18,537.51			18,537.51	6,372.60			6,372.60
Standard grade	118.20			118.20	253.82			253.82
Sub-standard grade		52.31		52.31		58.71		58.71
Past due but not impaired		9.96		9.96		61.70		61.70
Non- performing								
Individually impaired	-	-	-	-	-	-	-	-
Total	**18,655.71**	**62.27**	**-**	**18,717.98**	**6,626.42**	**120.41**	**-**	**6,746.83**

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to other undrawn commitments is, as follows:

Gross exposure reconciliation

(₹ in Lakh)

Particulars	Year Ended 31 March 2020				Year Ended 31 March 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance of outstanding exposure	**6,626.42**	**120.41**	**-**	**6,746.83**	**8,457.19**	**78.72**	**47.13**	**8,583.04**
New exposures	16,083.97	-	-	16,083.97	4,275.09	54.90		4,329.99
Exposures derecognised or matured/lapsed (excluding write-offs)	(4,040.48)	(72.34)	-	(4,112.82)	(6,036.20)	(73.88)	(47.13)	(6,157.21)
Transfers to Stage 1	(14.20)		-	(14.20)	(69.66)			(69.66)
Transfers to Stage 2		14.20	-	14.20		60.67		60.67
Transfers to Stage 3				-				-
Changes to contractual cash flows due to modifications not resulting in derecognition				-				-
Changes to models and inputs used for ECL calculations				-				-
Changes due to modifications not resulting in derecognition				-				-
Amounts written off				-				-
Closing balance of outstanding exposure	**18,655.71**	**62.27**	**-**	**18,717.98**	**6,626.42**	**120.41**	**-**	**6,746.83**

NOTES TO FINANCIAL STATEMENTS
for the Period Ended 31 March 2020

Reconciliation of ECL balance is given below:

(₹ in Lakh)

Particulars	Year Ended 31 March 2020				Year Ended 31 March 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**34.50**	**4.93**	**(0.00)**	**39.43**	**40.01**	**4.27**	**12.31**	**56.59**
New exposures	113.52		-	113.52	24.29	2.44	-	26.73
Exposures derecognised or matured (excluding write-offs)	(21.03)	(2.97)	-	(24.00)	(29.27)	(4.08)	(12.31)	(45.66)
Transfers to Stage 1	(0.09)		-	(0.09)	(0.53)	-	-	(0.53)
Transfers to Stage 2		0.48	-	0.48	-	2.30	-	2.30
Transfers to Stage 3	-	-	-	-	-	-	-	-
Impact on year end ECL of exposures transferred between stages during the year				-				-
Unwind of discount				-				-
Changes to contractual cash flows due to modifications not resulting in derecognition				-				-
Changes to models and inputs used for ECL calculations				-				-
Changes due to modifications not resulting in derecognition				-				-
Amounts written off				-				-
ECL allowance - closing balance	**126.90**	**2.44**	**(0.00)**	**129.34**	**34.50**	**4.93**	**(0.00)**	**39.43**

Note 21: Other non financial liabilities

(₹ in Lakh)

Particulars	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
Statutory dues payable	184.75	114.08
Retention money and other sundry liabilities	2.14	5.01
Total	**186.89**	**119.09**

NOTES TO FINANCIAL STATEMENTS
for the Period Ended 31 March 2020

Note 22: Equity

(₹ in Lakh)

Particulars	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
EQUITY SHARE CAPITAL		
Authorised:		
22,00,00,000(Previous Year : 22,00,00,000) equity shares of ₹ 10/- each	22,000.00	22,000.00
Ordinary Shares		
Issued and fully paid		
Issued, subscribed and fully paid up:		
21,41,60,000 (Previous Year : 21,41,60,000) equity shares of ₹ 10/- each	21,416.00	21,416.00
Total Equity	**21,416.00**	**21,416.00**

Issued Capital

The reconciliation of equity shares outstanding at the beginning and at the end of the year

(₹ in Lakh)

Particulars	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
Authorised		
22,00,00,000 equity shares of ₹ 10/- each	2,200.00	2,200.00
	2,200.00	**2,200.00**
Issued and fully paid up		
21,41,60,000 equity shares of ₹ 10/- each	2,141.60	2,141.60
	2,141.60	**2,141.60**

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

	No. of Shares (in Lakh)	Amount (₹ in Lakh)
As at 31 March 2018	2,141.60	21,416.00
Issued during the year	-	-
As at 31 March 2019	2,141.60	21,416.00
Issued during the year	-	-
As at 31 March 2020	2,141.60	21,416.00

Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share.

NOTES TO FINANCIAL STATEMENTS
for the Period Ended 31 March 2020

Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

Out of equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

(₹ in Lakh)

Particulars	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
Shriram City Union Finance Limited	1,654.40	1,654.40
Total	**1,654.40**	**1,654.40**

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

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. in Lakh	% holding in the class	No. in Lakh	% holding in the class
Shriram City Union Finance Limited	1,654.40	77.25%	1,654.40	77.25%
Valiant Mauritius Partners FDI Ltd.	487.20	22.75%	487.20	22.75%

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, refer Note no. 37

Note 23: Other Equity

(₹ in Lakh)

Particulars	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
Statutory reserve (Pursuant to section 29C of the NHB Act, 1987 & Section 36(1) (viii) of Income Tax Act, 1961)	3,731.49	2,798.69
Security Premium	12,180.00	12,180.00
Retained earnings (Surplus/deficit in profit & loss account)	13,640.99	9,920.75
Deemed Investment	183.91	183.91
Share Option outstanding	77.30	16.17
Other Comprehensive Income	71.58	64.85
Total	**29,885.27**	**25,164.37**

NOTES TO FINANCIAL STATEMENTS
for the Period Ended 31 March 2020

Note 23 (a): Other Equity

(₹ in Lakh)

Particulars	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
Securities Premium Account		
Balance at beginning of the Year	**12,180.00**	**12,180.00**
Add: Premium on shares issued during the year	-	-
Balance at end of the Year	**12,180.00**	**12,180.00**
Share Option Outstanding		
Balance at beginning of the Year	**16.17**	**15.86**
Add: Other Additions/ Deductions during the year	58.50	9.87
Add: Transferred to / (from) retained earning	2.63	(9.56)
Balance at end of the Year	**77.30**	**16.17**
Statutory reserve (Pursuant to section 29C of the NHB Act, 1987 & Section 36(1) (viii) of Income Tax Act, 1961)		
Balance at beginning of the Year	**2,798.69**	**2,460.70**
Add: Transfer from surplus balance in the Statement of Profit and Loss	932.80	337.99
Balance at end of the Year	**3,731.49**	**2,798.69**
Surplus in Statement of Profit and Loss		
Balance at beginning of the Year	**9,920.75**	**8,584.10**
Add: Profit for the year	4,651.90	1,665.13
Add/ (Less): Appropriations	3.77	-
Transfer to Share option Outstanding	(2.63)	9.51
Transfer to Statutory Reserve	(932.80)	(337.99)
Balance at end of the Year	**13,640.99**	**9,920.75**
Other Comprehensive Income		
Balance at beginning of the Year	**64.85**	**5.43**
Remeasurement gain/ (loss) on defined benefit plan	9.49	89.19
Income Tax Provision/ (Reversal) on above	(2.76)	(29.77)
Balance at end of the Year	**71.58**	**64.85**
Deemed Investment		
Balance at beginning of the Year	**183.91**	**183.91**
Add: Other Additions/ Deductions during the year	-	-
Balance at end of the Year	**183.91**	**183.91**

NOTES TO FINANCIAL STATEMENTS
for the Period Ended 31 March 2020

Note 23 (b): Other Equity

Nature and purpose of Reserves

Statutory reserve

The Company creates Special Reserve every year out of its profits in terms of Sec 36(1) (viii) of the Income Tax Act, 1961 read with Section 29C of the National Housing Bank Act, 1987.

The Company transfers amount at least 20% of the total comprehensive income after tax to Statutory reserve.

Securities Premium Reserve:

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Retained earnings:

Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve, any appropriation made.

Deemed Investment

The Company has acquired a refinance from National Housing Bank for which the parent "Shriram City Union Finance Ltd." acted as a Corporate Guarantor.

The Fair value of Financial Guarantee so received has been classified as "Deemed Investments".

ESOP Reserve:

The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 37 for further details of these plans.

Other comprehensive income

Remeasurement gain/loss related to defined benefit liability/assets is recognised as other comprehensive income.

NOTES TO FINANCIAL STATEMENTS
for the Period Ended 31 March 2020

Note 24: Interest income

(₹ in Lakh)

Particulars	For the Year Ended 31 March 2020 (Audited)				For the Year Ended 31 March 2019 (Audited)			
	On Financial Assets measured at Amortised Cost	On Financial Assets measured at fair value through OCI	On Financial assets classified at fair value through profit or loss	Total	On Financial Assets measured at Amortised Cost	On Financial Assets measured at fair value through OCI	On Financial assets classified at fair value through profit or loss	Total
Interest on loans	27,200.67	-	-	27,200.67	27,403.64	-	-	27,403.64
Interest income from investments	-	316.35	-	316.35	-	626.89	-	626.89
Interest on deposits with bank	-	-	-	-	-	-	-	-
- Margin Money deposit	18.50			18.50	-			-
- Deposit with bank	80.53			80.53	11.73			11.73
Interest on Intercorporate loan	46.97			46.97				
Interest income on Assignment (EIS)	3.09			3.09				
Total	**27,349.76**	**316.35**	**-**	**27,666.11**	**27,415.37**	**626.89**	**-**	**28,042.26**

Note 25: Net gain/ (loss) on fair value changes

(₹ in Lakh)

	Particulars	For the Year Ended 31 March 2020 (Audited)	For the Year Ended 31 March 2019 (Audited)
A)	**Net gain/ (loss) on financial instruments at fair value through profit or loss**		
(i)	On trading portfolio		
	- Investments	842.15	288.34
(ii)	On financial instruments designated at fair value through profit or loss	-	-
(B)	**Others (to be specified)**		
	Total Net gain/(loss) on fair value changes (C)	**842.15**	**288.34**
	Fair Value changes:		
	-Realised	799.91	265.32
	-Unrealised	42.24	23.02
Total Net gain/(loss) on fair value changes(D) to tally with (C)		**842.15**	**288.34**
Total		**842.15**	**288.34**

NOTES TO FINANCIAL STATEMENTS
for the Period Ended 31 March 2020

Note 26: Net gain on derecognition of financial instruments under amortised cost category

(₹ in Lakh)

Particulars	For the Year Ended 31 March 2020 (Audited)				For the Year Ended 31 March 2019 (Audited)			
	On Financial Assets measured at Amortised Cost	On Financial Assets measured at fair value through OCI	On Financial assets classified at fair value through profit or loss	Total	On Financial Assets measured at Amortised Cost	On Financial Assets measured at fair value through OCI	On Financial assets classified at fair value through profit or loss	Total
Net gain on Assignment	6,949.02	-	-	6,949.02	-	-	-	-
Total	**6,949.02**	**-**	**-**	**6,949.02**	**-**	**-**	**-**	**-**

Note 27: Other Operating Income

(₹ in Lakh)

Particulars	For the Year Ended 31 March 2020 (Audited)	For the Year Ended 31 March 2019 (Audited)
Processing Fees	330.54	373.42
Bad debts recovered	165.83	177.83
Other charges	335.45	206.77
Total	**831.82**	**758.02**

Note 28: Other Income

(₹ in Lakh)

Particulars	For the Year Ended 31 March 2020 (Audited)	For the Year Ended 31 March 2019 (Audited)
Net gain/(loss) on derecognition of property, plant and equipment	0.28	0.01
Interest income on security deposits	26.55	31.20
Interest on Lease Receivable	1.39	-
Income from Subleasing of Right of Use Assets	280.37	-
Gain on Remeasurement of Leases	1.87	-
Miscellaneous income	-	7.53
Total	**310.46**	**38.74**

NOTES TO FINANCIAL STATEMENTS
for the Period Ended 31 March 2020

Note 29: Finance Cost

(₹ in Lakh)

Particulars	For the Year Ended 31 March 2020 (Audited)			For the Year Ended 31 March 2019 (Audited)		
	On financial liabilities measured at Amortised cost	On financial liabilities measured at Through profit or loss	Total	On financial liabilities measured at Amortised cost	On financial liabilities measured at Through profit or loss	Total
Interest on Bank Borrowings	10,556.20	-	10,556.20	6,115.62	-	6,115.62
Interest on Loan from Financial Institutions	266.54	-	266.54	94.25		94.25
Interest on Debt Securities	4,914.99	-	4,914.99	5,488.44	-	5,488.44
Interest on Lease Liability	125.05	-	125.05	-	-	-
Interest on Securitisation Loans	185.32		185.32			-
Interest on Commercial Paper	229.73	-	229.73	893.78	-	893.78
Guarantee Commission	15.65	-	15.65	15.60	-	15.60
Interest on Inter Corporate Loans	-	-	-	255.92	-	255.92
Interest Cost on Net Defined Liability	3.44	-	3.44	3.43	-	3.43
Total	**16,296.92**	**-**	**16,296.92**	**12,867.04**	**-**	**12,867.04**

Note 30: Net loss on derecognition of financial instruments under amortised cost category

(₹ in Lakh)

Particulars	For the Year Ended 31 March 2020 (Audited)			For the Year Ended 31 March 2019 (Audited)		
	On financial instrument measured at amortised cost	On financial instrument measured at fair value through OCI	Total	On financial instrument measured at amortised cost	On financial instrument measured at fair value through OCI	Total
Loss on Sale of Loan Assets	-	-	-	3,916.17	-	3,916.17
Total	**-**	**-**	**-**	**3,916.17**	**-**	**3,916.17**

NOTES TO FINANCIAL STATEMENTS
for the Period Ended 31 March 2020

Note 31: Impairment of financial assets

(₹ in Lakh)

Particulars	For the Year Ended 31 March 2020 (Audited)			For the Year Ended 31 March 2019 (Audited)		
	On financial instrument measured at amortised cost	On financial instrument measured at fair value through OCI	Total	On financial instrument measured at amortised cost	On financial instrument measured at fair value through OCI	Total
Loans and advances to customers	986.29	-	986.29	(1,766.27)	-	(1,766.27)
Loan undrawn commitments	89.91	-	89.91	(17.17)	-	(17.17)
Investment	-	(2.94)	(2.94)	-	(15.19)	(15.19)
Assignment Receivables	184.83	-	184.83	-	-	-
Lease Receivables	0.47	-	0.47	-	-	-
Bad Debts Written Off	1,300.55		1,300.55	460.25		460.25
Total	**2,562.05**	**(2.94)**	**2,559.11**	**(1,323.19)**	**(15.19)**	**(1,338.38)**

The table below shows the ECL charges on financial instruments for the year recorded in the profit and loss based on evaluation stage:

(₹ in Lakh)

Particulars	For the Year Ended 31 March 2020					For the Year Ended 31 March 2019				
	General Approach			Simplified Approach	Total	General Approach			Simplified Approach	Total
	Stage 1	Stage 2	Stage 3			Stage 1	Stage 2	Stage 3		
Loans and advances to customers	326.90	(283.97)	(56.64)	1,000.00	986.29	(56.69)	(318.95)	(1,390.63)	-	(1,766.27)
Investment	(2.94)	-	-	-	(2.94)	(15.19)			-	(15.19)
Loan undrawn commitments	92.40	(2.49)	-	-	89.91	(5.50)	0.65	(12.32)	-	(17.17)
Assignment receivables	184.14	0.69			184.83				-	-
Lease Receivables	-	-	-	0.47	0.47				-	-
Total impairment loss	**600.50**	**(285.77)**	**(56.64)**	**1,000.47**	**1,258.56**	**(77.38)**	**(318.30)**	**(1,402.95)**	**-**	**(1,798.63)**

Amount of ₹ 1,000/- Lakh reflected in simplified approach pertains to additional provision on account of covid-19 pandemic.

NOTES TO FINANCIAL STATEMENTS
for the Period Ended 31 March 2020

Note 32: Employee Benefit expenses

(₹ in Lakh)

Particulars	For the Year Ended 31 March 2020 (Audited)	For the Year Ended 31 March 2019 (Audited)
Salaries and Wages	5,803.95	5,478.73
Contribution to provident and other fund	181.64	187.57
Gratuity expenses	47.58	43.87
Share based payments to employees	58.50	9.87
Interest Expenses on Staff Loan	8.37	-
Staff welfare expenses	270.25	172.19
Total	**6,370.29**	**5,892.23**

Note 33: Depreciation, Amortization & Impairment

(₹ in Lakh)

Particulars	For the Year Ended 31 March 2020 (Audited)	For the Year Ended 31 March 2019 (Audited)
Depreciation of Tangible Assets	180.61	188.99
Amortization of Intangible Assets	102.05	43.51
Depreciation of Right of Use Assets	459.82	-
Total	**742.48**	**232.50**

Note 34: Other expenses

(₹ in Lakh)

Particulars	For the Year Ended 31 March 2020 (Audited)	For the Year Ended 31 March 2019 (Audited)
Rent	104.77	629.58
Printing & stationery	65.21	88.38
Travelling and conveyance	486.34	496.99
Books & periodicals	0.35	0.70
Meeting expenses	47.32	2.34
Business promotion	34.72	32.77
Communication	79.19	131.76
Director's sitting fees	9.49	5.65
Electricity	73.87	89.41
Insurance	15.45	16.20
Bank charges	16.18	20.06
Payment to auditors		

NOTES TO FINANCIAL STATEMENTS
for the Period Ended 31 March 2020

(₹ in Lakh)

Particulars	For the Year Ended 31 March 2020 (Audited)	For the Year Ended 31 March 2019 (Audited)
- Audit fees	19.95	18.13
- Out of pocket expenses	0.95	1.81
Royalty	357.54	135.85
Professional Charges	697.25	1,245.81
Registration & filing fees	3.82	3.53
Office maintenance	204.42	282.33
Business commission	482.98	317.15
Loan processing expenses	435.55	577.73
Postage & courier	32.45	52.24
Rates, duties & taxes	89.21	13.72
Membership fees	10.91	6.86
Mortgage Guarantee Fee	202.52	292.48
Corporate social responsibility	44.98	1.15
Loss on sale of fixed assets	11.95	22.53
Advertisement	4.25	6.48
Collection & recovery	543.30	533.71
Miscellaneous expenditure	24.89	25.18
Total	**4,099.81**	**5,050.53**

Details of CSR expenditure:

(₹ in Lakh)

Particulars		Year ended March 31, 2020	Year ended March 31, 2019
a)	Gross amount required to be spent by the Company during the year	74.93	84.57
b)	Amount spent during the year	44.84	1.15
	- On purposes Other than construction/acquisition of any asset		
	-In Cash	44.84	1.15
	-Provision of previous years reversed in current year	-	-
	-Yet to be paid in Cash	-	-
Total amount spent during the year		**44.84**	**1.15**

NOTES TO FINANCIAL STATEMENTS

for the Period Ended 31 March 2020

Note 35: Income Tax

The components of income tax expense for the periods ended 31 March 2020 and 31 March 2019 are:

(₹ in Lakh)

Particulars	For the Year Ended 31 March 2020 (Audited)	For the Year Ended 31 March 2019 (Audited)
Current tax	1,422.52	519.89
Tax relating to earlier years	(1.75)	(92.94)
Deferred tax	458.28	415.19
Total tax charge	**1,879.05**	**842.14**

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the periods ended 31 March 2020 and 31 March 2019 is, as follows:

(₹ in Lakh)

Particulars	For the Year Ended 31 March 2020 (Audited)	For the Year Ended 31 March 2019 (Audited)
Profit before tax	6,530.95	2,507.27
Statutory income tax rate	29.12%	33.384%
Expected income tax expense	1,901.81	837.03
Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense		
Effect of change in tax rate	(77.22)	11.55
Corporate Social Responsibility	7.15	0.38
Deduction JJAA	(4.46)	
Others	51.77	(6.82)
Income tax expense reported in the statement of profit & Loss	**1,879.05**	**842.14**

NOTES TO FINANCIAL STATEMENTS
for the Period Ended 31 March 2020

Deferred Tax

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

(₹ in Lakh)

Particulars	Deferred Tax	Income Statement	OCI	Deferred Tax
	As at 31 March 2019	2019-20	2019-20	As at 31 March 2020
Deferred Tax Asset/ (Liabilities) in relation to :				
Property Plant Equipments & Intangible Assets	13.36	8.89	-	4.47
ECL provision undrawn Loan commitments & Investments	14.75	(23.45)	-	38.20
Unamortized Income	136.45	82.94	-	53.51
Interest Income on NPA	-	-	-	-
Provision for Employee benefits	47.41	36.75	(2.76)	7.90
Unamortized Expenses	(172.58)	(75.49)	-	(97.09)
Unrealised gains / loss on securities	(7.70)	11.31	-	(19.01)
Provision for lease Rental	40.72	42.06	-	(1.34)
NCD Expenses & Borrowing cost as per EIR	(66.64)	(29.96)	-	(36.68)
MAT Entitlement Credit	519.89	309.86	-	210.03
Special Reserve u/s 36 1(viii)	(671.73)	69.91	-	(741.64)
Effect of Unabsorbed business loss	16.76	16.76	-	-
others	11.98	7.68	-	4.30
Net Right to use Asset and future rent liability	-	(23.73)	-	23.73
IND AS transitional Impact on NPA Interest income	-	332.86	-	(332.86)
Total	**(117.33)**	**766.39**	**(2.76)**	**(886.48)**

Note 36: Earnings per share

	(₹ in Lakh)	(₹ in Lakh)
	For the Year Ended 31 March 2020 (Audited)	For the Year Ended 31 March 2019 (Audited)
Net profit attributable to ordinary equity holders of the parent (₹ in Lakh)	4,651.90	1,665.13
Weighted average number of ordinary shares for basic earnings per share (No in Lakh)	2,141.60	2,141.60
Effect of dilution:	-	-
Stock options granted under ESOP (Nos.in Lakh)	9.79	10.05
Weighted average number of ordinary shares adjusted for effect of dilution	2,151.39	2,151.65
Earnings per share		
Basic earnings per share (₹)	2.17	0.78
Diluted earnings per share (₹)	2.16	0.77

Note 37: Employee Stock Option Scheme (ESOS)

The Company provides share-based payment schemes to its employees. For the year ended March 31, 2020 following Employee Stock Option Plans (ESOPs) were in existence. The relevant details of the schemes and the grants are as below:

Details of Employee Stock Option Schemes	ESOP Scheme 2013	ESOP Scheme 2013	ESOP Scheme 2016
Date of Shareholder's approval of plan	March 28, 2013	March 28, 2013	December 13, 2016
Date of grant	August 28, 2013 & April 20, 2015	December 19, 2018	February 01, 2020
Number of options granted	3,50,000	25,00,000	12,40,000
Method of settlement	Equity	Equity	Equity
Vesting Period	3 - 5 years	3 - 10 years	1 - 3 years
Exercise Price	10.00	10.00	35.00
Exercise Period	Not later than 5 years from the date of vesting of options		Not later than 3 years from the date of vesting of options
Vesting Conditions	Employee remaining in the employment of the enterprise during the vesting period		

Details of Vesting

Vesting period from the grant date	ESOP Scheme 2013	ESOP Scheme 2013	ESOP Scheme 2016
Completion of 1 year	-	-	33.33%
Completion of 2 year	-	-	33.33%
Completion of 3 year	-	12.50%	33.33%
Completion of 4 year	50%	12.50%	-
Completion of 5 year	50%	12.50%	-
Completion of 6 year	-	12.50%	-
Completion of 7 year	-	12.50%	-
Completion of 8 year	-	12.50%	-
Completion of 9 year	-	12.50%	-
Completion of 10 year	-	12.50%	-

NOTES TO FINANCIAL STATEMENTS
for the Period Ended 31 March 2020

Details of activity under each plan

	ESOP Scheme 2013		ESOP Scheme 2013		ESOP Scheme 2016	
	No. of Options	Weighted Avg. Exercise Price	No. of Options	Weighted Avg. Exercise Price	No. of Options	Weighted Avg. Exercise Price
Outstanding as at 31 March 2019	**1,80,000.00**	**10.00**	25,00,000.00	10.00	-	-
Vested and exercisable as at 31 March 2019	**1,50,000.00**	**10.00**	-	-	-	-
Outstanding as at 1 April 2019	1,80,000.00	10.00	25,00,000.00	10.00	-	-
Granted during the year	-	-	-	-	12,40,000.00	35.00
Forfeited during the year	(70,000.00)	10.00	-	-	-	-
Exercised during the year	-	-	-	-	-	-
Outstanding as at 31 March 2020	**1,10,000.00**	**10.00**	**25,00,000.00**	**10.00**	**12,40,000.00**	**35.00**
Vested and exercisable as at 31 March 2020	**5,000.00**	**10.00**	-	-	-	-

The value of the underlying shares has been determined by an independent valuer. The following assumptions were used for calculation of fair value of grants in accordance with Black Scholes model, for options granted during the financial year:

	Year ended 31 March 2020
Risk-free interest rate	5.75% - 6.03%
Expected life of options (years) [(year to vesting) + (contractual option term)/2]	3.5 - 5.5 Years
Expected volatility (%)	40.76% - 42.76%
Dividend yield	0%

The risk free interest rates are determined based on the Government bond yields with maturity equal to the expected term of the option. Volatility calculation is based on historical stock prices of comparable listed companies using standard deviation of daily change in stock price. The historical period is taken into account to match the expected life of the option. Dividend yield has been considered taking into account the historical and expected rate of dividend on equity share price as on grant date.

The expense recognised for employee services received during the year is shown in the following table:

	Year ended 31 March, 2020	Year ended 31 March, 2019
Expense arising from equity-settled share based payment transactions	58.50	9.87
Expense arising from cash-settled share based payment transactions	-	-
Total expense arising from share based payment transactions	**58.50**	**9.87**

Note 38: Retirement benefit plan

Defined Contribution Plan

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 recognized ₹ 172.43 Lakh for year ended March 31, 2020 (Y.E. 31 March 2019 ₹ 170.98 Lakh) for Provident Fund contributions and ₹ 9.21 Lakh for the year ended March 31, 2020 (Y.E. March 31, 2019 ₹ 16.58 Lakh) 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.

Defined Benefit Plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years of service is eligible for a gratuity on separation at 15 days basic salary (last drawn salary) for each completed year of service. The scheme is funded with the insurance companies in the form of qualifying insurance policy.

During the year 2015-16 the Company created "Shriram Housing Finance Company Employees' Group Gratuity Fund". The Trust is recognised by income tax authorities and administered through Trustees. Contributions to the Trust are invested in a scheme with a insurance Company as permitted by law in India.

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

Statement of Profit and Loss
Net employee benefit expense recognised in the employee cost

(₹ in Lakh)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Current service cost	51.36	43.85
Interest cost on benefit obligation	9.27	13.87
Expected return on plan assets	(10.07)	(12.42)
Net (benefit) / expense	**50.56**	**45.30**

Gratuity expenses as per Note 32 of the statement of Profit and Loss for the year ended March 31, 2020 is after providing for shortfall in Gratuity Fund account

Balance Sheet
Reconciliation of present value of the obligation and the fair value of plan assets:

(₹ in Lakh)

Particulars	As at 31 March 2020	As at 31 March 2019
Defined benefit obligation	(159.72)	(144.44)
Fair value of plan assets	138.27	158.54
Asset/(liability) recognized in the balance sheet	**(21.45)**	**14.10**

Fair Value of Assets in excess of Gratuity Provision as on 31 March 2019 disclosed under "Note 15 - Other Non Financial Assets" is after netting off amount paid to trust.

NOTES TO FINANCIAL STATEMENTS
for the Period Ended 31 March 2020

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

(₹ in Lakh)

Particulars	As at 31 March 2020	As at 31 March 2019
Opening defined benefit obligation	**144.44**	**191.06**
Transfer in/Out	(3.86)	20.10
Interest cost	9.27	13.87
Current service cost	51.36	43.85
Liability transferred in/on account of transfer of employees		
Benefits paid	(32.00)	(35.25)
Actuarial loss / (gain) on obligation	(9.49)	(89.19)
Closing defined benefit obligation	**159.72**	**144.44**

Changes in the fair value of plan assets are as follows:

(₹ in Lakh)

Particulars	As at 31 March 2020	As at 31 March 2019
Opening fair value of plan assets	**158.54**	**180.03**
Interest Income	10.07	12.42
Expected return	(2.12)	1.34
Contributions by employer & Others Exp	(0.27)	-
Adjustment / Transfer	4.05	-
Benefits paid	(32.00)	(35.25)
Closing fair value of plan assets	**138.27**	**158.54**

The Company intends to contribute to the trust the amount as per the actuarial valuation in the next year.

The major categories of plan assets as a percentage of fair value of total plan assets are as follows:

Particulars	As at 31 March 2020	As at 31 March 2019
Investments with insurer	100%	100%

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

Particulars	As at 31 March 2020	As at 31 March 2019
Discount rate	6.79%	7.65%
increase in compensation cost	5.00%	5.00%
Attrition rate	5.00%	5.00%

The estimates of future salary increases, considered in acturial valuation are on account of inflation, seniority, promotion and other relevant factor, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Amounts for the current period and previous four years are as follows:

(₹ in Lakh)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
Define benefit obligation	(159.72)	(144.44)	(191.06)	(150.42)	(103.09)	(37.79)
Plan assets	138.27	158.54	180.03	150.42	-	-
Surplus/(deficit)	(21.45)	14.10	(11.03)	-	(103.09)	(37.79)

(₹ in Lakh)

Assumptions	As at 31 March 2020		As at 31 March 2020		As at 31 March 2019		As at 31 March 2019	
	Discount rate		Future salary increases		Discount rate		Future salary increases	
Sensitivity Level	**1% Increase**	**1% Decrease**	**1% Increase**	**1% Decrease**	**1% Increase**	**1% Decrease**	**1% Increase**	**1% Decrease**
Impact on defined benefit obligation	303.81	337.71	338.68	302.75	275.53	304.38	304.57	275.24

(₹ in Lakh)

Expected payment for future years	As at 31 March 2020	As at 31 March 2019
Within the next 12 months (next annual reporting period)	5.27	5.75
Between 2 and 5 years	35.31	36.94
Between 5 and 10 years	75.01	72.82
Total expected payments	**115.59**	**115.51**

The weighted average duration of the defined benefit obligation as at 31 March 2020 is 14.91 Years (31 March 2019: 14.74 Years).

The fund is administered by "Shriram Housing Finance Company Employees Group Gratuity Trust". The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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

Particulars	As at 31 March 2020	As at 31 March 2019
Discount rate	6.79%	7.65%
Attrition rate	5.00%	5.00%
Salary escalation	5.00%	5.00%

NOTES TO FINANCIAL STATEMENTS
for the Period Ended 31 March 2020

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Note 39: Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at 31 March 2020			As at 31 March 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	14,871.01	-	14,871.01	1,447.12	-	1,447.12
Bank Balance other than above	805.50	-	805.50	27.63	110.00	137.63
Loans	15,273.45	1,83,574.93	1,98,848.38	14,858.08	1,67,306.05	1,82,164.13
Investments	12,795.41	2,836.70	15,632.11	17,741.29	4,113.72	21,855.01
Receivables	0.65	-	0.65	4.07	-	4.07
Other financial assets	1,289.78	5,569.96	6,859.74	54.56	298.36	352.92
Non-financial Assets			-			-
Deferred tax assets (net)	-	-	-	-	-	-
Non Current tax asset	-	2,066.84	2,066.84	-	1,404.77	1,404.77
Investment Property	-	0.28	0.28	-	0.28	0.28
Property, plant and equipment	-	549.22	549.22	-	698.25	698.25
Other intangible assets		575.51	575.51	-	330.50	330.50
Right of Use Assets	426.91	664.55	1,091.46			-
Other non financial assets	7,953.34	672.74	8,626.08	8,529.39	622.72	9,152.11
Total assets	**53,416.05**	**1,96,510.73**	**2,49,926.78**	**42,662.14**	**1,74,884.65**	**2,17,546.79**
Liabilities						
Financial Liabilities						
Trade payables	2,018.49	-	2,018.49	1,009.28	-	1,009.28
Debt Securities	10,150.78	28,346.50	38,497.28	26,641.09	31,373.70	58,014.79
Borrowings (other than debt security)	49,909.03	1,04,495.94	1,54,404.97	44,100.36	66,768.04	1,10,868.40
Other Financial liabilities	1,666.19	759.50	2,425.69	309.09	275.33	584.42
Non-financial Liabilities			-			-
Provisions	145.74	59.97	205.71	69.88	183.23	253.11
Deferred tax liabilities (net)		886.48	886.48	-	117.33	117.33
Other non-financial liabilities	186.89	-	186.89	119.09	-	119.09
Total Liabilities	**64,077.12**	**1,34,548.39**	**1,98,625.51**	**72,248.79**	**98,717.63**	**1,70,966.42**
Net	**(10,661.07)**	**61,962.34**	**51,301.27**	**(29,586.65)**	**76,167.02**	**46,580.37**

Note 40: Related party disclosures

	Relationship		Name of the party
(i)	Enterprises having significant influence over the Company / Associates	:	Valiant Mauritius Partners FDI Ltd. (VMPL)
			Shriram Fortune Solutions Limited (SFSL)*
			Shriram Financial Products Solutions (Chennai) Private Limited (SFPSPL)*
			Shriram General Insurance Company Limited (SGICL)*
			Shriram Insight Share Brokers Limited (SISBL)*
			Shriram Life Insurance Company Limited (SLICL)*
			Shriram Value Services Limited (SVSL)*
			Novac Technology Solutions Pvt. Ltd. (NTSPL)*
			Shriram Ownership Trust (SOT)
(ii)	Holding	:	Shriram City Union Finance Limited
(iii)	Key Management Personnel	:	Mr. Venkataraman Murali, Director
			Ms. Lakshminarayanan Priyadarshini, Director
			Mr. Subramanian Jambunathan, MD & CEO
			Mr. Kunal Karnani, Chief Financial Officer - DOL 6.9.2019
			Ms. Nikita Hule, Company Secretary - DOL 24.07.2019
			Mr. Yalamati Srinivasa Chakravarti
			Mr. Gauri Shankar Agarwal, Chief Financial Officer - wef 25.09.2019
			Ms. Bhavita Ashiyani - Company Secretary -wef 20.10.2019
(iv)	Relatives of Key Management Personnel	:	Nil

* The Company neither holds any shares in the above entities nor these entities hold any shares in the Company. However these entities are “subsidiaries“ of Shriram Capital Limited and these entities are treated as “associates“ as per para 9 (b) (ii) of Ind AS 24 and transactions made with these entities are disclosed.
There are no transactions with relatives of Key Management Personnel for the period ended March 31, 2020.

NOTES TO FINANCIAL STATEMENTS
for the Period Ended 31 March 2020

Related party transactions during the year:

(₹ In Lakh)

Particulars	Holding Company		Associates / Enterprises having significant influence over the Company		Key Management Personnel		Total	
	As at Mar 31, 2020	As at March 31, 2019	As at Mar 31, 2020	As at March 31, 2019	As at Mar 31, 2020	As at March 31, 2019	As at Mar 31, 2020	As at March 31, 2019
Equity contribution								
Shriram City Union Finance Limited (SCUF)	16,544.00	16,544.00					16,544.0	16,544.00
Percentage Holding	77.25%	77.25%					77.25%	77.25%
Valiant Mauritius Partners FDI Ltd. (VMPL)			4,872.00	4,872.00			4,872.00	4,872.00
Percentage Holding			22.75%	22.75%			22.75%	22.75%
Interest expense								
SCUF - Intercorporate Loan	-	255.92					-	255.92
Remuneration to Directors (Sitting Fees)								
Ms.Quadsia Gandhi					-	0.80	-	0.80
Mr. V Murali					3.80	2.60	3.80	2.60
Ms Lakshminarayanan Priyadarshini					4.90	1.80	4.90	1.80
Remuneration to other KMPs							-	-
Employee Benefits - Mr Sujan Sinha - short term benefit					-	41.89	-	41.89
Employee Benefits - Mr Sujan Sinha - share based payment					-	(1.51)	-	(1.51)
Employee Benefits - Mr Kankshit Munshi					-	39.50	-	39.50
Employee Benefits - Ms Nikita Hule					4.41	12.03	4.41	12.03
Employee Benefits - Mr.Subramanian Jambunathan - Short Term Benefit					182.81	61.24	182.81	61.24
Employee Benefits - Mr.Subramanian Jambunathan - Share Based Payment					50.05	14.12	50.05	14.12
Employee Benefits - Mr.Kunal Karnani					30.18	18.55	30.18	18.55
Employee Benefits - Mr.Gauri Shankar Agarwal					39.90	-	39.90	-
Employee Benefits - Mr.Gauri Shankar Agarwal - share based payment					1.14	-	1.14	-
Employee Benefits - Ms Bhavita Ashiyani					5.51		5.51	-
Reimbursement of Rent & Expenses								
Rent - SCUF	56.51	84.53					56.51	84.53
Rent - SFSL			0.34	0.75			0.34	0.75

(₹ In Lakh)

Particulars	Holding Company		Associates / Enterprises having significant influence over the Company		Key Management Personnel		Total	
	As at Mar 31, 2020	As at March 31, 2019	As at Mar 31, 2020	As at March 31, 2019	As at Mar 31, 2020	As at March 31, 2019	As at Mar 31, 2020	As at March 31, 2019
Rent - SFPS			0.47	1.06			0.47	1.06
Expenses reimbursements - SCUF	18.22	63.17					18.22	63.17
Expenses reimbursements - SFPS			0.07	0.19			0.07	0.19
Expenses reimbursements - SGIL				17.19			-	17.19
Expenses reimbursements - SISBL			1.29	1.03			1.29	1.03
Expenses reimbursements - SLIC			15.67	15.41			15.67	15.41
Expenses reimbursements - SVS			46.89	1,210.13			46.89	1,210.13
Expenses reimbursements - NOVAC			763.27				763.27	-
Royalty Fees - SOT			105.39	137.19			105.39	137.19
Royalty Fees - SVS			252.16				252.16	-
Payment on assignment deal - SCUF	9,784.26						9,784.26	-
Other Payments								
Transfer of liability for Gratuity/Leave - SCUF	13.48	6.98					13.48	6.98
Other Receipts								
Transfer of liability for Gratuity/Leave - SCUF	13.59	32.64					13.59	32.64
Transfer of liability for Gratuity/Leave - SVS			-				-	
Rent Received							-	-
Rent - SCUF	327.06	302.22					327.06	302.22
Rent - SFSL			3.78	3.47			3.78	3.47
Rent - SISBL				0.57			-	0.57
Rent, Electricity, telephone and printing charges Received								
Expenses reimbursement - SCUF	24.97	15.26					24.97	15.26
Expenses reimbursement - SISBL			-	0.09			-	0.09
Expenses reimbursement - SLIC			2.39	-			2.39	-
Received on assignment deal - SCUF	1,137.74						1,137.74	-
Corporate loan received from								
Intercorporate Loan - SCUF	-	16,500.00					-	16,500.00
Repayment of Corporate loan received from								
Intercorporate Loan - SCUF	-	16,500.00					-	16,500.00

NOTES TO FINANCIAL STATEMENTS
for the Period Ended 31 March 2020

(₹ In Lakh)

Particulars	Holding Company		Associates / Enterprises having significant influence over the Company		Key Management Personnel		Total	
	As at Mar 31, 2020	As at March 31, 2019	As at Mar 31, 2020	As at March 31, 2019	As at Mar 31, 2020	As at March 31, 2019	As at Mar 31, 2020	As at March 31, 2019
Balance outstanding at March 31,2020 :								
Share Capital - SCUF	16,544	16,544.00					16,544.00	16,544.00
Share Capital - VMPL			4,872.00	4,872.00			4,872.00	4,872.00
Expenses Payable to SCUF	24.88	16.57					24.88	16.57
Loan Repayable to SCUF							-	-
Expenses Receivable from SCUF	47.32	32.64					47.32	32.64
Security Deposit - SCUF	275.33	275.33					275.33	275.33
Expenses Payable to SOT			-	135.93			-	135.93
Expenses Payable to SVS Royalty			92.10				92.10	-
Expenses Receivable from SFSL			0.87	0.31			0.87	0.31
Expenses Payable from SFSL			-	0.06			-	0.06
Expenses Payable to SFPS			-	0.14			-	0.14
Expenses Payable to SISBL			0.06	1.19			0.06	1.19
Expenses Payable to SVS			0.74	1.73			0.74	1.73
Expenses Payable to NOVAC			11.34	-			11.34	-
Assignment deal Receivable from SCUF	8,959.57		-	-			8,959.57	-

Note 41: Contingent liabilities, commitments and leasing arrangements

(A) Contingent Liabilities

(₹ in Lakh)

Particulars	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
Income Tax	78.08	49.20
Bank guarantees*	135.00	135.00

Disputed income tax demand is on account of disallowance of royalty as an expense and by treating it as intangible asset. The above demands are determinable only on receipt of judgements/decisions pending with various forums/authorities. The Company is of the opinion that the above demands are not sustainable and expects to succeed in its appeals.

*Fixed Deposit is under lien for Bank Guarantee purpose to the extent for ₹ 25 Lakh.
*Fixed Deposit is under lien with bank pending completion of formalities relating to a borrower to the extent of ₹ 110 Lakh.

(B) Commitments

(₹ in Lakh)

Particulars	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
Estimated amount of contract remaining to be executed on capital account	10.97	-
Undrawn Commitments	18,717.98	6,707.40

Note 42: Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

(₹ in Lakh)

Regulatory capital	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
Common Equity Tier1 (CET1) capital	49,757.11	45,400.79
Other Tier 2 capital instruments	1,529.40	1,486.47
Total capital	**51,286.51**	**46,887.26**
Risk weighted assets	**1,84,765.64**	**1,56,629.53**
CET1 capital ratio	26.93	28.99
Total capital ratio	27.76	29.94

NOTES TO FINANCIAL STATEMENTS
for the Period Ended 31 March 2020

Regulatory capital consists of CET 1 capital, which comprises share capital, share premium, retained earnings including current year profit. Certain adjustments are made to Ind AS–based results and reserves, as prescribed by the National Housing Bank. The other component of regulatory capital is other Tier 2 Capital , which includes provision for standard assets.

Note 43: Fair Value Measurment - Financial assets and Liabilities

This section gives an overview of the significance of financial instruments for the Company and provides additional information on the balance sheet.

Financial Assets and Liabilities

The carrying value of financial instruments by categories and valuation hierarchy as at March 31, 2020 is as follows:

(₹ in Lakh)

Particulars	Carrying Amount	Fair Value		
	As at 31 March 2020 (Audited)	Level 1	Level 2	Level 3
Financial assets at amortised costs:				
Cash and cash equivalents	14,871.01			
Bank Balance other than above	805.50			
Receivables	0.65			
Loans*	1,98,848.38	24,483.08		
Other Financial assets	6,859.74			
Financial assets at fair value through profit or loss:				
Investments in Mutual Funds	12,465.27	12,465.27		
Investments in Security Receipts	1,327.92		1,327.92	
Financial assets at fair value through OCI:				
Investments in Pass through Certificate	1,840.73		1,840.73	
Total	**2,37,019.20**	**36,948.35**	**3,168.65**	-
Financial Liabilities at amortised costs:				
Trade Payables	2,018.49			
Debt Securities	38,497.28			
Borrowings	1,54,404.97			
Other Financial liabilities	2,425.69			
Total	**1,97,346.43**	-	-	-
Off balance sheet items				
Other commitments	18,717.98			
Total off-balance sheet items	**18,717.98**	-	-	-

*Fixed Rate Loans & Advances having carrying value of ₹ 41,204.59 Lakh (Fair Value ₹ 24,483.08 Lakh) on 31 March 2020 have been included above.

The carrying value of financial instruments by categories and valuation hierarchy as at March 31, 2019 is as follows:

(₹ in Lakh)

Particulars	Carrying Amount	Fair Value		
	As at 31 March 2019 (Audited)	Level 1	Level 2	Level 3
Financial assets at amortised costs:				
Cash and cash equivalents	1,447.12			
Bank Balance other than above	137.63			
Receivables	4.07			
Loans**	1,82,164.13	2,188.66		
Other Financial assets	352.92			
Financial assets at fair value through profit or loss:				
Investments in Mutual Funds	16,023.03	16,023.03		
Investments in Security Receipts	1,858.44		1,858.44	
Financial assets at fair value through OCI:				
Investments in Pass through Certificate	3,978.28		3,978.28	
Total	**2,05,965.62**	**18,211.69**	**5,836.72**	-
Financial Liabilities at amortised costs:				
Trade Payables	1,009.28			
Debt Securities	58,014.79			
Borrowings	1,10,868.40			
Other Financial liabilities	584.42			
Total	**1,70,476.89**	-	-	-
Off balance sheet items				
Other commitments	6,707.40			
Total off-balance sheet items	**6,707.40**	-	-	-

**Fixed Rate Loans & Advances having carrying value of ₹ 2,210.54 Lakh (Fair Value ₹ 2,188.66 Lakh) on 31 March 2019 have been included above.

During the reporting period ending 31st March, 2020 and 31st March, 2019, there was no transfer between level 2 and level 3 fair value measurements.

The instruments included in level 2 of fair value hierarchy have been measured based on their net asset value (NAV) as published in their period end statement.

Fair Value Measurment - Non-Financial assets

Assets held for sale are non-financial assets which are measured at fair value through profit and loss. At the time of initial classification as assets held for sale, these assets are measured at the lower of carrying amount and fair value less cost to sell. The fair value of the assets is determined by an independent valuer. These assets are carried at the fair

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for the Period Ended 31 March 2020

value determined on initial recognition, unless there are indicators of significant changes in real estate market condition requiring a re-valuation.

The non-recurring fair value measurement for the assets held for sale has been categorized as a Level 2 fair value based on the inputs to the valuation techniques used. Refer note on Assets held on sale for details, Note 15

(₹ in Lakh)

Particulars	Fair Value hierarchy - Level 2	
	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
Non-Financial assets at fair value through profit or loss:		
Other non financial assets		
Assets held for Sale	7,290.55	7,927.96
Total	**7,290.55**	**7,927.96**

Note 44: Accounting Policy & Leases

The Accounting policies adopted in the preparation and presentation of these financial statements are the same as those adopted in the preparation and presentation of the preceding annual financial statements for the year ended 31st March, 2019 except in respect of Leases wherein Ind AS 116 has been adopted with effect from 1st April 2019.

Due to adoption of this new standard, the profit for the period is lower by ₹ 50.07 Lakh due to increase in expense charged to the statement of profit and loss as compared with previous accounting policy.

Note 45: Risk Management note

The Company is registered with the National Housing Bank (NHB), and is in the business of lending to individuals and non individual clients whether on secured or unsecured basis. The Company faces various risks in its gamut of operations. The Company has out in place a Risk Management Policy to ensure that the risks that the Company faces are identified and dealt / controlled in a manner that the Company can continue its operations in a profitable and sustainable manner.

Risk-taking is an inherent element of business and, indeed, profits are in part the reward for successful risk taking in business. On the other hand, excessive and poorly managed risk can lead to losses and thus endanger the safety of the Company. Accordingly, the Company places significant emphasis on the adequacy of management of risk. This document is set to outline the approach towards risk and the process of oversight and management of the risks.

The Risk Management policy has laid down the various guidelines for risk identification, measurement, monitoring and control at each risk level.

The Board would have the ultimate responsibility in relation to the oversight of the risk management process. The Board of the Company also draws support from the Audit & Risk management committee (ARMC) of the Board which provides oversight over the risk management process. The ARMC has put in place a Risk Management Policy which is implemented in the Company.

Senior management would be responsible for implementing strategies in a manner that limits risks associated with each strategy and that ensures compliance with laws and regulations, risk policies and control limits, on both a long-term and day-to-day basis. Accordingly, management would be fully involved in the activities and possess sufficient knowledge of all major products to ensure that appropriate policies, controls, and risk monitoring systems are in place and that accountability and lines of authority are clearly delineated. Senior management would also responsible for establishing effective internal controls and high ethical standards.

The Company has ensured that adequate policies and procedures are in place for each of the key risks, further a detailed MIS and monitoring mechanism is in place. Further the Company has also put in place internal control mechanisms to review monitor and control risks.

Some of the key risks faced by the Company include –

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 and industry concentrations, and by monitoring exposures in relation to such limits.

Credit risk is monitored by the credit risk department of the Company's independent Risk Controlling Unit. 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 risk managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit risk 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 the Customer.

A detailed credit policy has been designed by the Company for each product type and customer segment.

Credit risk on loans and advances –

Credit risk is controlled by analysing the credit limits and credit worthiness of the customer on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. An impairment analysis is performed at each reporting date on a portfolio basis. The Company holds collateral as security against all the loans advanced. The Company obtains the possession of these collaterals in case of default by customer to meet its obligation. These assets are then sold in to recover the loan value.

The impairment of the credit risk on the loans is carried out through a detailed ECL model. The ECL model provides for the ECL on a 12 month ECL basis for standard to stage 1 assets whereas the same is calculated based on a lifetime ECL for stage 2 & 3 level assets. The ECL is calculated based on a Probability of default (PD) X Exposure at Default (EAD) X (Loss given default X discount rate – (LGD)).

Company calculates the PD by taking into account the past historical trends of the portfolio and its credit performance based on a homogenous characteristic of the underlying portfolio. This is calculated based on a 12 month PD perspective. In case of impaired assets where lifetime PD is to be applied, the PD is extrapolated to take into account the probability of default over the lifetime of the asset.

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

The Loss Given Default (LGD) is reviewed by the credit and collections teams every 3 months if not earlier. The credit risk assessment is based on a standardised LGD assessment framework that results in a certain LGD rate. These LGD rates take into account the expected EAD in comparison to the amount expected to be recovered or realised from any collateral held.

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for the Period Ended 31 March 2020

The Company segments its retail lending products into smaller homogeneous portfolios, based on key characteristics that are relevant to the estimation of future cash flows. The applied data is based on historically collected loss data and involves a wider set of transaction characteristics (e.g., product type, wider range of collateral types) as well as borrower characteristics.

The Company continuously monitors all assets subject to ECLs in order to determine whether an instrument or a portfolio of instruments is subject to 12m ECL or LTECL, the Company assesses whether there has been an event which could cause a significantly impair the underlying asset or the customers ability to pay and accordingly increase the 12 month ECL to a LTECL.

Credit risk on Pass Through Certificates –

The Company carries out investments in Pass Through Certificates (PTC). The Company recognises the credit risk in the PTC by estimating the probability of default (PD). The investment is classified as a Stage 1 in case there is no change in the credit rating or a change of one notch in the credit rating. 12 month PD rates are applied for Stage 1 Investments. Further in case there is a higher notch down in credit rating, the investment is taken as at Stage 2 and life time PD is applied. Any investment which is non performing or in default or restructured is taken to be as at Stage 3.

PD is estimated based on various external information including information available through the CRISIL Default Study Reports among others. The Exposure at Default (EAD) is the carrying value of the investment as at the reporting date. The Loss Given Default (LGD) is calculated as per the RBI FIRB report which stipulates the LGD rates for secured or unsecured investments.

The Company continues to evaluate other external information and data on the Company and the underlying assets to evaluate any changes to the ECL methodology applied.

Credit risk on other financial assets –

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

Liquidity risk –

The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans. The Company also enters into securitization deals (direct assignment as well as pass through certificates) of their loan portfolio, the funding from which can be accessed to meet liquidity needs.The treasury department reporting into the CFO monitors the cash flows on a regular basis. Treasury department is divided into the resource mobilisation and the ALM team. The resource mobilisation team reviews the cash flows, business growth expected and accordingly works with the ALMT to ensure that adequate liquidity is available.

Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31, 2020.

Maturity pattern of assets and liabilities as on March 31, 2020:

(₹ in Lakh)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							-
Cash and cash equivalents and Other Bank Balances	14,970.44	12.91	50.59	812.85	-	-	15,846.79
Loans at amortised cost	11,848.49	9,873.31	19,198.73	72,783.57	66,329.51	2,10,460.42	3,90,494.03
Financial investments at amortised cost	-	-	-	-	-	-	-
Financial investments at FVTPL	12,465.27	-	-	442.64	442.64	442.64	13,793.19
Financial investments at FVOCI	219.59	100.26	199.78	664.80	660.39	821.49	2,666.31
Other Financial Assets	370.90	352.08	685.83	2,811.84	2,138.54	3,982.58	10,341.77
Total undiscounted financial assets	**39,874.69**	**10,338.56**	**20,134.93**	**77,515.70**	**69,571.08**	**2,15,707.13**	**4,33,142.09**
Financial liabilities							
Derivative Financial Instruments	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-
Debt securities	853.17	494.14	12,436.92	21,394.47	11,706.77	-	46,885.47
Borrowings (other than debt securities)	7,612.84	16,078.72	33,759.99	88,988.34	32,115.89	3,081.43	1,81,637.21
Subordinated Liabilities	-	-	-	-	-	-	-
Other Financial Liabilities	969.96	2,191.18	251.93	665.80	421.22	153.51	4,653.60
Total undiscounted financial liabilities	**9,435.97**	**18,764.04**	**46,448.84**	**1,11,048.61**	**44,243.88**	**3,234.94**	**2,33,176.28**
Net undiscounted financial assets/(liabilities)	**30,438.72**	**(8,425.48)**	**(26,313.91)**	**(33,532.91)**	**25,327.20**	**2,12,472.19**	**1,99,965.81**

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Maturity pattern of assets and liabilities as on March 31, 2019:

(₹ in Lakh)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents and Other Bank Balances	1,447.12	27.93	-	-	129.42	-	1,604.47
Loans at amortised cost	11,769.76	8,336.21	16,676.00	67,313.41	59,691.95	1,81,297.61	3,45,084.94
Financial investments at amortised cost	-	-	-	-	-	-	-
Financial investments at FVTPL	16,023.03			619.48	619.48	619.48	17,881.47
Financial investments at FVOCI	667.00	470.10	829.23	780.60	652.97	1,788.60	5,188.50
Other Financial Assets	43.73	10.00	2.92	53.28	318.00	19.81	447.74
Total undiscounted financial assets	**29,950.64**	**8,844.24**	**17,508.15**	**68,766.77**	**61,411.82**	**1,83,725.50**	**3,70,207.12**
Financial liabilities							
Debt securities	358.15	20,888.86	8,312.88	28,410.49	5,544.00	4,412.00	67,926.38
Borrowings (other than debt securities)	10,121.53	22,846.75	9,337.42	49,678.31	27,570.44	524.30	1,20,078.75
Subordinated Liabilities	-	-	-	-	-	-	-
Other Financial Liabilities	1,156.29	113.76	9,381.47	26.79	275.33	21.53	10,975.17
Total undiscounted financial liabilities	**11,635.97**	**43,849.37**	**27,031.77**	**78,115.59**	**33,389.77**	**4,957.83**	**1,98,980.30**
Net undiscounted financial assets/(liabilities)	**18,314.67**	**(35,005.13)**	**(9,523.62)**	**(9,348.82)**	**28,022.05**	**1,78,767.67**	**1,71,226.82**

Interest rate risk –

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

We are subject to interest rate risk, principally because we lend to clients at fixed interest rates and for periods that may differ from our funding sources, while our borrowings are at both fixed and variable interest rates for different periods. We assess and manage our interest rate risk by managing our assets and liabilities. Our Asset Liability Management Committee evaluates asset liability management, and ensures that all significant mismatches, if any, are being managed appropriately.

Note 46: As certified by the Management, loans given by the Company are secured by Equitable Mortgage/Registered Mortgage of the property & Assets Financed &/or assignment of Life Insurance policies &/or Personal Guarantees &/or undertaking to create a security and are considered secured & good.

Note 47: Company has obtained guarantee on pool of Home Loan contracts with a Mortgage Guarantee extended by India Mortgage Guarantee Corporation Pvt. Ltd. (IMGC). The guarantee from IMGC helps in mitigating credit losses.

Note 48: No Funds raised through Preferential allotment of shares.

Note 49: Value of Imports on CIF basis- NIL (Previous Year-NIL).

Note 50: Foreign exchange earnings - NIL (Previous Year - NIL) and out go - NIL (Previous Year - NIL).

Note 51: The Company does not have licensed capacity as it is a Housing Finance Company.

Note 52: The figures of previous year have been rearranged/ regrouped to conform to the current year.

Note 53: Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by SHFL.
The Company has not lent to any Single Borrower exceeding 15% of its owned funds.
The Company has not lent to any Single group of Borrowers exceeding 25% of its owned funds.

Note 54: The Company has not made any unsecured advances during the current or previous year.

Note 55: The Company has not been obtained registrations from any financial sector regulators.

Note 56: No penalties have been imposed by NHB and other regulators.

Note 57 A: There are no such circumstances in which revenue recognition has been postponed pending the resolution of significant Uncertainties.

Note 57 B : Impact of prior period items is not applicable. Changes in accounting policies mentioned in Note No. 3 & Note No. 44 wherever applicable.

Note 58: There has been no case of draw down of any specific reserves.

Note 59: Details of financing of parent company products.

During the year the Company has entered into Assignment deal with Shriram City Union Finance Limited (SCUF). The Company has purchased pool of Receivables from SCUF and paid a amount of ₹ 9,784.26 Lakh.

Note 60: There have no loans granted against collateral gold jewellery.

Note 61:

(A) Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

Sr. No.	Particulars	As at 31 March, 2020	As at 31 March, 2019
(i)	The notional principal of swap agreements	NA	NA
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements		
(iii)	Collateral required by the SHFL upon entering into swaps		
(iv)	Concentration of credit risk arising from the swaps		
(v)	The fair value of the swap book		

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(b) Exchange Traded Interest Rate (IR) Derivative

Sr. No.	Particulars	As at 31 March, 2020	As at 31 March, 2019
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrumentwise)	NA	NA
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as on 31 March, 2019 (instrument-wise)		
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)		
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)		

(c) Disclosures on Risk Exposure in Derivatives

I. Qualitative Disclosure – NA
II. Quantitative Disclosure

Sr. No.	Particulars	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)	NA	NA
(ii)	Marked to Market Positions [1] (a) Assets (+) (b) Liability (-)"		
(iii)	Credit Exposure [2]		
(iv)	Unhedged Exposures		

Note 62: Exposure to Capital Market

Sr. No.	Particulars	As at 31 March, 2020	As at 31 March, 2019
(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.	-	-
(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.	-	-

Sr. No.	Particulars	As at 31 March, 2020	As at 31 March, 2019
(vi)	Loans sanctioned to corporates against the security of shares/ bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources.	-	-
(vii)	Bridge loans to companies against expected equity flows / issues.	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Total Exposure to Capital Market	**-**	**-**

Note 63: Overseas Assets

Sr. No.	Particulars	As at 31 March, 2020	As at 31 March, 2019
	NA	NA	NA

(o) Off-balance Sheet SPVs sponsored

Name of SPV sponsored	
Domestic	**Overseas**
NA	NA

Note 64: 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:

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
(i)	The principal amount remaining unpaid to supplier as at the end of the year	-	-
(ii)	The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
(iii)	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	-	-
(iv)	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	-	-
(v)	The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
(vi)	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	-	-

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for the Period Ended 31 March 2020

Note 65: Transfer to reserve fund:

As per Section 29C of the National Housing Bank Act, 1987, the Company is required to transfer at least 20% of net profits every year to Reserve Fund. The Company has transferred an amount of ₹ 932.80 Lakh (Previous Year ₹ 337.99 Lakh).

(₹ in Lakh)

Particulars as at		As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
Balance at the beginning of the year			
a)	Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	761.38	423.39
b)	Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under section 29C of the NHB Act 1987.	2,037.31	2,037.31
c)	**Total**	**2,798.69**	**2,460.70**
Addition / Appropriation / Withdrawal during the year			
Add:	a) Amount transferred u/s 29C of the NHB Act, 1987	398.08	337.99
	b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under section 29C of the NHB Act 1987.	534.72	-
Less:	a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
	b) Amount withdrawn from the Special Reserve ul s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
Balance at the end of the year			
a)	Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	1,159.46	761.38
b)	Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	2,572.03	2,037.31
c)	**Total**	**3,731.49**	**2,798.69**

Capital to Risk Ratio (CRAR)

Items		As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
1.	CRAR(%)	27.76%	29.94%
2.	CRAR(%)Tier I capital	26.93%	28.99%
3.	CRAR(%)Tier II capital	0.83%	0.95%
4.	Amount of subordinated debt raised as Tier- II Capital	-	-
5.	Amount raised by issue of Perpetual Debt Instruments	-	-

Exposure to Real Estate Sector

a) Direct exposure

i) Residential mortgages

Lending fully secured by mortgage on Residential property that is or will be occupied by the borrower or that is rented

(₹ in Lakh)

Category	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
(i) Housing Loan to individuals upto ₹ 15 Lakh	21,363.96	33,910.86
(ii) Housing Loan to individuals more than ₹ 15 Lakh	67,164.18	54,552.18
(iii) Non Housing Loan against residential property	85,464.55	72,722.42

(ii) Commercial Real Estate

(₹ in Lakh)

Category	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
Lending secured by mortgages on commercial real - estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc) exposure includes non-fund based (NFB) limits.	25,855.68	20,978.67

iii) Investment in mortgage backed securities (MBS) and other securitized exposures

(₹ in Lakh)

Category	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
a) Residential	76.57	144.28
b) Commercial Real Estate	-	-

b) Indirect exposure

Fund based and non-fund based exposure on National Housing Bank (NHB) and Housing Finance Companies (HFCs) – NIL (previous year- NIL)

NOTES TO FINANCIAL STATEMENTS
for the Period Ended 31 March 2020

Note 66: Investments

(₹ in Lakh)

Particulars	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
Value of Investments		
(i) Gross value of Investments		
(a) In India	15,633.92	21,859.75
(b) Outside India	-	-
(ii) Provisions for Depreciation *		
(a) In India	(1.81)	(4.74)
(b) Outside India	-	-
(iii) Net value of Investments		
(a) In India	15,632.11	21,855.01
(b) Outside India	-	-
Movement of provisions held towards depreciation on investments*		
(i) Opening balance	4.74	19.88
(ii) Add: Provisions made during the year*	-	-
(iii) Less: Write-off / Written-back of excess provisions during the year*	(2.93)	(15.14)
(iv) Closing balance	1.81	4.74

*Amount shown is as per expected credit loss (ECL) on investment in PTC as per Ind AS

Asset Liability Management:

Maturity pattern of certain items of Assets and Liabilities

(₹ in Lakh)

Period	Liabilities		Assets	
	Borrowings from Banks*	Market Borrowings**	Advances	Investment
1 day to 30-31 days(one month)	2,233.51	195.29	2,993.45	97.18
Over one month to 2 months	717.62	110.36	1,079.79	52.56
Over 2 months upto 3 months	1,788.99	-	1,207.98	18.06
Over 3 months to 6 months	12,737.05	91.02	3,417.38	52.53
Over 6 months to 1 year	28,386.86	9,754.36	6,651.66	110.38
Over 1 year to 3 years	76,056.56	17,867.68	27,438.66	358.49
Over 3 to 5 years	29,402.94	10,478.56	28,977.40	443.91
Over 5 to 7 years	534.07	-	28,663.64	705.80
Over 7 to 10 years	928.51	-	42,436.19	
Over 10 Years	1,618.85	-	56,982.24	
Total	**1,54,404.96**	**38,497.27**	**1,99,848.39**	**1,838.91**

* Includes Borrowings from National Housing Bank.
** Includes Commercial papers

Details of non- performing financial assets sold :

(₹ in Lakh)

Sr. No.	Particulars	Year Ended 31 March 2020 (Audited)	Year Ended 31 March 2019 (Audited)
1	No. of accounts sold	-	355.00
2	Aggregate outstanding (₹ in Lakh)	-	7,692.17
3	Aggregate consideration received (₹ in Lakh)	-	3,776.00

Note 67: Provisions & Contingencies

(₹ in Lakh)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
1. Provisions for depreciation on Investment**	(2.94)	(15.19)
2. Provision made towards Income tax	1,422.52	(92.94)
3. Provision towards NPA*	(56.64)	(1,390.63)
4. Provision for Standard Assets*	42.93	(375.64)
5. Provision for Covid-19 impact	1,000.00	-
6. Other Provision and Contingencies		
Provision for Gratuity	38.09	(45.32)
Provision for Leave benefits	(34.67)	89.87

* Amount shown is as per expected credit loss (ECL) of loans & non funded exposure as per Ind AS
** Amount shown is as per expected credit loss (ECL) of investment & ECL on interest on investment as per Ind AS

(₹ in Lakh)

Break up of Loan & Advances and Provisions thereon	Housing		Non-Housing	
	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
Standard Assets				
a) Total Outstanding Amount	1,00,956.77	1,06,718.64	96,595.94	72,882.70
b) Provisions made*	784.58	828.21	744.83	658.27
Sub-Standard Assets				
a) Total Outstanding Amount	1,221.57	1,231.94	1,241.37	1,889.89
b) Provisions made*	303.57	296.39	273.47	409.03
Doubtful Assets – Category-I				
a) Total Outstanding Amount	144.94	429.16	629.85	1,079.70
b) Provisions made*	36.44	98.91	128.13	204.54
Doubtful Assets – Category-II				
a) Total Outstanding Amount	348.75	383.92	1,185.54	133.42

NOTES TO FINANCIAL STATEMENTS
for the Period Ended 31 March 2020

(₹ in Lakh)

Break up of Loan & Advances and Provisions thereon	Housing		Non-Housing	
	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
b) Provisions made*	77.26	80.55	218.83	23.06
Doubtful Assets – Category-III				
a) Total Outstanding Amount	81.73	16.82	30.27	-
b) Provisions made*	16.57	3.09	4.67	-
Loss Assets				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made*	-	-	-	-
TOTAL				
a) Total Outstanding Amount	**1,02,753.76**	**1,08,780.48**	**99,682.97**	**75,985.71**
b) Provisions made*	**1,218.42**	**1,307.15**	**1,369.93**	**1,294.90**

*Amount shown under "provisions made" is expected credit loss(ECL) on loans as per IND AS
Apart from above, additional ECL of ₹ 1,000 Lakh is made on loans on account of Covid-19 pandemic

Note 68: Concentration of Public Deposits, Advances, Exposures and NPAs

(i) Concentration of Public Deposits (for Public Deposit taking/holding HFCs)

(₹ in Lakh)

Particulars	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
Total Deposits of twenty largest depositors	NA	NA
Percentage of Deposits of twenty largest depositors to Total Deposits of the HFC		

(ii) Concentration of Loans & Advances

(₹ in Lakh)

Particulars	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
Total Loans & Advances to twenty largest borrowers	20,949.10	22,451.60
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	10.48%	12.32%

NOTES TO FINANCIAL STATEMENTS
for the Period Ended 31 March 2020

(iii) Concentration of all Exposure (including off-balance sheet exposure)

(₹ in Lakh)

Particulars	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
Total Exposure to twenty largest borrowers /customers	22,588.89	23,801.26
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	10.34%	12.60%

(iv) Concentration of NPAs

(₹ in Lakh)

Particulars	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
Total Exposure to top ten NPA accounts	1,242.58	1,345.24

(v) Sector-wise NPAs

Sr. No.	Sector	Percentage of NPAs to Total Advances in that sector
A.	**Housing Loans:**	
1	Individuals	1.34%
2	Builders/Project Loan	-
3	Corporates	-
4	Others (specify)	-
B.	**Non-Housing Loans:**	
1	Individuals	1.81%
2	Builders/Project Loan	-
3	Corporates	0.69%
4	Others (specify)	-

NOTES TO FINANCIAL STATEMENTS
for the Period Ended 31 March 2020

(vi) Movement of NPAs

(₹ in Lakh)

Sr. No.	Particulars	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
(I)	**Net NPAs to Net Advances (%)**	1.90%	2.20%
(II)	**Movement of NPAs (Gross)**		
	a) Opening balance	5,164.85	10,049.42
	b) Additions during the year	2,646.46	3,476.79
	c) Reductions during the year	2,927.29	8,361.36
	d) Closing balance	4,884.02	5,164.85
(III)	**Movement of Net NPAs**		
	a) Opening balance	4,049.24	7,543.18
	b) Additions during the year	2,043.69	2,773.12
	c) Reductions during the year	2,267.88	6,267.06
	d) Closing balance	3,825.05	4,049.24
(IV)	**Movement of provisions for NPAs (excluding provisions on standard assets)**		
	a) Opening balance	1,115.58	2,506.24
	b) Provisions made during the year	602.77	750.57
	c) Write-off/write-back of excess provisions	659.41	2,141.23
	d) Closing balance	1,058.94	1,115.58

Note 69: Rating Assigned by Credit rating agencies and migration of ratings during the year

Rating Agency	Rating Instrument	Rating Assigned as on 31st March 2020
India Rating & Research Pvt. Ltd.	Long-Term (NCDs)	IND AA / Stable
	Bank Loan Ratings	IND AA / Stable
CARE Ratings Limited (Formerly Credit Analysis & Research Limited)	Long-Term (NCDs)	CARE AA+
	Short-Term (CP)	CARE A1+
	Long-Term Bank Loan Ratings	CARE AA+
	Short-Term Bank Loan Ratings	CARE A1+
	Subordinate Debts	CARE AA+
CRISIL	Bank Loan Ratings	CRISIL AA
	Long-Term (NCDs)	CRISIL AA

Note: No migration during the year

Note 70: Disclosure of Complaints

Customers Complaints

Sr. No.	Particulars	Year Ended 31 March 2020 (Audited)	Year Ended 31 March 2019 (Audited)
a)	No. of complaints pending at the beginning of the year	-	-
b)	No. of complaints received during the year	271	890
c)	No. of complaints redressed during the year	271	890
d)	No. of complaints pending at the end of the year	-	-

Note 71: Transferred financial assets that are not derecognised in their entirety

Assignment

(₹ in Lakh)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
No. of accounts	3,257.00	-
Aggregate value (net of provisions) of accounts sold	29,176.61	-
Aggregate consideration	29,359.79	-
Additional consideration realised in respect of accounts transferred in earlier years	-	-
Aggregate gain / loss over net book value	183.18	-

* Includes Income on assignment transactions realised in respect of accounts transferred in current year.

Note 72: Securitisation

The information on securitisation of the Company as an originator in respect of outstanding amount of securitized assets is given below:

(₹ in Lakh)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
1	No of SPVs sponsored by the Company for securitisation transactions	1	-
2	Total amount of securitised assets as per books of the SPVs sponsored by the Company	4,001.54	-
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		

NOTES TO FINANCIAL STATEMENTS
for the Period Ended 31 March 2020

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
	First loss	647.50	-
	Others	-	-
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	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	-	-

Note 73: Disclosure of frauds reported during the year ended March 31, 2020

There are no fraud cases detected during the year ended 31 March 2020.

Note 74:

COVID-19

The 'Severe acute respiratory syndrome coronavirus 2 (SARS-Cov-2), generally known as COVID-19 was declared as a pandemic by World Health Organization on 11th March, 2020. This has spread across globe and in most parts of India. Most countries worldwide have imposed lockdowns ranging from few days to months in wake of this pandemic.

On 24th March, 2020, The Government of India announced an initial lockdown of 21 days, which was extended in 4 phases till 1st June 2020. Certain parts of country with severe outbreak will observe further lockdown. This is one of the strictest lockdowns across globe and has severely impacted the business and economic activity across sectors.

After few hiccups in last year on account of industry headwinds & liquidity concerns, H2'20 saw NBFC & HFC sector on upward growth trajectory. This was aided by various measures from government on real estate sector. RERA, GST, IBC and Subvention scheme ban had started to instil transparency & fiscal discipline thereby improving consumer confidence. However, the current outbreak has resulted in uncertainty over business continuity and future growth. Higher propensity to save & spend only on essentials, has resulted in sudden disruption in housing demand.

Announcement of 'Atma Nirbhar' plan (~10% of GDP) and measures to boost liquidity from Government has managed to keep the MSMEs and small businesses afloat whereas introduction of moratorium provided a room for businesses to conserve liquidity. As the lockdown gets lifted, the impact of trade-off between health and economic costs needs to be analysed.

Moratorium & Provisioning impact

The outbreak of COVID-19 pandemic has contributed to significant increase in volatility in Indian Financial markets and slowdown in economic activities. With an objective to tackle this crisis, RBI issued guidelines on COVID-19 Regulatory package dated 17th March, 2020 and 17th April, 2020 permitting grant of 3 month moratorium to borrowers. In wake of the above circular Shriram Housing Finance Limited offered a moratorium of three months on payment of all principal instalments and / or interest, as applicable, falling due between and including 1st March 2020 and 31st May 2020 to all eligible borrowers classified as standard, even if overdue on 29th February, 2020. All such accounts where moratorium is granted will remain standstill in the moratorium period.

Further, pursuant to RBI Notification dated May 20, 2020 the moratorium given to those borrowers are being extended to the eligible borrowers for a further period of three months upto 31st August 2020.

Considering the sudden onset of the COVID-19 outbreak and the fast pace at which the developments are taking place, the Company has limited ability to develop detailed forecasts of future conditions. In this context, underlying principles of Ind AS 109 and its ECL approach state.

Ind AS 109 being a principle based standard requires application of management judgment and the ECL approach permits consideration of different approaches depending upon different circumstances to faithfully reflect the impact of COVID-19 to individual entities.

ECL approach does not require a mechanistic application of the prescriptions and it does not set bright lines rather prescribes a few rebuttable presumptions.

It allows estimation of ECL based on reasonable and supportable information that is available without undue cost and effort, about past events, current conditions and forecast of future economic conditions including macroeconomic conditions and also economic and monetary policy measures implemented to sustain the economy.

The Company need not undertake an exhaustive search for information but shall consider all reasonable and supportable information that is available without undue cost or effort and that is relevant to the estimate of expected credit losses. The information used should include factors that are specific to the Company's borrowers or credit risk portfolios and more importantly to the economic environment in which the Company is operating and time horizon of forecast information should be commensurate with the expected life of the credit risk portfolio.

Considering the complexity of above methodology & the substantial levels of uncertainty on the assumptions used, the Company has considered several Internal and external sources of information, including credit reports, economic forecasts and industry reports up to the date of approval of these standalone financial results to forecast future scenario. Post this analysis, the Company has decided to set aside INR 10 Crores as additional one-time special provision for FY 2019-20. Based on the current economic scenario and estimated impact on future flows, the provision represents the Company's best estimate of the recoverable amounts.

As a result of uncertainties over actual end of pandemic & return to normalcy, the impact of this pandemic may be different from those estimated as on the date of approval of these financial results. The Company will continue to monitor and react to any changes to the future economic conditions.

The director's are of the opinion that there would not be any temporary or permanent cessation of business and therefore the financial statements have been prepared on a going concern basis.

NOTES TO FINANCIAL STATEMENTS
for the Period Ended 31 March 2020

Note 75: The Company has 65 branches as at March 31, 2020. The list of branches are as follow:

SHRIRAM HOUSING FINANCE LTD.
LIST OF BRANCHES

Sr. No.	State	Name of Branch
1	Andhra Pradesh	Guntur
2	Andhra Pradesh	Kurnool
3	Andhra Pradesh	Nellore
4	Andhra Pradesh	Rajahmundry
5	Andhra Pradesh	Tirupati
6	Andhra Pradesh	Vijayawada
7	Andhra Pradesh	Visakhapatnam
8	Chhattisgarh	Raipur
9	Delhi	Delhi
10	Gujarat	Ahmedabad
11	Gujarat	Bharuch
12	Gujarat	Bhavnagar
13	Gujarat	Mehsana
14	Gujarat	Palanpur
15	Gujarat	Rajkot
16	Gujarat	Surat
17	Gujarat	Vadodara
18	Karnataka	Banashankari
19	Karnataka	Bengaluru
20	Karnataka	Davangere
21	Karnataka	Hubli
22	Karnataka	Mysore
23	Kerala	Ernakulam
24	Kerala	Thrissur
25	Madhya Pradesh	Bhopal
26	Madhya Pradesh	Indore
27	Madhya Pradesh	Ujjain
28	Maharashtra	Ahmednagar
29	Maharashtra	Amaravati
30	Maharashtra	Aurangabad
31	Maharashtra	Kolhapur
32	Maharashtra	Mumbai
33	Maharashtra	Nagpur
34	Maharashtra	Nasik
35	Maharashtra	Pune
36	Maharashtra	Solapur
37	Pondicherry/ Puducherry	Pondicherry/ Puducherry
38	Punjab	Ludhiana

SHRIRAM HOUSING FINANCE LTD.
LIST OF BRANCHES

Sr. No.	State	Name of Branch
39	Punjab	Mohali (Chandigarh)
40	Rajasthan	Ajmer
41	Rajasthan	Alwar
42	Rajasthan	Bikaner
43	Rajasthan	Jaipur
44	Rajasthan	Jodhpur
45	Rajasthan	Kota
46	Rajasthan	Udaipur
47	Tamil Nadu	Chennai
48	Tamil Nadu	Coimbatore
49	Tamil Nadu	Hossur
50	Tamil Nadu	Madurai
51	Tamil Nadu	Salem
52	Tamil Nadu	Tiruchirappalli
53	Tamil Nadu	Tirunelveli
54	Tamil Nadu	Vellore
55	Telangana	Hyderabad
56	Telangana	Karimnagar
57	Telangana	Kukatpally
58	Telangana	Secunderabad
59	Telangana	Warangal
60	Uttar Pradesh	Agra
61	Uttar Pradesh	Lucknow
62	Uttar Pradesh	Meerut
63	Uttarakhand	Dehradun
64	West Bengal	Kolkata
65	West Bengal	Siliguri

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
Shriram Housing Finance Limited

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Standalone financial statements of **Shriram Housing Finance Limited ("the Company")** which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and 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"), of the state of affairs of the Company as at March 31, 2019, its Total 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 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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Review of ERP System Controls

The company's nature of business is such that its operations, books of accounts and financial statements are mainly dependent on its Computerised Information systems. Controls in such systems are determined to be a Key Audit Matter because of its potential to impact the operations (i.e. overall results) as well its financial statements (i.e. results as reported).

We have reviewed the controls put in place by the company in its information systems as detailed out in its various policies, procedures, guidelines and presentations relating to IT and IT related security, and reportsemanating from audit of information systems carried out by the Company through external service providers. The Company also does regular Vulnerability Assessment & Penetration Testing (VAPT) through CERT-IN empanelled organizations for effective functionality of its critical application and infrastructure. We have reviewed the controls in area of book closure, preparation of financial statements, and their reconciliation with books of accounts. Based on our review as above and discussion with the management including designated IT personnel, the controls put in place by the Company in its ERP systems are found to be satisfactory. The present ISO certification of the Company is valid upto July 2022.

2. **Provisions & write-offs**

Until the previous financial year, provision on loan assets was being made based on management estimates subject to minimum prescribed provision as per norms of NHB. Permanent diminution in value of investments was being provided for. This financial year onwards, provisions on all loans, and financial assets/ liabilities classified as at Amortised Cost or at Fair Value through Other Comprehensive Income has been made basis Expected Credit Loss model as required by Ind AS. This model takes into account the Company's exposure, the probability of default, the expected loss in the event of default, and time value of money. This model is dependent on management estimates based on historical data and future outlook on the business environment.

This matter is determined to be a Key Audit Matter because it impacts a major part of the assets and liabilities considering the nature of business of the Company.

We have reviewed the basis for the management's estimates made in this ECL model. We have checked the calculation of ECL made with the books of accounts and these are generally found to be satisfactory. Assets which are not recoverable as per management estimates are charged to revenue as write off.

3. **Sale of Assets to an asset reconstruction company (ARC)**

During the year under review the Company has sold 355 non-performing loans to an asset reconstruction company (ARC) vide agreement dated 28 December, 2018. Pursuant to this agreement, the Company has assigned all its rights, title, interest, underlying collateral and security interest in respect of these loans to the ARC. The amount outstanding on loans of ₹7,692.17 lakhs (including accrued interest of ₹1,367.83 lakhs) was sold for a consideration of ₹3,776.00 lakhs. The resulting loss of ₹3,916.17 lakhs is recognised and presented on the face of the statement of Profit & Loss. This transaction has also resulted in release in provisions carried out such accounts, effect of which has been given in the Profit & Loss account.

This matter is determined to be a Key Audit Matter because of it being a one off transaction and by its very nature and magnitude as compared to the total expense excluding this amount.

This Key Audit Matter was discussed with the management and those charged with governance. We have reviewed the agreement entered into by the Company, the minutes of the Banking & Finance Committee meeting dated 24 December, 2018 authorising the Company for this transaction and extracts of the bank statements reflecting receipt of consideration. The result of our verification was satisfactory.

Other Matter

The comparative financial information of the Company for the preceding year ended March 31, 2018 and the transition date opening balance sheet as at April 01, 2017 included in these Standalone Financial Statements, are based on the previously issued statutory financial statements prepared in accordance with the Accounting Standards Specified under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India, audited by us in our reports for the year ended March 31, 2018 and March 31, 2017 dated April 20, 2018 and dated April 22, 2017 respectively. Our reports expressed an unmodified opinion on those Standalone Financial Statements. These financial statements are adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

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 specified under section 133 of the Act read with relevant Rules issued thereunder. 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 implementation and maintenance of 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 Statement 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 Responsibility for the Audit of the 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 these 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:

a. 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.

b. 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) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d. 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.

e. 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.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure “A” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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, the Statement of Changes in Equity, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d. In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the relevant Rules made thereunder;

e. On the basis of the written representations received from the directors as on 31 March, 2019 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.

g. With respect to the other matters to be included in the 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 financial statements – Refer Note 40 to the financial statements.

   ii. The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Sangeeta Gupta
Partner
Membership No. 064225

Place: Mumbai
Date: April 22, 2019

ANNEXURE 'A'

Annexure referred to in paragraph heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditor's Report of even date

Report under The Companies (Auditor's Report) Order, 2016

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

I (a) According to the information and explanations given to us and records produced before us, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) According to the information and explanations given to us and records produced before us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such physical verification.

(c) According to the information and explanations given to us and records produced before us, the title deeds of the immovable properties are held in the name of the company.

ii. The Company is in the business of providing housing finance services and consequently does not hold inventory. Hence reporting under Clause 3(ii) of the Order is not applicable.

iii. According to the information and explanations given to us, 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 and hence reporting under Clause 3(iii) of the Order is not applicable.

iv. According to the information and explanations given to us, the Company has not granted any loans, made investments or provide guarantees coming under the purview of the provisions of section 185 and 186 of the Companies Act, 20l3 and hence reporting under Clause 3(iv) of the Order is not applicable.

v. According to the information and explanations given to us, the Company has not accepted deposits from the public during the year and hence reporting under Clause 3(v) of the Order is not applicable.

vi. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 148(1) of the Act in respect of the Company's nature of business.

vii. (a) According to the information and explanations provided to us and records examined by us, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues to the appropriate authorities.

(b) According to the information and explanations given to us and the relevant documents produced before us, the following disallowance under Income Tax has been disputed and not deposited by the company.

Statute	Nature of Dues	Amount (₹ in Lacs)	Years to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Demands	49.20	Assessment Year 2016-17	Commissioner of Income Tax (Appeals), Chennai

viii. Based on our audit procedures and as per information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to Banks and Financial Institutions and dues to debenture holders. The company has not taken any loan or borrowing from the Government during the year.

ix. Based on our audit procedures performed and according to the information and explanations given to us, the money raised by the company by way of term loans were applied for the purposes for which it was raised. The company has not raised money by way of initial public offer or further public offer (including debt securities).

x. According to the information and explanations given to us and during the course of examination of the books and records of the Company, we have not come across any instance of material fraud by the Company or on the Company by its officers or employees noticed or reported during the year, nor have we been informed of any such case by the management.

xi. Based on our audit procedures and as per information and explanations given to us, managerial remuneration paid or provided during the year are in accordance with the requisite approvals mandated by provisions of section 197 read with Schedule V and are within the limits prescribed under the Act.

xii. In our opinion the Company is not a Nidhi Company and hence reporting under Clause 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the Standalone Financial Statements as required by applicable Ind AS. (Refer Note 41 to the standalone financial statements)

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

xv. According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, provisions of clause 3(xv) of the Order are not applicable to the Company.

xvi. According to the information and explanations given to us, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

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

Sangeeta Gupta
Partner
Membership No. 064225

Place: Mumbai
Date: April 22, 2019

ANNEXURE 'B'

Annexure referred to in paragraph (f) under heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditor's Report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of Shriram Housing Finance Limited ("The Company") as of March 31, 2019 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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("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 over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both are issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sangeeta Gupta
Partner
Membership No. 064225

Place: Mumbai
Date: April 22, 2019

SHRIRAM HOUSING FINANCE LIMITED

CIN U65929TN2010PLC078004

(₹in Lacs)

Balance Sheet	Notes	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2017 - Opening
I ASSETS				
1. Financial assets				
Cash and cash equivalents	6	1,447.12	536.94	491.12
Bank Balance other than above	7	137.63	135.95	-
Receivables	8			
i) Trade Receivables		-	-	-
ii) Other Receivables		4.07	13.44	2.99
Loans	9	1,82,164.13	1,74,638.77	1,73,039.91
Investments	10	21,855.01	9,920.82	8,919.92
Other Financial assets	11	352.92	355.61	3,364.56
2. Non-financial Assets				
Current tax assets (net)	12	1,404.77	456.11	440.92
Deferred tax assets (net)	35	-	327.63	785.70
Investment Property	13	0.28	0.28	0.28
Property, plant and equipment	14	698.25	750.95	509.80
Capital Work in progress	14	-	11.05	98.64
Other Intangible assets	15	330.50	129.67	3.34
Other Non-financial assets	16	9,152.11	6,874.18	1,240.19
Total Assets		**2,17,546.79**	**1,94,151.40**	**1,88,897.37**
II LIABILITIES AND EQUITY				
1 Financial Liabilities				
(I) Trade Payables				
(i) Total outstanding dues of micro enterprises and small enterprises	17	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,123.03	876.19	812.41
Debt Securities	18	58,014.79	66,957.85	76,617.60
Borrowings (other than debt security)	19	1,10,868.40	80,697.75	69,362.96
Other Financial liabilities	20	301.88	282.33	636.90
Non-financial Liabilities				
Provisions	21	426.91	365.23	408.73
Deferred tax liabilities (net)	35	117.33	-	-
Other Non-financial liabilities	22	114.08	126.05	58.92
Equity				
Equity share capital	23	21,416.00	21,416.00	21,416.00
Other equity	24	25,164.37	23,430.00	19,583.85
Total Liabilities and Equity		**2,17,546.79**	**1,94,151.40**	**1,88,897.37**

As per our report of even date

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

Sangeeta Gupta
Partner
Membership No.: 064225

Place: Mumbai
Date: April 22, 2019

For and on behalf of the Board of Directors
Shriram Housing Finance Limited

Subramanian Jambunathan
Managing Director and CEO
DIN: 00969478

Y. S. Chakravarti
Director
DIN: 00052308

Kunal Karnani
Chief Financial Officer

Nikita Hule
Company Secretary

Place: Mumbai
Date: April 22, 2019

(₹in Lacs)

	Statement of Profit & Loss	Notes	For Year Ended 31 March, 2019	For Year Ended 31 March, 2018
	REVENUE FROM OPERATIONS			
(i)	Interest Income	25	28,042.26	27,275.69
(ii)	Dividend Income		-	-
(iii)	Rental Income		-	-
(iv)	Fees and commission Income		-	-
(v)	Net gain on fair value changes	26	288.34	102.61
(vi)	Net gain on derecognition of financial instruments under amortised cost category		-	-
(vii)	Sale of products(including Excise Duty)		-	-
(viii)	Sale of services		-	-
(ix)	Others (to be specified)	27	758.02	636.78
(I)	**Total Revenue from operations**		29,088.62	28,015.08
(II)	Other Income (to be specified)	28	38.74	50.56
(III)	**Total Income (I+II)**		29,127.36	28,065.64
	EXPENSES			
(i)	Finance Costs	29	12,863.61	11,564.17
(ii)	Fees and commission expense		-	-
(iii)	Net loss on fair value changes		-	-
(iv)	Net loss on derecognition of financial instruments under amortised cost category	30	3,916.17	-
(v)	Impairment on financial instruments	31	(1,338.38)	1,161.74
(vi)	Cost of materials consumed			
(vii)	Purchases of Stock-in-trade			
(viii)	Changes in Inventories of finished goods, stock-in-trade and work-in- progress			
(ix)	Employee Benefits Expenses	32	5,895.66	4,256.33
(x)	Depreciation, amortization and impairment	33	232.50	193.10
(xi)	Others expenses (to be specified)	34	5,050.53	5,088.74
(IV)	**Total Expenses (IV)**		26,620.09	22,264.08
(V)	Profit / (loss) before exceptional items and tax (III-IV)		2,507.27	5,801.56
(VI)	Exceptional items		-	-
(VII)	Profit/(loss) before tax (V -VI)		2,507.27	5,801.56
(VIII)	Tax Expense:			
	(1) Current Tax	35	519.89	1,337.56
	(2) MAT	35	(519.89)	-
	(3) Deferred Tax	35	935.08	455.21
	(4) Earlier Year Adjustments	35	(92.94)	172.44
(VIII)	Profit/(loss) for the Year		1,665.13	3,836.35
(IX)	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-

	Subtotal (A)		**-**	**-**
	B (i) Items that will be reclassified to profit or loss		89.19	8.32
	(ii) Income tax relating to items that will be reclassified to profit or loss		(29.77)	(2.88)
	Subtotal (B)		**59.42**	**5.44**
	Other Comprehensive Income (A + B)		59.42	5.44
(X)	Total Comprehensive Income for the period		1,724.55	3,841.79
(XI)	Earnings per equity share			
	Basic (₹)		0.78	1.79
	Diluted (₹)		0.77	1.79

As per our report of even date

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

Sangeeta Gupta
Partner
Membership No.: 064225

Place: Mumbai
Date: April 22, 2019

For and on behalf of the Board of Directors
Shriram Housing Finance Limited

Subramanian Jambunathan
Managing Director and CEO
DIN: 00969478

Y. S. Chakravarti
Director
DIN: 00052308

Kunal Karnani
Chief Financial Officer

Nikita Hule
Company Secretary

Place: Mumbai
Date: April 22, 2019

SHRIRAM HOUSING FINANCE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2019

a. Equity Share Capital

	No. of Shares	₹ in Lacs
Equity shares of Rs. 10 each issued, subscribed and fully paid		
As at 1 April, 2017	**21,41,60,000**	**21,416.00**
Changes in share capital during the year	-	-
As at 31 March, 2018	**21,41,60,000**	**21,416.00**
Issued during the year	-	-
As at 31 March, 2019	**21,41,60,000**	**21,416.00**

b. Other Equity

(₹in Lacs)

	Reserves and Surplus								Other comprehensive income			Total
	Statutory Reserve	Share option out-standing	Securities premium account	Deemed Investment (SCUF)	Hedge Reserve	General Reserve	Capital Reserve	Retained Earnings	Debt instruments through other comprehen-sive income	Equity instruments through other comprehen-sive income	Actuarial gain/ (losses)	
Balance as at April 1, 2017	**1,882.70**	**11.51**	**12,180.00**	**183.91**				**5,325.73**		**-**	**-**	**19,583.85**
Profit for the year								3,841.79				3,841.79
Other comprehensive income								(5.44)			5.44	-
Transferred from retained earnings to statutory reserve	578.00							(578.00)				-
Share-based payments		4.35										4.35
Other Additions/ Deductions during the year (to be specified)												-

Shares alloted during the year												-
Utilised during the year												-
Premium received during the year												-
Income tax on the above												-
Profit (loss) for the year after income tax												-
Other Comprehensive Income for the year before income tax												-
Less: Income Tax												-
Total Comprehensive Income for the year												-
Balance as at March 31, 2018	**2,460.70**	**15.86**	**12,180.00**	**183.91**	**-**	**-**	**-**	**8,584.09**	**-**	**-**	**5.44**	**23,430.00**
Profit for the year								1,724.55				1,724.55
Other comprehensive income								(59.42)			59.42	-
Dividends												-
Transferred from retained earnings to statutory reserve	337.99							(337.99)				-
Share-based payments		0.31						9.51				9.82
Other Additions/ Deductions during the year (to be specified)												-
Shares alloted during the year												-
Utilised during the year												-
Premium received during the year												-
Income tax on the above												-
Profit (loss) for the year after income tax												-
Other Comprehensive Income for the year before income tax												-
Less: Income Tax												-

Total Comprehensive Income for the year												-
Balance as at March 31, 2019	**2,798.69**	**16.17**	**12,180.00**	**183.91**	**-**	**-**	**-**	**9,920.74**	**-**	**-**	**64.86**	**25,164.37**

As per our report of even date

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

Sangeeta Gupta
Partner
Membership No.: 064225

Place: Mumbai
Date: April 22, 2019

For and on behalf of the Board of Directors
Shriram Housing Finance Limited

Subramanian Jambunathan
Managing Director and CEO
DIN: 00969478

Y. S. Chakravarti
Director
DIN: 00052308

Kunal Karnani
Chief Financial Officer

Nikita Hule
Company Secretary

Place: Mumbai
Date: April 22, 2019

(₹in Lacs)

Cash Flow Statement	For Year Ended 31 March, 2019	For Year Ended 31 March, 2018
A) Cash flow from Operating activities		
Net Profit before taxation	2,507.27	5,801.56
Adjustment for :		
Unamortized Income	(971.98)	(870.86)
Fair Value Changes	(23.03)	0.48
Unamortized Expenses	20.51	1.33
Finance Cost related to SCUF Guarantee	15.60	15.60
Loss on sale of assets	1,367.83	-
Deferred Lease rental	32.39	27.85
Provisions	(778.25)	(649.16)
ESOP compensation cost	9.87	4.35
	2,180.21	**4,331.15**
Depreciation and amortization	232.49	193.10
Provision for sub standard, doubtful & loss assets	(1,010.25)	950.76
Contingent Provision on Standard assets	(10.16)	(118.96)
Bad debts written off	460.25	979.07
Loss on sale of loan assets	2,548.34	-
Provision for lease rental	25.73	27.31
Premium on PTC written off	-	1.18
NCD private placement Expenses	114.06	122.92
Interest received	(11.73)	(115.79)
(Profit)/Loss on sale of assets	22.52	0.54
Profit on sale of investment	(265.32)	(103.09)
Operating profit before working capital changes	**4,286.14**	**6,268.19**
Movement in working capital:		
(Increase) / decrease in Short-term loans and advances	(1,147.87)	(846.52)
(Increase) / decrease in Long-term loans and advances	(7,976.64)	(1,235.31)
(Increase) / decrease in other current assets	(2,508.95)	(4,837.07)
(Increase) / decrease in other non-current assets	81.24	2,314.79
Increase / (decrease) in current liabilities	(759.31)	(144.39)
Increase / (decrease) in non-current liabilities	-	(364.47)
Increase / (decrease) in provision for employee benefits	113.57	40.60
Cash generated from operation	**(7,911.82)**	**1,195.82**
Direct Taxes Paid(Net of refund)	(1,375.60)	(1,525.19)
Net Cash flow from/ (used in) operating activities (A)	**(9,287.42)**	**(329.37)**
B) Cash flow from investing activities		
Purchase of fixed and intangible assets	(409.73)	(561.35)
Proceeds from sale of fixed assets	6.57	0.22
Investment in security receipts	-	(2,303.10)
Proceeds from sale of Security Receipts	444.66	
Proceeds from sale of investments (net)	(12,077.80)	4,649.55
Investment in PTC	-	(3,249.51)
Investment in Fixed deposit	(1.56)	(25.00)
Interest received (others)	11.73	115.79
Net Cash flow from/(used in) investing activities (B)	**(12,026.13)**	**(1,373.40)**
C) Cash flow from financing activities		
Increase / (decrease) of long term borrowings	18,557.25	(19,876.47)
Increase / (decrease) of short term borrowings	3,675.91	21,641.93
Private placement expenses for non-convertible debentures paid	(9.43)	(16.87)
Net Cash flow from/(used in) financing activities (C)	**22,223.73**	**1,748.59**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**910.18**	**45.82**

Cash and cash equivalents at the beginning of the year	**536.94**	**491.12**
Cash and cash equivalents at the end of the year	**1,447.12**	**536.94**
Component of cash and cash equivalents	**For Year ended 31 March, 2019**	**For Year ended 31 March, 2018**
Cash on hand	2.76	3.56
Balances with banks:		
- Current Account /Cash Credit Account	1,444.36	533.38
Total Cash and cash equivalents	**1,447.12**	**536.94**

As per our report of even date

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

Sangeeta Gupta
Partner
Membership No.: 064225

Place: Mumbai
Date: April 22, 2019

For and on behalf of the Board of Directors
Shriram Housing Finance Limited

Subramanian Jambunathan
Managing Director and CEO
DIN: 00969478

Y. S. Chakravarti
Director
DIN: 00052308

Kunal Karnani
Chief Financial Officer

Nikita Hule
Company Secretary

Place: Mumbai
Date: April 22, 2019

Note 1: Corporate Information

Shriram Housing Finance Limited (the Company) is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act, 1956. The Corporate Identification Number (CIN) is CIN U65929TN2010PLC078004.The company received its Certificate of Registration from National Housing Bank (NHB) as required under Section 29A of the National Housing Bank Act, 1987, on August 4, 2011. The Company is primarily engaged in the business of providing loans for construction or purchase of residential property and loans against property.

The Company is a subsidiary of Shriram City Union Finance Ltd.

The registered office of the Company is at No. 123, Angappa Naicken Street, Chennai – 600 001.

The financial statements of the Company for the year ended March 31, 2019 were approved for issue in accordance with the resolution of the Board of Directors on April 22, 2019.

Note 2: Basis of preparation and presentation

The financial statements of the Company 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) . These financial statements, for the year ended 31 March 2019, are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2018, the Company prepared its financial statements in accordance with Accounting Standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2019, together with the comparative period data as at and for the year ended 31 March 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2017, the Company's date of transition to Ind AS.

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

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).The financial statements are presented in Indian Rupees (INR) which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates and all values are rounded to the nearest lacs, except when otherwise indicated.

Note 3: Significant accounting policies

3.1 Use of estimates, judgements 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 recognized in the period in which the estimates are revised and future periods are affected.

3.2 Revenue from operations

(i) Interest and similar income

a) Under Ind AS 109,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 Fair value through Profit and loss (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 amount, i.e., gross carrying amount less provisions of the financial asset.

b) All other charges such as cheque return charges, additional finance interest, etc. are recognised on realization basis. These charges are treated to accrue on realization, due to the uncertainty of their realization.

(ii) Dividend Income

Dividend income is recognised.

a. When the right to receive the payment is established,

b. it is probable that the economic benefits associated with the dividend will flow to the entity and

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

(iii) Fees & Commission Income

Revenue from fee-based activities are recognized when the services are rendered. Fees earned from contract with customer is recognised as and when performance obligation is satisfied. Fees or components of fees that are linked to a certain performance are recognised after fulfilling the corresponding criteria.

(iv) Net gain on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss (refer Note 26), 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 Fair value through Other Comprehensive Income ("FVOCI") is recognised in net gain/ loss on fair value changes.

However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

3.3 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.

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 expenses with the corresponding adjustment to the carrying amount of the liability.

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method.

(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. 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, 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

Eligible 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.

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 recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Net interest recognized 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 recognized as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

The Company fully contributes all ascertained liabilities to the Trustees – Shriram Housing Finance Limited Employees Group Gratuity Fund 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 recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

Other long-term employee benefits

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

(iii) Rent Expense:

Identification of Lease:

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.

For arrangements entered into prior to 1 April 2017, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a Lessee:

Leases that do not transfer to the Company, substantially all of the risks and benefits incidental to ownership of the leased items are operating leases.

Rent expenses representing operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognised based on contractual terms.

(iv) Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flow 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.

(v) Expenditure on Corporate Social Responsibility (CSR)

The Company accounts the expenditure incurred towards Corporate Social Responsibility as required under the Act as a charge to the statement of profit and loss.

(vi) Rating Expenses

The company evaluates whether rating fee is directly attributable and incremental to each borrowing/NCD. If such fees are directly attributable to the acquisition of the borrowing, then same is considered for EIR. If such fees are not directly attributable to the acquisition of the borrowing, then the same is charged to Profit and Loss proportionately as and when the borrowing facility is availed.

(vii) Mortgage Guarantee Fee not written off

Mortgage Guarantee fee is the guarantee fee paid to a Mortgage Insurance for risk mitigation when any loan becomes NPA. The Company has decided to amortise such fee on straight line basis over the expected life of loan or actual life of loan whichever is earlier.

(viii) Other expenses

All Other expenses are recognized in the period they accrue.

(ix) Taxes

Income tax expense comprises of current and deferred income tax. Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

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 where the Company operates and generates taxable income.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant taxpaying unit intends to settle the asset and liability on a net basis.

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, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

Minimum Alternate Tax (MAT)

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT credit is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with the asset will be realised. The Company reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

3.4 Property, plant and equipment

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. PPE are initially recognised at cost. The initial cost of Property, plant and equipment (PPE) 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.Subsequent to initial recognition, Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

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

Depreciation

Depreciation is calculated using the straight–line method to write down the cost of property and equipment to their residual values over their estimated useful lives estimated by the management.

The estimated useful lives are as follows:

Particulars	Useful Life Estimated by Company
Electrical installation and equipment	10 years
Furniture and fixture	10 years
Office equipment	5 years
Computer	5 years

Leasehold improvements 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.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed annually.

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

3.5 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 Company considers that the useful life of an intangible asset comprising of computer software will not exceed 5 years from the date when the asset is available for use.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.

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.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.

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.

3.6 Investment Property

Investment property consists of vacant land. Investment properties are measured initially at cost including transaction costs. Investment property being land is not depreciated.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit orloss in the period of derecognition.

3.7 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.

3.8 Assets held for sale:

Assets held for sale comprises of house properties, which were held as collaterals against the loans given to customer, whose physical and legal possessing has been taken over by the company due to customers' default on repayment of the loan. Management intends to sell these properties for which regular auctions are conducted.

Such assets are classified as held for sale when their carrying amount is intended to be recovered principally through sale rather than through continued use.

At the time of initial classification as assets held for sale, these assets are measured at the lower of carrying amount and fair value less cost to sell. The fair value of the assets is determined by an independent valuer. These assets are carried at the fair value determined on initial recognition, unless there are indicators of significant changes in real estate market condition requiring a revised valuation.

Assets held for sale are not depreciated while they are held for sale. Assets which are unsold within a period of 3 years from the date of recognition as assets held for sale, the carrying value of such assets is written off.

3.9 Cash and cash equivalents

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

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

3.10 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effectsof transactions of a non-cash nature, any deferrals oraccruals of past or future operating cash receipts orpayments and item of income or expenses associatedwith investing or financing cash flows. The cash flowsfrom operating, investing and financing activities ofthe Company are segregated.

3.11 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Entity becomes a party to the contractual provisions of the instruments.

3.11.1 Financial Assets

Initial Recognition – Financial assets are recognised at fair value. In case of financial assets which are recognised at fair value through profit and loss(FVTPL), its transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in four categories:

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

Financial assets measured at amortised cost

Debt instruments

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 using the effective interest rate (EIR) method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in Interest income in the profit or loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

The measurement of credit impairment is based on the three-stage expected credit loss model described below in Note 3.14 Impairment of financial assets.

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 are recognised in 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. The measurement of credit impairment is based on the three-stage expected credit loss model as applied to financial assets at amortised cost.

The expected credit loss model is described below in Note 3.14 Impairment of financial assets.

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 IndAS 103 'Business Combination' applies, are measured at fair value through other comprehensive income, where an irrevocable election can be 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 FVOCI.

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

Financial assets measured at fair value through profit or loss

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

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

Financial instruments held for trading

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

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

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

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.

3.11.2 Financial Liabilities

Initial Measurement

Financial liabilities are classified and measured at amortized cost. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The company's financial liabilities include loans and borrowings and other payables.

Subsequent Measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

3.11.3 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.

3.12 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 financial year 2017-18 and until the year ended March 31, 2019.

3.13 Determination of fair value

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 as 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 inputs those are significant to the measurement as whole.

3.14 Impairment of financial assets

Overview of the ECL principles

The Company records allowance for expected credit losses for debt financial assets not held at FVTPL, 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 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 1:12-months ECL

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 loan advances upto 30 days default under this category. Stage 1 loan advances also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.For these assets, 12-month ECL are recognized and interest revenue is calculated on the gross carrying amount of the asset.

For Investments measured at FVOCI – "The investment is classified as a Stage 1 in case there is no change in the credit rating or a change of one notch downward in the credit rating.

Stage 2: Lifetime ECL – not credit impaired

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. More than 30 Days Past Due is considered as significant increase in credit risk. For these assets, lifetime ECL are recognized, but interest revenue is still calculated on the gross carrying amount of the asset.

For Investments measured at FVOCI – In case there is a downgrade in credit rating by two or more notches, the investment is taken as at Stage 2 and life time PD is applied.

Stage 3: Lifetime ECL – credit impaired

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.

For Investments measured at FVOCI –Any investment which is non performing or in default or restructured is taken to be as at Stage 3.

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;

e) The disappearance of an active market for a security because of financial difficulties.

ECLs are recognised as impairment on financial instruments in profit and loss. In the case of debt instruments measured at fair value through other comprehensive income, the measurement of ECLs is based on the three-stage approach as applied to financial assets at amortised cost.

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.

As at the reporting date, the Company does not have any such instruments.

3.15 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. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the company's procedures for recovery of amounts due.

3.16 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.

b) Investments are initially recognised on the settlement date.

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

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

Derecognition

a) Financial asset

The Company derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

3.17 Offsetting

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 and intends to settle on a net basis or to realise the asset and settle the liability simultaneously in all of 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 counter parties.

3.18 Provisions

Provisions are recognised when the enterprise has a present obligation 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 company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. As at reporting date, the Company does not have any such provision where effect of time value of money is material. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

3.19 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 recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

3.20 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 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.

3.21 Employee Stock Option Plan

Employees of the Company receive remuneration in the form of equity settled share-based payments in consideration of the services rendered.

The Company recognizes compensation expense relating to share-based payments as employee benefit expenses' with a corresponding increase in equity, over the vesting period, using the grant date fair-value of the option in accordance with Ind AS 102, Share-based Payments. The grant date fair value of the options is calculated using the Black Scholesmodel.

The estimated fair value of the awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in substance, multiple awards with a corresponding increase to share options outstanding account.At the end of each reporting period, the expense is reviewed and adjusted toreflect changes to the level of options expected to vest. When theoptions are exercised, the Company issues fresh equity shares.

Note 4: First time adoption

This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April, 2017 and the financial statements as at and for the year ended 31 March, 2018.

Optional exemptions

Ind AS 101 permits first-time adopters' certain exemptions from retrospective application of certain requirements under Ind AS. The Company has elected to apply the following optional exemptions from retrospective application:

4.1 Lease arrangements

Appendix C to Ind AS 17 requires entity to assess whether contract or arrangement contains a lease. In accordance with the same, this assessment should be carried out at the inception of arrangement. However, the company has used exemption under Ind AS 101 and assessed all arrangements based on conditions in place as on date of transition.

4.2 Deemed cost for Property, plant, equipment & intangible assets

On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets as at 31 March 2017, measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment and intangible assets as on 1st April 2017.

4.3 Deemed cost for Investment properties

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its Investment properties recognised as at April 1, 2017, measured asper the previous GAAP, and use that carrying value as the deemed cost of such Investment properties.

4.4 Designation of previously recognised financial instruments

Under Ind AS 109, at initial recognition of a financial asset, as entity may make an irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument in other comprehensive income. Ind AS 101 allows such designation of previously recognised financial assets, as 'fair value through other comprehensive income' on the basis of the facts and circumstances that existed at the date of transition to Ind AS. The Company has opted not to re-evaluate financial assets derecognized in the past including those sold to asset restructuring companies.

4.5 Fair value measurement of financial assets or financial liabilities at initial recognition

Under Ind AS 109, if an entity measures a financial instrument on initial recognition based on valuation techniques that only use observable market data or current market transactions in the same instrument, and the fair value at initial recognition is different from the transaction price, then it is required to recognise the 'day one' gain or loss at initial recognition of this financial instrument. Ind AS 101 allows an entity to apply the 'day one' gain or loss recognition requirement of Ind AS 109 prospectively to transactions entered into on or after the date of transition to Ind AS. The Company has opted for this exemption to recognise the 'day one' gain or loss on initial recognition arising due to difference in transaction cost and fair value prospectively for transactions entered into on or after the date of transition to Ind AS.

4.6 Share based payments

The Company has elected not to apply Ind AS 102 Share-Based Payment, to equity instruments that vested prior to the date of transition to Ind AS.

Mandatory exemptions

The Company has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101:

4.7 Estimates

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

4.8 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

Note 5: Transition to Ind AS - Reconciliations

The following reconciliations provide the explanations and quantification ofthe differences arising from the transition from Previous GAAP to Ind AS inaccordance with Ind AS 101:

1. Reconciliation of Equity as at April 1, 2017
2. A) Reconciliation of Equity as at March 31, 2018

   B) Reconciliation of Statement of Profit and Loss for the year ended March 31, 2018
3. Adjustments to Statement of Cash Flows for the year ended March 31, 2018

Previous GAAP figures have been reclassified/regrouped wherever necessary to conform with financial statements prepared under Ind AS.

Note 6: Cash and cash equivalents

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2017 - Opening
Cash on hand	2.76	3.56	190.37
Balances with Banks			-
- in current accounts	1,444.36	533.38	300.75
Total	**1,447.12**	**536.94**	**491.12**

Note 7: Other Bank Balances

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2017 - Opening
Fixed deposit with original maturity for more than 3 months but less than 12 months*	27.63	25.95	-
Fixed deposit with original maturity of more than 12 months**	110.00	110.00	-
Total	**137.63**	**135.95**	**-**

*Fixed Deposit is under lien for Bank Guarantee purpose to the extend of ₹25 Lacs.
**Fixed Deposit is under lien with Bank pending completion of formalities relating to a borrower to the extend of ₹110 Lacs.

Note 8: Receivables

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2017 - Opening
Secured, considered good	-	-	
Unsecured, considered good	4.07	13.44	2.99
Unsecured, considered Doubtful	-	-	
Total	**4.07**	**13.44**	**2.99**

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. No ECL is taken on receivable as amount is immaterial and management considers all receivables as good.

Note 9: Loans

(₹in Lacs)

Particulars	As at 31 March, 2019						As at 31 March, 2018						As at 01 April, 2017 - Opening					
	Amortised Cost	At Fair value				Total	Amortised Cost	At Fair value				Total	Amortised Cost	At Fair value				Total
		Through Other Comprehensive Income	Through profit or loss	Designated at through profit or loss	Sub-total			Through Other Comprehensive Income	Through profit or loss	Designated at through profit or loss	Sub-total			Through Other Comprehensive Income	Through profit or loss	Designated at through profit or loss	Sub-total	
(A) i) Bills purchased and bills discounted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii) Loans repayable on demand	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iii) Term loans	1,84,766.19	-	-	-	-	1,84,766.19	1,79,007.16	-	-	-	-	1,79,007.16	1,77,124.34	-	-	-	-	1,77,124.34
iv) Leasing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
v) Factoring	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
vi) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (A)-Gross	**1,84,766.19**	**-**	**-**	**-**	**-**	**1,84,766.19**	**1,79,007.16**	**-**	**-**	**-**	**-**	**1,79,007.16**	**1,77,124.34**	**-**	**-**	**-**	**-**	**1,77,124.34**
Less : Impairment loss allowance	(2,602.06)	-	-	-	-	(2,602.06)	(4,368.39)	-	-	-	-	(4,368.39)	(4,084.43)	-	-	-	-	(4,084.43)
Total (A) - Net	**1,82,164.13**	**-**	**-**	**-**	**-**	**1,82,164.13**	**1,74,638.77**	**-**	**-**	**-**	**-**	**1,74,638.77**	**1,73,039.91**	**-**	**-**	**-**	**-**	**1,73,039.91**
(B) i) Secured by tangible assets and intangible assets	1,84,766.19	-	-	-	-	1,84,766.19	1,79,007.16	-	-	-	-	1,79,007.16	1,77,124.34	-	-	-	-	1,77,124.34
ii) Covered by Bank / Government Guarantees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iii) Unsecured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (B)-Gross	**1,84,766.19**	**-**	**-**	**-**	**-**	**1,84,766.19**	**1,79,007.16**	**-**	**-**	**-**	**-**	**1,79,007.16**	**1,77,124.34**	**-**	**-**	**-**		**- 1,77,124.34**
Less : Impairment loss allowance	(2,602.06)	-	-	-	-	(2,602.06)	(4,368.39)	-	-	-	-	(4,368.39)	(4,084.43)	-	-	-	-	(4,084.43)
Total (B) - Net	**1,82,164.13**	**-**	**-**	**-**	**-**	**1,82,164.13**	**1,74,638.77**	**-**	**-**	**-**	**-**	**1,74,638.77**	**1,73,039.91**	**-**	**-**	**-**	**-**	**1,73,039.91**
(C) i) Public Sector	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii) Others : Individuals & Corporates	1,84,766.19	-	-	-	-	1,84,766.19	1,79,007.16	-	-	-	-	1,79,007.16	1,77,124.34	-	-	-	-	1,77,124.34
Total (C)-Gross	**1,84,766.19**	**-**	**-**	**-**	**-**	**1,84,766.19**	**1,79,007.16**	**-**	**-**	**-**	**-**	**1,79,007.16**	**1,77,124.34**	**-**	**-**	**-**	**-**	**1,77,124.34**
Less: Impairment Loss Allowance	(2,602.06)	-	-	-	-	(2,602.06)	(4,368.39)	-	-	-	-	(4,368.39)	(4,084.43)	-	-	-	-	(4,084.43)
Total (C) - Net	**1,82,164.13**	**-**	**-**	**-**	**-**	**1,82,164.13**	**1,74,638.77**	**-**	**-**	**-**	**-**	**1,74,638.77**	**1,73,039.91**	**-**	**-**	**-**	**-**	**1,73,039.91**
Total	**1,82,164.13**	**-**	**-**	**-**	**-**	**1,82,164.13**	**1,74,638.77**	**-**	**-**	**-**	**-**	**1,74,638.77**	**1,73,039.91**	**-**	**-**	**-**	**-**	**1,73,039.91**

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 and policies on ECL allowances are set out in Note 44.

(₹in Lacs)

	As at 31 March, 2019				As at 31 March, 2018				As at 01 April, 2017 - Opening			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade												
Performing	1,59,267.37	20,333.97		1,79,601.34	1,47,299.73	21,658.01		1,68,957.74	1,45,972.66	26,163.79		1,72,136.45
Non-performing :				-				-				-
Individually impaired			5,164.85	5,164.85			10,049.42	10,049.42			4,987.89	4,987.89
Total	**1,59,267.37**	**20,333.97**	**5,164.85**	**1,84,766.19**	**1,47,299.73**	**21,658.01**	**10,049.42**	**1,79,007.16**	**1,45,972.66**	**26,163.79**	**4,987.89**	**1,77,124.34**

Reconciliation of Gross Carrying amount is given below:

(₹in Lacs)

	Period ended March 31, 2019				Period ended March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	1,47,299.73	21,658.01	10,049.42	1,79,007.16	1,45,972.66	26,163.79	4,987.89	1,77,124.34
New assets originated or purchased	61,391.83	787.69	69.52	62,249.04	67,860.45	549.95	89.35	68,499.75
Assets derecognised or repaid (excluding write offs)	(42,803.10)	(6,446.36)	(7,351.70)	(56,601.16)	(57,849.40)	(6,170.20)	(2,245.05)	(66,264.65)
Transfers to Stage 1	(6,621.09)			(6,621.09)	(8,683.98)			(8,683.98)
Transfers to Stage 2		4,334.63		4,334.63		1,114.47		1,114.47
Transfers to Stage 3			2,427.90	2,427.90			7,297.05	7,297.05
Changes to contractual cash flows due to modifications not resulting in derecognition				-				-
Amounts written off			(30.29)	(30.29)			(79.82)	(79.82)
Gross carrying amount closing balance	**1,59,267.37**	**20,333.97**	**5,164.85**	**1,84,766.19**	**1,47,299.73**	**21,658.01**	**10,049.42**	**1,79,007.16**

Reconciliation of ECL balance is given below:

(₹in Lacs)

	Period ended March 31, 2019				Period ended March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	956.07	906.09	2,506.23	4,368.39	1,085.11	1,267.38	1,731.94	4,084.43
New assets originated or purchased	384.05	32.29	15.16	431.50	445.88	29.62	25.72	501.22
Assets derecognised or repaid (excluding write offs)	(390.84)	(416.56)	(1,891.05)	(2,698.45)	(499.32)	(375.52)	(941.87)	(1,816.71)
Transfers to Stage 1	(49.93)			(49.93)	(75.60)			(75.60)
Transfers to Stage 2		65.31		65.31		(15.39)		(15.39)
Transfers to Stage 3			491.68	491.68			1,713.44	1,713.44
Amounts written off			(6.44)	(6.44)			(23.00)	(23.00)
ECL allowance - closing balance	**899.35**	**587.13**	**1,115.58**	**2,602.06**	**956.07**	**906.09**	**2,506.23**	**4,368.39**

Note 10: Investments

(₹in Lacs)

Particulars	As at 31 March, 2019				As at 31 March, 2018				As at 01 April, 2017 - Opening			
	Amortised Cost	At Fair value		Total	Amortised Cost	At Fair value		Total	Amortised Cost	At Fair value		Total
		Through Other Comprehensive Income	Through profit or loss			Through Other Comprehensive Income	Through profit or loss			Through Other Comprehensive Income	Through profit or loss	
i) Mutual funds	-	-	16,023.03	16,023.03	-	-	-	-	-	-	1,800.48	1,800.48
ii) Pass through certificates (PTC), (unquoted)	-	3,978.28	-	3,978.28	-	7,637.60	-	7,637.60	-	7,137.68	-	7,137.68
iii) Security Receipts	-	-	1,858.44	1,858.44	-	-	2,303.10	2,303.10	-	-	-	-
Total Gross (A)	**-**	**3,978.28**	**17,881.47**	**21,859.75**	**-**	**7,637.60**	**2,303.10**	**9,940.70**	**-**	**7,137.68**	**1,800.48**	**8,938.16**
i) Overseas investments	-	-	-	-	-	-	-	-	-	-	-	-
ii) Investments in India	-	3,978.28	17,881.47	21,859.75	-	7,637.60	2,303.10	9,940.70	-	7,137.68	1,800.48	8,938.16
Total Gross (B)	**-**	**3,978.28**	**17,881.47**	**21,859.75**	**-**	**7,637.60**	**2,303.10**	**9,940.70**	**-**	**7,137.68**	**1,800.48**	**8,938.16**
Less : Allowance for impairment loss (C)	-	(4.74)	-	(4.74)	-	(19.88)	-	(19.88)	-	(18.24)	-	(18.24)
Total - Net D = (A)+(C)	**-**	**3,973.54**	**17,881.47**	**21,855.01**	**-**	**7,617.72**	**2,303.10**	**9,920.82**	**-**	**7,119.44**	**1,800.48**	**8,919.92**

Out of the Company's FVOCI debt portfolio (PTC), instruments with a principal of ₹3,656.88 Lacs (2018: ₹2,746.46 Lacs; 2017: ₹1,611.50 Lacs) paid during the year.

Debt instruments measured at FVOCI

Credit quality of assets

The table below shows the fair value of the Company's debt instruments measured at FVOCI by credit risk, based on the Company's internal credit rating system and year-end stage classification. The amount presented are gross of impairment allowances. Details of the Company's internal grading system and policies on ECL allowances set out in Note 44.

(₹in Lacs)

Internal Grade Rating	As at 31 March, 2019				As at 31 March, 2018				As at 01 April, 2017 - Opening			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	3,978.28	-		3,978.28	7,637.60	-	-	7,637.60	7,137.68	-		7,137.68
Non Performing			-	-			-	-		-	-	-
Total	**3,978.28**	**-**	**-**	**3,978.28**	**7,637.60**	**-**	**-**	**7,637.60**	**7,137.68**	**-**	**-**	**7,137.68**

An analysis of changes in gross carrying amount and the corresponding ECLs is as follows:

(₹in Lacs)

Particulars	2018-19	2017-18
Fair value – Opening balance	7,637.60	7,137.68
New assets originated or purchased	-	3,250.49
Assets derecognised or matured	(3,659.32)	(2,750.57)
Fair value - Closing balance	**3,978.28**	**7,637.60**

(₹in Lacs)

Particulars	2018-19	2017-18
Opening balance in ECL	19.88	18.24
New assets originated or purchased	-	8.30
Assets derecognised or matured (excluding write offs)	(9.46)	(6.66)
ECL assumption changes	(5.68)	-
Closing balance in ECL	**4.74**	**19.88**

Note 11: Other financial assets

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2017 - Opening
Security deposits	331.27	327.12	313.51
Application money for security receipts	-	-	3,008.15
Interest receivable on Pass through certificates (PTC)	21.68	28.56	43.01
Less : Allowance for impairment against interest receivable on PTC	(0.03)	(0.07)	(0.11)
Total	**352.92**	**355.61**	**3,364.56**

Note 12: Current tax assets (net)

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2017 - Opening
Advance income tax (net of provision for tax)	1,404.77	456.11	440.92
Total	**1,404.77**	**456.11**	**440.92**

Note 13: Investment Property

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2017 - Opening
	Land-Freehold	**Land-Freehold**	**Land-Freehold**
At cost or fair value at the beginning of the year	0.28	0.28	0.28
Additions	-	-	-
Disposals	-	-	-
At cost or fair value at the end of the year	**0.28**	**0.28**	**0.28**
Depreciation and Impairment			
Accumulated Depreciation and impairment as at the beginning of the year	-	-	-
Depreciation charge for the year	-	-	-
Disposals	-	-	-
Accumulated Depreciation and impairment as at the end of the year	-	-	-
Net Carrying amount as at the end of the year	**0.28**	**0.28**	**0.28**

Note 14 : Property, Plant and Equipment

(₹in Lacs)

Particulars	As at 31 March, 2019						As at 31 March, 2018						As at 01 April, 2017 - Opening					
	Computers	Electrical Installation and Equipment	Furniture & Fixtures	Office Equipment	Lease hold Improvement	Total	Computers	Electrical Installation and Equipment	Furniture & Fixtures	Office Equipment	Lease hold Improvement	Total	Computers	Electrical Installation and Equipment	Furniture & Fixtures	Office Equipment	Lease hold Improvement	Total
At cost or fair value at the beginning of the year	363.00	200.54	84.19	4.29	564.25	**1,216.27**	274.25	145.74	59.64	3.82	304.01	**787.46**	177.08	60.54	23.50	0.96	149.88	411.96
Additions	42.04	25.02	9.01	0.43	88.88	**165.38**	88.75	54.94	25.36	0.47	260.24	**429.76**	99.06	87.75	36.14	2.86	154.13	379.94
Acquisitions through business combination						**-**	-	-	-	-	-	**-**	-	-	-	-	-	-
Revaluation adjustment, if any						**-**	-	-	-	-	-	**-**	-	-	-	-	-	-
Disposals	(2.63)	(9.96)	(5.53)	-	(24.63)	**(42.75)**	-	(0.14)	(0.81)	-	-	**(0.95)**	(1.89)	(2.55)	-	-	-	(4.44)
Reclassification from/ to held for sale						**-**	-	-	-	-	-	**-**	-	-	-	-	-	-
Other Adjustments (please specify)						**-**	-	-	-	-	-	**-**	-	-	-	-	-	-
At cost or fair value at the end of the year	**402.41**	**215.60**	**87.67**	**4.72**	**628.50**	**1,338.90**	**363.00**	**200.54**	**84.19**	**4.29**	**564.25**	**1,216.27**	**274.25**	**145.74**	**59.64**	**3.82**	**304.01**	**787.46**
Accumulated Depreciation and impairment as at the beginning of the year	217.14	33.91	14.30	0.68	199.29	**465.32**	150.98	15.30	7.14	0.31	103.93	**277.66**	100.33	6.22	3.35	0.09	63.33	173.32
Depreciation for the year	38.80	21.67	8.47	0.43	119.62	**188.99**	66.16	18.68	7.27	0.37	95.36	**187.84**	52.14	10.01	3.79	0.22	40.60	106.76
Disposals	(1.79)	(1.51)	(1.03)	-	(9.33)	**(13.66)**	-	(0.07)	(0.11)	-	-	**(0.18)**	(1.49)	(0.93)	-	-	-	(2.42)
Accumulated Depreciation and impairment as at the end of the year	**254.15**	**54.07**	**21.74**	**1.11**	**309.58**	**640.65**	**217.14**	**33.91**	**14.30**	**0.68**	**199.29**	**465.32**	**150.98**	**15.30**	**7.14**	**0.31**	**103.93**	**277.66**
Net Carrying amount as at the end of the year	**148.26**	**161.53**	**65.93**	**3.61**	**318.92**	**698.25**	**145.86**	**166.63**	**69.89**	**3.61**	**364.96**	**750.95**	**123.27**	**130.44**	**52.50**	**3.51**	**200.08**	**509.80**
Capital work in progress including advances for capital assets	-	-	-	-	-	-					11.05	**11.05**					**98.64**	**98.64**

Due to change in life of computers from 3 years to 5 years there has been reduction of depreciation of ₹34.50 lacs

Note 15: Other Intangible Assets

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2017 - Opening
	Software	Software	Software
At cost, beginning of the year	251.43	119.84	115.50
Additions	244.34	131.59	4.34
Acquisitions		-	-
Fair value adjustment, if any		-	-
Disposals	-	-	-
Other Adjustments (please specify)		-	-
Total Cost	**495.77**	**251.43**	**119.84**
Accumulated amortisation and impairment:			
At the beginning of the year	121.76	116.50	114.22
Amortisation	43.51	5.26	2.28
Disposals	-	-	-
Impairment/ (reversal) of Impairment		-	-
Other Adjustments (please specify)		-	-
Total Amortisation and impairment	**165.27**	**121.76**	**116.50**
Net Carrying amount as at the end of the year	**330.50**	**129.67**	**3.34**

Due to change in life of a asset from 3 years to 5 years there has been reduction of depreciation of ₹20.21 Lacs

Note 16: Other non financial assets

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2017 - Opening
Unamortized Expenses	664.31	772.92	79.07
Service tax credit (input) receivable	-	-	5.64
Prepaid expenses	184.79	207.35	198.28
Fair Value of Assets in Excess of Gratuity Provision	14.10	-	-
GST Receivable	230.28	174.67	-
Other sundry advances	46.16	48.96	38.22
Deferred Lease rental	84.51	112.32	30.19
Assets held for Sale*	7,927.96	5,557.96	888.79
Total	**9,152.11**	**6,874.18**	**1,240.19**

*** - Note on Asset held for sale**

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2017 - Opening
House Property	7,927.96	5,557.96	888.79
Total	**7,927.96**	**5,557.96**	**888.79**

During the year, Company has taken physical and legal possession of house/ Apartments/vacant land (Collateral securities) with (fair value) of ₹4,047.95 Lacs. These properties are readily available for sale and management regularly conducts auctions to sell these assets.

Impairment loss:

In respect of properties classified as "assets held for sale" during the year an impairment loss of ₹191.52 Lacs for write-down of these properties to lower of its carrying amount and its fair value less costs to sell have been included in "Impairment of Financial instruments".

Measurement:

The non-recurring fair value measurement for the assets held for sale has been categorized as a Level 2 fair value based on the inputs to the valuation techniques used. For the assets classified as "assets held for sale" during the year valuation has been determined by Independent valuer by using the sales comparison approach for which the price (such as recent sales, municipal valuation, etc.) of the assets in the similar location are considered. This is a level 2 measurement as per the fair value hierarchy.

In respect of the assets held for sale for more than 1-year management continues its efforts to sell these assets. These assets are continued at fair value determined on initial recognition as management believe these fair values to be recoverable due to no major changes in the market condition. Some of the indicators which the management uses to assess change in real estate market condition are changes in local municipal values, prices of similar properties available online, demand for houses, etc.

Note 17: Trade Payables

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2017 - Opening
i) Total outstanding dues of micro enterprises and small enterprises	-	-	-
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises			
Sundry Creditors	324.25	345.08	493.76
Outstanding expenses	798.78	531.11	318.65
Total	**1,123.03**	**876.19**	**812.41**

Note 18: Debt securities

(₹in Lacs)

Particulars	As at 31 March, 2019				As at 31 March, 2018				As at 01 April, 2017 - Opening			
	At Amortised Cost	At Fair value		Total	At Amortised Cost	At Fair value		Total	At Amortised Cost	At Fair value		Total
		Through profit or loss	Through Other Comprehensive Income			Through profit or loss	Through Other Comprehensive Income			Through profit or loss	Through Other Comprehensive Income	
Privately placed redeemable non-convertible debentures	58,014.79	-	-	58,014.79	66,957.85	-	-	66,957.85	76,617.60	-	-	76,617.60
Total (A)	58,014.79	-	-	58,014.79	66,957.85	-	-	66,957.85	76,617.60	-	-	76,617.60
Debt securities in India	58,014.79	-	-	58,014.79	66,957.85	-	-	66,957.85	76,617.60	-	-	76,617.60
Debt securities outside India	-	-	-	-	-	-	-	-	-	-	-	-

Detail of Redeemable Non-Convertible Debentures

(₹in Lacs)

Sr. No.	ISIN No.	Date of allotment	Date of redemption	Nominal value per debenture (₹ In Lacs)	Total number of debentures	Rate of interest p.a.	Face value (₹ In Lacs)	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017 - Opening	Secured/ Unsecured	Terms of redemption
								Amount	Amount	Amount		
1	INE432R07042	02-Dec-14	01-Dec-17	10.00	500	9.30%	5,000	-	-	5,000.00	Secured	Bullet Payment, at Par
2	INE432R07067	26-Dec-14	26-Dec-17	10.00	450	9.30%	4,500	-	-	4,500.00	Secured	Bullet Payment, at Par
3	INE432R07158	12-Aug-16	12-Feb-18	10.00	1000	8.76%	10,000	-	-	10,000.00	Secured	Bullet Payment, at Par
4	INE432R07166	12-Aug-16	25-Apr-18	10.00	100	-	1,000	-	1,000.00	1,000.00	Secured	Bullet Payment, at Par
5	INE432R07133	28-Jun-16	28-Jun-18	10.00	500	9.50%	5,000	-	5,000.00	5,000.00	Secured	Bullet Payment, at Par
6	INE432R07091	06-Oct-15	08-Oct-18	10.00	200	-	2,000	-	2,000.00	2,000.00	Secured	Bullet Payment, at Par
7	INE432R07174	12-Sep-16	12-Sep-19	10.00	900	8.97%	9,000	9,000.00	9,000.00	9,000.00	Secured	Bullet Payment, at Par
8	INE432R07182	21-Sep-16	19-Sep-19	10.00	1000	8.97%	10,000	10,000.00	10,000.00	10,000.00	Secured	Bullet Payment, at Par
9	INE432R07190	25-Nov-16	25-Nov-19	10.00	140	8.45%	1,400	1,400.00	1,400.00	1,400.00	Secured	Bullet Payment, at Par
10	INE432R07075	26-Dec-14	26-Dec-19	10.00	400	9.25%	4,000	4,000.00	4,000.00	4,000.00	Secured	Bullet Payment, at Par
11	INE432R07109	27-Oct-15	27-Oct-20	10.00	400	9.00%	4,000	4,000.00	4,000.00	4,000.00	Secured	Bullet Payment, at Par
12	INE432R07216	14-Feb-18	12-Feb-21	10.00	500	9.00%	5,000	5,000.00	5,000.00	-	Secured	Bullet Payment, at Par
13	INE432R07141	01-Jul-16	01-Jul-21	10.00	200	9.50%	2,000	2,000.00	2,000.00	2,000.00	Secured	Bullet Payment, at Par
14	INE432R07208	14-Feb-18	12-Aug-21	10.00	500	8.97%	5,000	5,000.00	5,000.00	-	Secured	Bullet Payment, at Par
15	INE432R07026	10-Oct-14	10-Oct-21	10.00	450	10.25%	4,500	4,500.00	4,500.00	4,500.00	Secured	Bullet Payment, at Par
16	INE432R07034	13-Oct-14	13-Oct-21	10.00	150	10.25%	1,500	1,500.00	1,500.00	1,500.00	Secured	Bullet Payment, at Par
17	INE432R07083	26-Dec-14	26-Dec-21	10.00	150	9.35%	1,500	1,500.00	1,500.00	1,500.00	Secured	Bullet Payment, at Par
18	INE432R07117	29-Apr-16	29-Apr-23	10.00	250	9.00%	2,500	2,500.00	2,500.00	2,500.00	Secured	Bullet Payment, at Par
19	INE432R07125	02-May-16	02-May-23	10.00	150	9.00%	1,500	1,500.00	1,500.00	1,500.00	Secured	Bullet Payment, at Par
20	INE432R07018	10-Oct-14	10-Oct-24	10.00	400	10.30%	4,000	4,000.00	4,000.00	4,000.00	Secured	Bullet Payment, at Par
	Total amount							**55,900.00**	**63,900.00**	**73,400.00**		
	Add : Interest accrued but not due on borrowings on NCD							2,314.76	3,341.05	3,606.78		
	Less : Unamortized Borrowing cost on NCD adjusted as per EIR Calculation							199.97	283.20	385.72		
	Less : Private placement issue expenses for NCD to the extent not written off							-	-	3.46		
	Net Amount							**58,014.79**	**66,957.85**	**76,617.60**		

Nature of Security:

The redemption of principal amount of secured redeemable non-convertible debentures with all interest thereon are secured by a legal mortgage on the specified immovable property and by way of charge on the Company's specifically identified movable assets such as books debts / loan receivables in favour of the Trustees appointed.

Note 19: Borrowings (other than debt security)

(₹in Lacs)

Particulars	As at 31 March, 2019				As at 31 March, 2018				As at 01 April, 2017 - Opening			
	At Amortised Cost	At Fair value		Total	At Amortised Cost	At Fair value		Total	At Amortised Cost	At Fair value		Total
		Through profit or loss	Through Other Comprehensive Income			Through profit or loss	Through Other Comprehensive Income			Through profit or loss	Through Other Comprehensive Income	
Term Loan												
From Banks	90,472.34	-	-	90,472.34	53,512.61	-	-	53,512.61	63,307.20	-	-	63,307.20
From Financial Institutions	819.85	-	-	819.85	1,281.95	-	-	1,281.95	1,798.25	-	-	1,798.25
From Banks (Subordinate debts)	-	-	-	-	-	-	-	-	-	-	-	-
From others	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Payment Liabilites	-	-	-	-	-	-	-	-	-	-	-	-
Loans from related party	-	-	-	-	-	-	-	-	-	-	-	-
Finance Lease obligations	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Papers	4,958.47	-	-	4,958.47	9,860.43	-	-	9,860.43	-	-	-	-
Loans repayable on demand												
From Banks (OD & CC)	14,617.74	-	-	14,617.74	16,042.76	-	-	16,042.76	4,257.51	-	-	4,257.51
From Financial Institutions	-	-	-	-	-	-	-	-	-	-	-	-
Total (A)	1,10,868.40	-	-	1,10,868.40	80,697.75	-	-	80,697.75	69,362.96	-	-	69,362.96
Borrowings in India	1,10,868.40	-	-	1,10,868.40	80,697.75	-	-	80,697.75	69,362.96	-	-	69,362.96
Borrowings outside India	-	-	-	-	-	-	-	-	-	-	-	-

B. Term loan from banks

Terms of repayment as at 31 March, 2019

(₹in Lacs)

Tenure	Rate of Interest	Repayment Details	Amount
Above 60 months	9.05% to 9.80%	1 to 14 instalments of half yearly frequency	7,488.40
48-60 months	8.35% to 10.00%	1 to 60 instalments of bullet, monthly, quarterly & half yearly frequency	61,583.33
36-48 months	10.00%	1 to 12 instalments of Quarterly frequency	10,000.00
12-36 months	8.00% to 9.00%	1 to 12 instalments of Quarterly frequency	1,503.33
0-12 months	9.01%	Bullet Payment	10,000.00
Total			**90,575.06**
Less: Bank loan processing fees to the extent not written off			**102.72**
Net Amount			**90,472.34**

Terms of repayment as at 31 March, 2018

(₹in Lacs)

Tenure	Rate of Interest	Repayment Details	Amount
Above 60 months	8.05% to 8.80%	1 to 14 instalments of half yearly frequency	3,205.60
48-60 months	7.65% to 8.75%	1 to 60 instalments of bullet, monthly, quarterly & half yearly frequency	49,250.12
24-48 months	8.00%	1 to 12 instalments of Quarterly frequency	1,100.00
Total			**53,555.72**
Less: Bank loan processing fees to the extent not written off			**43.35**
Add: Interest accrued but not due on borrowings			**0.24**
Net Amount			**53,512.61**

Terms of repayment as at 01 April, 2017-Opening

(₹in Lacs)

Tenure	Rate of Interest	Repayment Details	Amount
Above 60 months	9.05% to 9.65%	1 to 14 instalments of half yearly frequency	14,791.21
48-60 months	8.15% to 9.90%	1 to 60 instalments of bullet, monthly, quarterly & half yearly frequency	48,624.67
Total			**63,415.88**
Less: Bank loan processing fees to the extent not written off			**129.95**
Add: Interest accrued but not due on borrowings			**21.27**
Net Amount			**63,307.20**

The above classification is based on original tenor of borrowings. Maturity profile of above is covered in Note No. 39.

Nature of Security:

Term Loans from banks are secured by way of exclusive charge on specified loan receivables.

C. Refinance from National Housing Bank (Financial Institutions)
Terms of repayment as at 31 March, 2019

(₹in Lacs)

Tenure	Rate of Interest	Repayment Details	Amount
Above 60 months	8.50% to 9.00%	47 instalments of quarterly frequency	819.85

Terms of repayment as at 31 March, 2018

(₹in Lacs)

Tenure	Rate of Interest	Repayment Details	Amount
Above 60 months	8.50% to 9.00%	47 instalments of quarterly frequency	1,281.95

Terms of repayment as at 01 April, 2017-Opening

(₹in Lacs)

Tenure	Rate of Interest	Repayment Details	Amount
Above 60 months	8.50% to 9.00%	47 instalments of quarterly frequency	1,798.25

Nature of Security:

Refinance from NHB is secured by way of exclusive charge on specified book debts and corporate guarantee from holding Company Shriram City Union Finance Limited.

Cash Credits and Working Capital Demand Loans (Loan Repayble on Demand)

Nature of Security:

Cash credit and working capital demand loan from banks are secured by way of exclusive charge on specified home loan receivables.

Note 20: Other financial liabilities

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2017 - Opening
Retention money and other sundry liabilities	5.02	7.00	519.51
Rent deposit	275.33	275.33	117.39
Other liabilities	21.53	-	-
Total	**301.88**	**282.33**	**636.90**

Note 21: Provisions

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2017 - Opening
For non funded exposure	39.43	56.59	159.43
Provision for employee benefits			
- Gratuity	-	11.03	-
- Provision for compensated absences	97.93	48.41	27.16
Provision for Lease Rent	115.75	90.00	62.68
Provision for Bonus & Ex Gratia	173.80	159.20	159.46
Total	**426.91**	**365.23**	**408.73**

Loan commitment

The table below shows the credit quality and the maximum exposure for credit risk based on the Company's internal credit rating system and year-end stage classification. Details of the Company's internal grading system and policies on ECLs are set out in Note 44.

(₹in Lacs)

Internal Rating Grade	As at 31 March, 2019				As at 31 March, 2018				As at 01 April, 2017			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	6,626.42	120.41		6,746.83	8,457.19	78.72		8,535.91	13,798.57	476.10		14,274.67
Non- performing - Individually impaired							47.13	47.13			234.58	234.58
Total	**6,626.42**	**120.41**	**-**	**6,746.83**	**8,457.19**	**78.72**	**47.13**	**8,583.04**	**13,798.57**	**476.10**	**234.58**	**14,509.25**

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to other undrawn commitment is as follows :

Gross Exposure Reconciliation

(₹in Lacs)

Particulars	2018-19				2017-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance of outstanding exposure	8,457.19	78.72	47.13	8,583.04	13,798.57	476.10	234.58	14,509.25
New exposures	4,275.09	54.90		4,329.99	6,636.80	28.02	17.98	6,682.80
Exposures derecognised or matured/lapsed (excluding write-offs)	(6,036.20)	(73.88)	(47.13)	(6,157.21)	(11,914.00)	(444.32)	(233.58)	(12,591.90)
Transfers to Stage 1	(69.66)			(69.66)	(64.18)			(64.18)
Transfers to Stage 2		60.67		60.67		18.92		18.92
Transfers to Stage 3				-			28.15	28.15
Closing balance of outstanding exposure	6,626.42	120.41	-	6,746.83	8,457.19	78.72	47.13	8,583.04

Reconciliation of ECL balance is given below:

(₹in Lacs)

Particulars	2018-19				2017-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	40.01	4.27	12.31	56.59	45.21	26.78	87.44	159.43
New exposures	24.29	2.44	-	26.73	31.97	1.53	5.42	38.92
Exposures derecognised or matured (excluding write-offs)	(29.27)	(4.08)	(12.31)	(45.66)	(36.49)	(25.20)	(87.14)	(148.83)
Transfers to Stage 1	(0.53)	-	-	(0.53)	(0.68)	-	-	(0.68)
Transfers to Stage 2	-	2.30	-	2.30	-	1.16	-	1.16
Transfers to Stage 3				-	-	-	6.59	6.59
ECL allowance - closing balance	34.50	4.93	(0.00)	39.43	40.01	4.27	12.31	56.59

Note 22: Other non financial liabilities

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2019 - Opening
Statutory dues payable	114.08	126.05	58.92
Total	**114.08**	**126.05**	**58.92**

Note 23: Equity Share Capital

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2017 - Opening
EQUITY SHARE CAPITAL **Authorised:** 22,00,00,000(Previous Year : 22,00,00,000) equity shares of Rs. 10/- each	**22,000.00**	22,000.00	22,000.00
Ordinary Shares			
Issued and fully paid			
Issued, subscribed and fully paid up: 21,41,60,000 (Previous Year : 21,41,60,000) equity shares of Rs. 10/- each	21,416.00	21,416.00	21,416.00
Total Equity	**21,416.00**	**21,416.00**	**21,416.00**

Issued Capital and Reserves:

The reconciliation of equity shares outstanding at the beginning and at the end of the year

(No. in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2017 - Opening
Authorised 22,00,00,000 equity shares of Rs. 10/- each	2,200.00	2,200.00	2,200.00
	2,200.00	**2,200.00**	**2,200.00**
Issued and fully paid up 21,41,60,000 equity shares of Rs. 10/- each	2,141.60	2,141.60	2,141.60
	2,141.60	**2,141.60**	**2,141.60**

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particluars	No. of Shares	₹ (in Lacs)
As at 1 April, 2017	21,41,60,000	21,416.00
Issued during the year - ESOP	-	-
As at 1 April, 2018	**21,41,60,000**	**21,416.00**
Issued during the year	-	-
As at 31 March, 2019	**21,41,60,000**	**21,416.00**

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.

Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

Out of equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

(No. in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2017 - Opening
Shriram City Union Finance Limited	1,654.40	1,654.40	1,654.40
	1,654.40	**1,654.40**	**1,654.40**

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

Particulars	As at 31 March, 2019		As at 31 March, 2018		As at 01 April, 2017 - Opening	
	No. in Lacs	% holding in the class	No. in Lacs	% holding in the class	No. in Lacs	% holding in the class
Shriram City Union Finance Limited	1,654.40	77.25%	1,654.40	77.25%	1,654.40	77.25%
Valiant Mauritius Partners FDI Ltd.	487.20	22.75%	487.20	22.75%	487.20	22.75%

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, refer Note 37.

Note 24: Other Equity

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2017 - Opening
Statutory reserve (Pursuant to section 29C of the NHB Act, 1987 & Section 36(1)(viii) of Income Tax Act, 1961)	2,798.69	2,460.70	1,882.70
Security Premium	12,180.00	12,180.00	12,180.00
Retained earnings (Surplus/deficit in profit & loss account)	9,920.75	8,584.09	5,325.73
Deemed Investment	183.91	183.91	183.91
Share Option Outstanding	16.17	15.86	11.51
Other Comprehensive Income	64.85	5.44	-
Total	**25,164.37**	**23,430.00**	**19,583.85**

Note 24 (a) : Other Equity

(₹in Lacs)

Securities Premium Account	
At 1 April, 2017	12,180.00
Add: Additions on ESOPs exercised	-
At 31 March, 2018	**12,180.00**
Add: Premium on shares issued during the year	-
At 31 March, 2019	**12,180.00**
Share Option Outstanding	
At 1 April, 2017	11.51
Add: Other Additions/ Deductions during the year	4.35
At 31 March, 2018	**15.86**
Add: Other Additions/ Deductions during the year	9.87
Less: Transferred to retained earning	(9.56)
At 31 March, 2019	**16.17**
Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	
Statutory reserve (Pursuant to section 29C of the NHB Act, 1987 & Section 36(1)(viii) of Income Tax Act, 1961)	
At 1 April, 2017	1,882.70
Add: Transfer from surplus balance in the Statement of Profit and Loss	578.00
At 31 March, 2018	**2,460.70**
Add: Transfer from surplus balance in the Statement of Profit and Loss	337.99
At 31 March, 2019	**2,798.69**
Surplus in Statement of Profit and Loss	
At 1 April, 2017	5,325.73
Add: Profit for the year	3,841.79
Add/Less: Appropriations	-
Transfer to/(from) debenture redemption reserve	-
Dividend on equity shares	-
Tax on dividend on equity shares	-
Transfer to Statutory Reserve	(578.00)
OCI for the year	(5.43)
Total appropriations	
At 31 March, 2018	**8,584.09**
Add: Profit for the year	1,724.55
Add/Less: Appropriations	9.56
Transfer to/(from) debenture redemption reserve	-
Interim dividend on equity shares	-
Tax on interim dividend on equity shares	-
Transfer to Statutory Reserve	(337.99)
OCI for the year	(59.46)
Total appropriations	
At 31 March, 2019	**9,920.75**

Note 24 (b) : Other Equity

Nature and purpose of Reserves

Securities Premium Reserve:

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

ESOP Reserve:

The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 37 for further details of these plans.

Statutory Reserve:

The Company creates Special Reserve every year out of its profits in terms of Sec 36(1) (viii) of the Income Tax Act, 1961 read with Sec 29C of the National Housing Bank Act, 1987.The Company transfers amount at least 20% of the profits after tax to Statutory reserve.

Deemed Investment :

The Company has acquired a refinance from National Housing Bank for which the parent "Shriram City Union Finance Ltd" acted as a Corporate Gurantor. The Fair value of Financial Guarantee so received has been classified as "Deemed Investments".

Note 25: Interest income

(₹in Lacs)

Particulars	For the Year Ended 31 March, 2019				For the Year Ended 31 March, 2018			
	On Financial Assets measured at Amortised Cost	On Financial Assets measured at fair value through OCI	Interest Income on Securities classified at fair value through profit or loss	Total	On Financial Assets measured at Amortised Cost	On Financial Assets measured at fair value through OCI	Interest Income on Securities classified at fair value through profit or loss	Total
Interest on loans	26,481.19	-		26,481.19	25,494.74	-	-	25,494.74
Interest income from investments	-	626.89	-	626.89	-	679.71	-	679.71
Interest on deposits with bank	11.73	-	-	11.73	5.66	-	-	5.66
Processing Fee	922.45			922.45	1,095.58			1,095.58
Total	**27,415.37**	**626.89**	**-**	**28,042.26**	**26,595.98**	**679.71**	**-**	**27,275.69**

Note 26: Net gain/ (loss) on fair value changes

(₹in Lacs)

Particulars	For the Year Ended 31 March, 2019	For the Year Ended 31 March, 2018
A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio - Investments	288.34	102.61
Total Net gain/(loss) on fair value changes (C)	**288.34**	**102.61**
Fair Value changes: - Realised	265.32	103.09
- Unrealised	23.02	(0.48)
Total Net gain/(loss) on fair value changes(D) to tally with (C)	**288.34**	**102.61**
Total	**288.34**	**102.61**

Note 27: Others Operating Income

(₹in Lacs)

Particluars	For the Year Ended 31 March, 2019	For the Year Ended 31 March, 2018
Processing Fee	373.42	322.49
Bad debts recovered	177.83	223.06
Other charges	206.77	91.23
Total	**758.02**	**636.78**

Note 28: Other Income

(₹ in Lacs)

Particluars	For the Year Ended 31 March, 2019	For the Year Ended 31 March, 2018
Net gain/(loss) on derecognition of property, plant and equipment	0.01	-
Interest income on security deposits	31.20	25.07
Miscellaneous income	7.53	25.49
Total	**38.74**	**50.56**

Note 29: Finance Cost

(₹in Lacs)

Particulars	For the Year Ended 31 March, 2019			For the Year Ended 31 March, 2018		
	On Financial Liabilities measured at Amortised cost	On Financial Liabilities measured at through profit or loss	Total	On Financial Liabilities measured at Amortised cost	On Financial Liabilities measured at through profit or loss	Total
Interest on Bank Borrowings	6,209.87	-	6,209.87	4,720.07	-	4,720.07
Interest on Debts	5,488.44	-	5,488.44	6,680.97	-	6,680.97
Others	1,165.30	-	1,165.30	163.13	-	163.13
Total	**12,863.61**	**-**	**12,863.61**	**11,564.17**	**-**	**11,564.17**

Note 30: Net loss on derecognition of financial instruments under amortised cost category

(₹in Lacs)

Particulars	For the Year Ended 31 March, 2019			For the Year Ended 31 March, 2018		
	On Financial Instrument measured at Amortised cost	On Financial Instrument measured at fair value through OCI	Total	On Financial Instrument measured at Amortised cost	On Financial Instrument measured at fair value through OCI	Total
Loss on Sale of Loan Assets	3,916.17	-	3,916.17	-	-	-
Total	**3,916.17**	**-**	**3,916.17**	**-**	**-**	**-**

Note 31: Impairment of financial assets

(₹in Lacs)

Particulars	For the Year Ended 31 March, 2019			For the Year Ended 31 March, 2018		
	On Financial Instrument measured at Amortised cost	On Financial Instrument measured at fair value through OCI	Total	On Financial Instrument measured at Amortised cost	On Financial Instrument measured at fair value through OCI	Total
Loans	(1,783.44)	-	(1,783.44)	181.07	-	181.07
Investment	(15.19)	-	(15.19)	1.60	-	1.60
Bad debts written off	460.25	-	460.25	979.07		979.07
Total	**(1,338.38)**	**-**	**(1,338.38)**	**1,161.74**	**-**	**1,161.74**

The table below shows the ECL charges on financial instruments for the year recorded in the profit and loss based on evaluation stage:

(₹in Lacs)

Particulars	2018-19				2017-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Loans and advances to customers	(62.19)	(318.30)	(1,402.95)	(1,783.44)	(134.29)	(383.81)	699.17	181.07
Debt instruments measured at amortised cost				-				-
Debt instruments measured at FVOCI	(15.19)			(15.19)	1.60			1.60
Loan commitments				-				-
Trade receivables				-				-
Total impairment loss	(77.38)	(318.30)	(1,402.95)	(1,798.63)	(132.69)	(383.81)	699.17	182.67

Note 32: Employee Benefit expenses

(₹in Lacs)

Particulars	For the Year Ended 31 March, 2019	For the Year Ended 31 March, 2018
Salaries and Wages	5,480.73	3,852.43
Contribution to provident and other fund	187.57	172.19
Gratuity expenses	45.30	54.38
Share based payments to employees	9.87	4.35
Staff welfare expenses	172.19	172.98
Total	**5,895.66**	**4,256.33**

Note 33: Depreciation, Amortization & Impairment

(₹in Lacs)

Particulars	For the Year Ended 31 March, 2019	For the Year Ended 31 March, 2018
Depreciation of Tangible Assets	188.99	187.84
Amortization of Intangible Assets	43.51	5.26
Total	**232.50**	**193.10**

Note 34: Other expenses

(₹in Lacs)

Particulars	For the Year Ended 31 March, 2019	For the Year Ended 31 March, 2018
Rent (net)	629.58	511.90
Printing & stationery	88.38	89.27
Travelling and conveyance	496.99	382.41
Books & periodicals	0.70	1.97
Meeting expenses	2.34	2.98
Business promotion	32.77	30.82
Business commission	317.15	355.86
Communication	131.76	116.54
Director's sitting fees	5.65	5.94
Electricity	89.41	95.50
Insurance	16.20	14.55
Bank charges	20.06	20.12
Payment to auditors		
- Audit fees	18.13	16.49
- Out of pocket expenses	1.81	2.93
Professional and consultancy	1,245.81	1,763.53
Registration & filing fees	3.53	5.82
Office maintenance	282.33	245.71
Postage & courier	52.24	59.45
Rates, duties & taxes	13.72	9.63
Membership fees	6.86	6.19
Premium on PTC written off	-	1.18
Mortgage Guarantee Fees	292.48	2.19
Royalty	135.85	177.50
Corporate social responsibility	1.15	3.60
Loss on sale of fixed assets	22.53	0.54
Advertisement	6.48	26.85
Collection & recovery	533.71	664.64
Loan processing expenses	577.73	419.38
Miscellaneous expenditure	25.18	55.25
Total	**5,050.53**	**5,088.74**

*Payment to auditor (net of service tax)

(₹in Lacs)

Particulars	For the Year Ended 31 March, 2019	For the Year Ended 31 March, 2018
As auditor:		
Audit fee	18.13	16.49
Other services (certification fees)	-	-
Reimbursement of expenses	-	-

**** Corporate Social Responsibility expenditure :**

Gross amount to be spent by the Company under section 135 of the Companies Act, 2013, as on 31 March, 2019 ₹ 84.57 Lacs.

Amount spent during the year on :

(₹in Lacs)

Particulars	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	1.15	-	1.15

Gross amount to be spent by the Company under section 135 of the Companies Act, 2013 as on 31 March, 2018 ₹ 76.36 Lacs.

Amount spent during the year on :

(₹in Lacs)

Particulars	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	3.60	-	3.60

Note 35: Income Tax

The components of income tax expense for the periods ended 31 March 2019 and 31 March 2018 are:

(₹in Lacs)

Particulars	For the Year Ended 31 March, 2019	For the Year Ended 31 March, 2018
Current tax	519.89	1,337.56
Tax relating to earlier years	(92.94)	172.44
Deferred tax	415.19	455.21
Total tax charge	**842.14**	**1,965.21**

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the periods ended 31 March 2019 and 31 March 2018 is, as follows:

(₹in Lacs)

Particulars	For the Year Ended 31 March, 2019	For the Year Ended 31 March, 2018
Profit before tax	2,507.27	5,801.56
Statutory income tax rate	33.384%	34.608%
Expected income tax expense	837.03	2,007.80
Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense		
Effect of change in tax rate	11.55	-
Earlier year tax effect	-	(50.62)
Corporate Social Responsibility	0.38	0.62
Others	(6.82)	7.41
Income tax expense reported in the statement of profit & Loss	**842.14**	**1,965.21**

Deferred Tax

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

(₹in Lacs)

Particulars	Deferred Tax As at 31 March 2018	Income Statement 2018-19	OCI 2018-19	Deferred Tax As at 31 March 2019
Deferred Tax Asset/ (Liabilities) in relation to :				
Property Plant Equipments & Intangible Assets	9.04	(4.32)	-	13.36
ECL provision against Loans & Advances & Investments	1,493.62	1,478.87	-	14.75
Unamortized Income	230.43	93.98	-	136.45
Interest Income on NPA	(395.60)	(395.60)	-	-
Provision for Employee benefits	43.45	(33.74)	(29.77)	47.41
Unamortized Expenses	(285.69)	(113.11)	-	(172.58)
Unrealised gains/ loss on securities	-	7.70	-	(7.70)
Provision for lease Rental	32.90	(7.83)	-	40.72
EIR impact on borrowings	(98.01)	(31.37)	-	(66.64)
MAT Entitlement Credit	-	(519.89)	-	519.89
Special Reserve u/s 36 1(viii)	(708.01)	(36.27)	-	(671.73)
Effect of Unabsorbed business loss	-	(16.76)	-	16.76
Others	5.50	(6.48)	-	11.98
Total	**327.63**	**415.19**	**(29.77)**	**(117.33)**

(₹in Lacs)

Particulars	Deferred Tax As at 01 April 2017 - Opening	Income Statement 2017-18	OCI 2017-18	Deferred Tax As at 31 March 2018
Deferred Tax Asset/ (Liabilities) in relation to :				
Property Plant Equipments & Intangible Assets	(2.38)	(11.42)	-	9.04
ECL provision against Loans & Advances & Investments	1,404.11	(89.51)	-	1,493.62
Unamortized Income	267.92	37.49	-	230.43
Interest Income on NPA	(139.29)	256.31	-	(395.60)
Provision for Employee benefits	29.90	(16.43)	(2.88)	43.45
Unamortized Expenses	(78.10)	207.59	-	(285.69)
Unrealised gains / loss on securities	(0.17)	(0.17)	-	-
Provision for lease Rental	22.48	(10.41)	-	32.90
EIR impact on borrowings	(133.49)	(35.48)	-	(98.01)
MAT Entitlement Credit	-	-	-	-
Special Reserve u/s 36 1(viii)	(589.26)	118.76	-	(708.01)
Effect of Unabsorbed business loss	-	-	-	-
Others	3.98	(1.52)	-	5.50
Total	**785.70**	**455.21**	**(2.88)**	**327.63**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

Note 36: Earnings per share

Particulars	Year Ended 31 March, 2019	Year Ended 31 March, 2018
Net profit attributable to ordinary equity holders of the parent (₹in Lacs)	1,665.13	3,836.35
Weighted average number of ordinary shares for basic earnings per share	2,141.60	2,141.60
Effect of dilution:	-	-
Stock options granted under ESOP (Nos.)	10.05	1.31
Weighted average number of ordinary shares adjusted for effect of dilution	2,151.65	2,142.91
Earnings per share		
Basic earnings per share (₹)	0.78	1.79
Diluted earnings per share (₹)	0.77	1.79

Note 37: Employee Stock Option Scheme (ESOS)

The company provides share-based payment schemes to its employees. For the year ended March 31, 2019 following Employee Stock Option Plans (ESOPs) were in existence. The relevant details of the schemes and the grants are as below :

Details of Employee Stock Option Schemes	ESOP Scheme 2016	ESOP Scheme 2013	ESOP Scheme 2013
Date of Shareholder's approval of plan	December 13, 2016	March 28, 2013	March 28, 2013
Date of grant	December 22, 2016	August 28, 2013 & April 20, 2015	December 19, 2018
Number of options granted	3,35,000	3,50,000	25,00,000
Method of settlement	Equity	Equity	Equity
Vesting Period	1 - 3 years	3 - 5 years	3 - 10 years
Exercise Price	35.00	10.00	10.00
Exercise Period	Not later than 5 years from the date of vesting of options		
Vesting Conditions	Employee remaining in the employment of the enterprise during the vesting period		

Details of Vesting

Vesting period from the grant date	ESOP Scheme 2016	ESOP Scheme 2013	ESOP Scheme 2013
Completion of 1 year	33.33%	-	-
Completion of 2 year	33.33%	-	-
Completion of 3 year	33.33%	-	12.50%
Completion of 4 year	-	50%	12.50%
Completion of 5 year	-	50%	12.50%
Completion of 6 year	-	-	12.50%
Completion of 7 year	-	-	12.50%
Completion of 8 year	-	-	12.50%
Completion of 9 year	-	-	12.50%
Completion of 10 year	-	-	12.50%

Details of activity under each plan

Particulars	ESOP Scheme 2016		ESOP Scheme 2013		ESOP Scheme 2013	
	No. of Options	Weighted Avg. Exercise Price	No. of Options	Weighted Avg. Exercise Price	No. of Options	Weighted Avg. Exercise Price
Outstanding as at 1 April, 2017	3,35,000	35.00	4,00,000	10.00	-	-
Granted during the year	-	-	-	-	-	-
Forfeited during the year	-	-	(50,000)	-	-	-
Exercised during the year	-	-	-	-	-	-
Outstanding as at 31 March, 2018	**3,35,000**	**35.00**	**3,50,000**	**10.00**	**-**	**-**
Vested and exercisable as at 31 March, 2018	**1,11,667**	**35.00**	**1,25,000**	**10.00**	**-**	**-**
Weighted average remaining contractual life (in years)	-	5.73 Years	-	5.38 Years	-	-
Outstanding as at 1 April, 2018	3,35,000	35.00	3,50,000	10.00	-	-
Granted during the year	-	-	-	-	25,00,000	10.00
Forfeited during the year	(3,35,000)	35.00	(1,70,000)	10.00	-	-
Exercised during the year	-	-	-	-	-	-
Outstanding as at 31 March, 2019	**-**	**-**	**1,80,000**	**10.00**	**25,00,000**	**10.00**
Vested and exercisable as at 31 March, 2019	**-**	**-**	**1,50,000**	**10.00**	**-**	**-**
Weighted average remaining contractual life (in years)	-	-	-	4.19 Years	-	11.22 Years

The value of the underlying shares has been determined by an independent valuer. The following assumptions were used for calculation of fair value of grants in accordance with Black Scholes model, for options granted during the financial year:

Particulars	Year ended 31 March, 2019
Risk-free interest rate	7.08% - 7.68%
Expected life of options (years) [(year to vesting) + (contractual option term)/2]	5.5 - 12.5 Years
Expected volatility (%)	36.58% - 42.21%
Dividend yield	0%

The risk free interest rates are determined based on the Government bond yields with maturity equal to the expected term of the option. Volatility calculation is based on historical stock prices of comparable listed companies using standard deviation of daily change in stock price. The historical period is taken into account to match the expected life of the option. Dividend yield has been considered taking into account the historical and expected rate of dividend on equity share price as on grant date.

The expense recognised for employee services received during the year is shown in the following table:

Particulars	Year Ended 31 March, 2019	Year Ended 31 March, 2018
Expense arising from equity-settled share based payment transactions	9.87	4.35
Expense arising from cash-settled share based payment transactions	-	-
Total expense arising from share based payment transactions	**9.87**	**4.35**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

Note 38: Retirement benefit plan

Defined Contribution Plan

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 recognized ₹170.98 Lacs for year ended March 31, 2019 (Y.E. 31 March 2018 ₹150.94 Lacs) for Provident Fund contributions and ₹16.58 Lacs for the year ended March 31, 2019 (Y.E. 31 March 2018 ₹21.25 Lacs) 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.

Defined Benefit Plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years of service is eligible for a gratuity on separation at 15 days basic salary (last drawn salary) for each completed year of service. The scheme is funded with the insurance companies in the form of qualifying insurance policy. During the year 2015-16 the Company created "Shriram Housing Finance Company Employees' Group Gratuity Fund". The Trust is recognised by income tax authorities and administered through Trustees. Contributions to the Trust are invested in a scheme with a insurance Company as permitted by law in India. The Company has contributed ₹Nil to the Trust during the financial year 2018-19. (F.Y 2017 -18 ₹35.02 Lacs)

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

Statement of Profit and Loss

Net employee benefit expense recognised in the employee cost.

(₹in Lacs)

Particulars	Year Ended 31 March, 2019	Year Ended 31 March, 2018
Current service cost	43.85	36.13
Interest cost on benefit obligation	13.87	13.15
Expected return on plan assets	(12.42)	-
Net (benefit) / expense	**45.30**	**49.28**

* Gratuity expenses as per note 32 of the statement of Profit and Loss for the year ended March 31, 2019 is after providing for shortfall in Gratuity Fund account.

Balance Sheet

Reconciliation of present value of the obligation and the fair value of plan assets:

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Defined benefit obligation	(144.44)	(191.06)
Fair value of plan assets	158.54	180.03
Asset/(liability) recognized in the balance sheet	**14.10**	**(11.03)**

*Fair Value of Assets in excess of Gratuity Provision as on 31 March, 2019 disclosed under "Note 16 - Other Non Financial Assets" is after netting off amount paid to trust.

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

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Opening defined benefit obligation	**191.06**	**150.42**
Transfer in/Out	20.10	-
Interest cost	13.87	13.15
Current service cost	43.85	36.13
Liability transferred in/on account of transfer of employees Benefits paid	(35.25)	(0.32)
Actuarial loss / (gain) on obligation	(89.19)	(8.32)
Closing defined benefit obligation	**144.44**	**191.06**

Changes in the fair value of plan assets are as follows:

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Opening fair value of plan assets	**180.03**	**150.42**
Interest Income	12.42	-
Expected return	1.34	10.19
Contributions by employer	-	35.02
Benefits paid	(35.25)	(15.60)
Closing fair value of plan assets	**158.54**	**180.03**

The Company intends to contribute to the trust the amount as per the actuarial valuation in the next year.

The major categories of plan assets as a percentage of fair value of total plan assets are as follows:

Particulars	As at 31 March, 2019	As at 31 March, 2018
Investments with insurer	100%	100%

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

Particulars	As at 31 March, 2019	As at 31 March, 2018
Discount rate	7.65%	8.00%
Increase in compensation cost	5.00%	5.00%
Attrition rate	5.00%	5.00%

The estimates of future salary increases, considered in acturial valuation are on account of inflation, seniority, promotion and other relevent factor, such as supply and demand in the employment market. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Amounts for the current period and previous four years are as follows:

(₹in Lacs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
Define benefit obligation	144.44	191.06	150.42	103.09	37.79
Plan assets	158.54	180.03	150.42	-	-
Surplus/(deficit)	14.10	(11.03)	-	(103.09)	(37.79)

(₹in Lacs)

Assumptions	As at March, 2019 Discount rate		As at March, 2019 Future salary increases		As at March, 2018 Discount rate		As at March, 2018 Future salary increases	
	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease
Sensitivity Level Impact on defined benefit obligation	(13.35)	15.50	15.69	(13.64)	(16.43)	19.21	20.69	(17.94)

(₹in Lacs)

Expected payment for future years	As at 31 March, 2019	As at 31 March, 2018
Within the next 12 months (next annual reporting period)	5.75	29.40
Between 2 and 5 years	36.94	42.56
Between 5 and 10 years	72.82	74.32
Total expected payments	**115.51**	**146.28**

The weighted average duration of the defined benefit obligation as at 31 March, 2019 is 14.74 Years (31 March, 2018: 14.44 Years).

The fund is administered by "Shriram Housing Finance Company Employees Group Gratuity Trust". The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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

Particulars	As at 31 March, 2019	As at 31 March, 2018
Discount rate	7.65%	8.00%
Attrition rate	5.00%	5.00%
Salary escalation	5.00%	5.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

Note 39: Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹in Lacs)

Particulars	As at 31 March, 2019			As at 31 March, 2018			As at 01 April, 2017-Opening		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS									
Financial Assets									
Cash and cash equivalents	1,447.12	-	1,447.12	536.94	-	536.94	491.12	-	491.12
Bank Balance other than above	27.63	110.00	137.63	25.95	110.00	135.95	-	-	-
Loans	14,858.08	1,67,306.05	1,82,164.13	12,614.22	1,62,024.55	1,74,638.77	10,877.22	1,62,162.69	1,73,039.91
Investments	17,741.29	4,113.72	21,855.01	2,597.26	7,323.56	9,920.82	3,123.07	5,796.85	8,919.92
Receivables	4.07	-	4.07	13.44	-	13.44	2.99	-	2.99
Other financial assets	54.56	298.36	352.92	40.30	315.31	355.61	3,287.83	76.73	3,364.56
Non-financial Assets									
Deferred tax assets (net)	-	-	-	-	327.63	327.63	-	785.70	785.70
Current tax asset	-	1,404.77	1,404.77	-	456.11	456.11	-	440.92	440.92
Investment Property	-	0.28	0.28	-	0.28	0.28	-	0.28	0.28
Property, plant and equipment	-	698.25	698.25	-	750.95	750.95	-	509.80	509.80
Capital work-in-progress	-	-	-	-	11.05	11.05	-	98.64	98.64
Other intangible assets	-	330.50	330.50	-	129.67	129.67	-	3.34	3.34
Other non financial assets	8,529.39	622.72	9,152.11	6,049.51	824.67	6,874.18	1,056.54	183.65	1,240.19
Total Assets	**42,662.14**	**1,74,884.65**	**2,17,546.79**	**21,877.62**	**1,72,273.78**	**1,94,151.40**	**18,838.77**	**1,70,058.60**	**1,88,897.37**
LIABILITIES									
Financial Liabilities									
Trade payables	1,123.03	-	1,123.03	876.19	-	876.19	812.41	-	812.41
Debt Securities	26,641.09	31,373.70	58,014.79	11,255.41	55,702.44	66,957.85	22,629.71	53,987.89	76,617.60
Borrowings (other than debt security)	44,100.36	66,768.04	1,10,868.40	32,121.55	48,576.20	80,697.75	11,054.63	58,308.33	69,362.96
Other Financial liabilities	5.02	296.86	301.88	7.00	275.33	282.33	636.90	-	636.90
Non-financial Liabilities									
Provisions	243.66	183.25	426.91	242.31	122.92	365.23	200.10	208.63	408.73
Deferred tax liabilities (net)	-	117.33	117.33	-	-	-	-	-	-
Other non-financial liabilities	114.08	-	114.08	126.05	-	126.05	58.92	-	58.92
Total Liabilities	**72,227.24**	**98,739.18**	**1,70,966.42**	**44,628.51**	**1,04,676.89**	**1,49,305.40**	**35,392.67**	**1,12,504.85**	**1,47,897.52**
Net	**(29,565.10)**	**76,145.47**	**46,580.37**	**(22,750.89)**	**67,596.89**	**44,846.00**	**(16,553.90)**	**57,553.75**	**40,999.85**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

Note 40: Contingent liabilities, commitments and leasing arrangements

(A) Contingent Liabilities

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

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2017-Opening
Income Tax	49.20	0.00	0.00

Disputed income tax demand is on account of disallowance of royalty as an expense and by treating it as intangible asset. The above demands are determinable only on receipt of judgements/decisions pending with various forums/authorties. The company is of the opinion that the above demands are not sustainable and expects to succeed in its appeals.

(B) Commitments

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2017-Opening
Estimated amount of contract remaining to be executed on capital account	-	4.78	46.79
Undrawn Commitments	6,707.40	8526.45	14349.82

(C) Lease Disclosures

Operating Lease : Office premises are obtained on operating lease which are cancellable in nature. Operating lease payments are recognized as an expense in the statement of profit and loss. Future minimum lease payments under non-cancellable operating leases as at March 31, 2019 are as follows:

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Within one year	542.68	501.38
After one year but not more than five years	407.06	922.15
More than five years	7.84	35.43
Total	**957.58**	**1458.96**

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH, 2019

Note 41: Related party disclosures

Relationship	Name of the party
Subsidiary Company	
Holding Company	Shriram City Union Finance Limited (SCUF)
Enterprises having significant influence over the Company	Shriram Capital Limited (SCL), Shriram Ownership Trust (SOT), Valiant Mauritius Partners FDI Ltd. (VMPL), Shriram Value Services Ltd (SVS), Shriram Fortune Solutions Limited(SFSL), Shriram Financial Products Solutions (Chennai) Private Limited (SFPS), Shriram General Insurance Company Limited(SGIL), Shriram Insight Share Brokers Limited(SISBL), Shriram Life Insurance Company Limited(SLIC).
Associates / Enterprises owned or significantly influenced by key management personnel or their relatives Key Management Personnel of Company	Mr. Subramanian Jambunathan (MD and CEO)##, Mr. Sujan Sinha (MD and CEO)#, Mr Kankshit Munshi (CFO)*, Mr. Kunal Shah (CFO)^, Mr Kunal Karnani (CFO)^^, Ms. Nikita Hule (Company Secretary), Ms Magesweri Pasupathy (Company Secretary)$, Ms.Quadsia Gandhi $$, Mr. V Murali, Ms Lakshminaryanan Priyadarshini**
Key Management Personnel of Holding Company	Mr. Duruvasan Ramachandra (MD & CEO), Mr. Ramasubramanian Chandrasekar (CFO), Mr. Chitta Ranjan Dash(CS)
Relatives of Key Management Personnel (need to check def of relatives & to be reported)	Ms. Dharini Mani Subramanian (Spouse of Managing Director), Late Mr. Krishnawamy Jambunathan (Father of Managing Director) Ms. Padmavathi Jambunathan (Mother of Managing Director), Ms. Anusha Subramanian (Daughter of Managing Director), Mr. Jambunathan Krishnan (Brother of Managing Director)

Related Party transactions during the year:

(₹in Lacs)

Particulars	Holding Company			Associates / Enterprises owned or significantly influence over the company			Key Management Personnel Personnel			Relatives of Key Management		
	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Debentures and Subordinate Bond redeemed during the year												
Equity contribution												
Shriram City Union Finance Limited (SCUF)	16,544.00	16,544.00	16,544.00									
Percentage Holding	77.25%	77.25%	77.25%									
Valiant Mauritius Partners FDI Ltd. (VMPL)				4,872.00	4,872.00	4,872.00						
Percentage Holding				22.75%	22.75%	22.75%						
Interest expense												
SCUF - Intercorporate Loan	255.92	-	-									
Commission to Directors	-	-	-	-	-	-	-	-	-	-	-	-
Remuneration to Directors (Sitting Fees)												
Ms. Quadsia Gandhi $$							**0.80**	**3.19**	**1.29**			
Mr. V Murali							2.60	2.75	1.94			
Ms Lakshminaryanan Priyadarshini **							1.80	-	-			
Remuneration to other KMPs												
Employee Benefits - Mr Sujan Sinha - short term benefit							41.89	100.62	134.63			
Employee Benefits - Mr Sujan Sinha - share based payment							(1.51)	1.74	0.53			
Employee Benefits - Mr Kankshit Munshi ^							39.50	26.91	-			
Employee Benefits - Mr Kunal Shah							-	5.01	74.15			
Employee Benefits - Ms Nikita Hule							12.03	9.14	6.56			
Employee Benefits - Ms Magesweri Pasupathy							-	-	0.51			
Emoloyee Benefits - Mr. Subramanian Jambunathan - Short Term Benefit							61.24	-	-			
Emoloyee Benefits - Mr. Subramanian Jambunathan - Share Based Payment							14.12	-	-			
Emoloyee Benefits - Mr. Kunal Karnani							18.55	-	-			

Reimbursement of Rent & Expenses												
Rent - SCUF	**84.53**	60.09	17.96									
Rent - SCL				-	43.45	190.51						
Rent - SFSL				0.75	0.60	-						
Rent - SFPS				1.06	-	-						
Rent - SISBL				-	-	2.43						
Expenses reimbursements - SCUF	**63.17**	31.88	12.14	-	-	-						
Expenses reimbursements - SCL		-	-		30.98	58.13						
Expenses reimbursements - SFPS				0.19								
Expenses reimbursements - SGIL				17.19	15.46	13.66						
Expenses reimbursements - SISBL				1.03	1.27	1.18						
Expenses reimbursements - SLIC				15.41	11.30	10.46						
Expenses reimbursements - SVS				1,210.13	940.69	494.56						
Commission - SCUF		0.11	1.02	-	-	-						
Commission - SISBL				-	0.18	1.76						
Royalty Fees - SOT		-	-	148.52	257.18	256.94						
Other Payments												
Security Deposit of Branches-SCL					9.53	-						
Transfer of liability for Gratuity/ Leave - SCUF	6.98											
Other Receipts												
Security Deposit -SCUF	-	157.94	-	-	-	-						
Transfer of liability for Gratuity/ Leave - SCUF	32.64	-	23.69									
Rent Received												
Rent - SCUF	302.22	299.79	210.25									
Rent - SFSL				3.47	2.21							
Rent - SISBL				0.57	1.15							
Purchase of assets												
Purchase of Assets- SCL	-					53.75	-					
Rent, Electricity, telephone and printing charges Received												
Expenses reimbursement - SCUF	15.26	16.22	35.94									
Expenses reimbursement - SFSL					-	2.00						
Expenses reimbursement - SISBL					0.09	0.24						
Corporate loan received from												
Intercorporate Loan - SCUF	16,500.00											
Repayment of Corporate loan received from												
Intercorporate Loan - SCUF	16,500.00											

Balance outstanding as at the year end:												
Share Capital - SCUF		16,544.00	16,544.00									
Share Capital - VMPL		-	-		4,872.00	4,872.00						
Outstanding Expenses - SCUF		11.40			-	-						
Expenses Receivable - SCUF		-			-	-						
Security Deposit - SCUF		275.33			-	-						
Outstanding Expenses - SCL		-	-		-	65.91						
Outstanding Expenses - SOT		-	-		89.71	18.80						
Expenses Receivable - SFSL					1.53							
Expenses Payable - SFSL												
Expenses Payable - SFPS												
Expenses Receivable - SISBL					1.29	-						
Expenses Payable - SISBL					0.24	-						
Expenses Payable - SVS					141.86	1.00						
Corporate loan Outstanding		-										

Ceased to be MD & CEO w.e.f. 31.08.2018
Appointed as MD & CEO w.e.f. 20.11.2018
* Ceased to be Chief Financial Officer w.e.f. 19.11.2018
^ Ceased to be Chief Financial Officer w.e.f. 23.04.2017
^^ Appointed as Chief Financial Officer w.e.f. 21.01.2019
$ Ceased to be Company Secretary w.e.f 12.07.2016
$$ Ceased to be a Director w.e.f. 23.05.2018
** Appointed as a Director w.e.f. 16.10.2018

Note:

a) Related parties have been identified on the basis of the declaration received by the management and other records available.
b) The loans have been utilised by the Shriram for lending Home Loan and meeting the working capital requirements.
c) The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.
d) 3,35.000 Stock options granted on 22nd December 2016 of "ESOP 2016 Scheme" have lapsed
e) 25,00,000 Stock options have been granted on 19th December 2018 of "ESOP 2013 Scheme" and same can be excercised not later than 5 years from date of vesting of options.

Note 42: Capital

Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

(₹in Lacs)

Regulatory Capital	As at 31 March, 2019	As at 31 March, 2018	As at 01 April, 2017-Opening
Common Equity Tier1 (CET1) capital	45,400.79	43,408.45	39,933.45
Other Tier 2 capital instruments	1,486.47	1,862.11	2,352.49
Total Capital	46,887.26	45,270.56	42,285.94
CET1 capital ratio	28.99	31.66	27.34
Total capital ratio	29.94	33.02	28.95

Regulatory capital consists of CET 1 capital, which comprises share capital, share premium, retained earnings including current year profit. Certain adjustments are made to Ind AS–based results and reserves, as prescribed by the National Housing Bank. The other component of regulatory capital is other Tier 2 Capital, which includes provision for standard assets.

Note 43 : Fair Value Measurement - Financial Assets and Liabilities

This section gives an overview of the significance of financial instruments for the Company and provides additional information on the balance sheet.

Financial Assets and Liabilities

The carrying value of financial instruments by categories and valuation hierarchy as at March 31, 2019 is as follows:

(₹in Lacs)

Particulars	Carrying Amount	Fair Value		
	As at 31 March 2019	Level 1	Level 2	Level 3
Financial assets at amortised costs:				
Cash and cash equivalents	1,447.12			
Bank Balance other than above	137.63			
Receivables	4.07			
Loans*	1,82,164.13	2,188.66		
Other Financial assets	352.92			
Financial assets at fair value through profit or loss:				
Investments in Mutual Funds	16,023.03	16,023.03		
Investments in Security Receipts	1,858.44		1,858.44	
Financial assets at fair value through OCI:				
Investments in Pass through Certificate	3,978.28		3,978.28	
Total	**2,05,965.62**	**18,211.69**	**5,836.72**	**-**
Financial Liabilities at amortised costs:				
Trade Payables	1,123.03			
Debt Securities	58,014.79			
Borrowings	1,10,868.40			
Other Financial liabilities	301.88			
Total	**1,70,308.10**	**-**	**-**	**-**
Off balance sheet items				
Other commitments	**6,707.40**			
Total off-balance sheet items	**6,707.40**	**-**	**-**	**-**

*Fixed Rate Loans & Advances having carrying value of ₹2,210.54 Lacs (Fair Value ₹2,188.66 Lacs) on 31 March, 2019 have been included above.

The carrying value of financial instruments by categories and valuation hierarchy as at March 31, 2018 is as follows:

(₹in Lacs)

Particulars	Carrying Amount	Fair Value		
	As at 31 March 2018	Level 1	Level 2	Level 3
Financial assets at amortised costs:				
Cash and cash equivalents	536.94			
Bank Balance other than above	135.95			
Receivables	13.44			
Loans**	1,74,638.77	2,604.09		
Other Financial assets	355.61			
Financial assets at fair value through profit or loss:				
Investments in Mutual Funds	-	-		
Investments in Security Receipts	2,303.10		2,303.10	
Financial assets at fair value through OCI:				
Investments in Pass through Certificate	7,637.60		7,637.60	
Total	**1,85,621.41**	**2,604.09**	**9,940.70**	**-**
Financial Liabilities at amortised costs:				
Trade Payables	876.19			
Debt Securities	66,957.85			
Borrowings	80,697.75			
Other Financial liabilities	282.33			
Total	**1,48,814.12**	**-**	**-**	**-**
Off balance sheet items				
Other commitments	**8,531.23**			
Total off-balance sheet items	**8,531.23**	**-**	**-**	**-**

**Fixed Rate Loans & Advances having carrying value of ₹2,933.10 Lacs (Fair Value ₹2,604.09 Lacs) on 31 March, 2018 have been included above.

The carrying value of financial instruments by categories and valuation hierarchy as at April 1, 2017 is as follows:

(₹in Lacs)

Particulars	Carrying Amount	Fair Value		
	As at 01 April 2017-Opening	Level 1	Level 2	Level 3
Financial assets at amortised costs:				
Cash and cash equivalents	491.12			
Bank Balance other than above	-			
Receivables	2.99			
Loans	1,73,039.91			
Other Financial assets	3,364.56			
Financial assets at fair value through profit or loss:				
Investments in Mutual Funds	1,800.48	1,800.48		
Investments in Security Receipts	-		-	
Financial assets at fair value through OCI:				
Investments in Pass through Certificate	7,137.68		7,137.68	
Total	**1,85,836.74**	**1,800.48**	**7,137.68**	**-**
Financial Liabilities at amortised costs:				
Trade Payables	812.41			
Debt Securities	76,617.60			
Borrowings	69,362.96			
Other Financial liabilities	636.90			
Total	**1,47,429.87**	**-**	**-**	**-**
Off balance sheet items				
Other commitments	**14,396.61**			
Total off-balance sheet items	**14,396.61**	**-**	**-**	**-**

During the reporting period ending 31 March, 2019 and 31 March, 2018 there was no transfer between level 2 and level 3 fair value measurements.

The instruments included in level 2 of fair value hierarchy have been measured based on their net asset value (NAV) as published in their period end statement.

Fair Value Measurement - Non-Financial assets

Assets held for sale are non-financial assets which are measured at fair value through profit and loss. At the time of initial classification as assets held for sale, these assets are measured at the lower of carrying amount and fair value less cost to sell. The fair value of the assets is determined by an independent valuer. These assets are carried at the fair value determined on initial recognition, unless there are indicators of significant changes in real estate market condition requiring a re-valuation.

The non-recurring fair value measurement for the assets held for sale has been categorized as a Level 2 fair value based on the inputs to the valuation techniques used. Refer note on Assets held on sale for details, Note No. 16.

(₹in Lacs)

Particulars	Fair Value Hierarcy - Level 2		
	As at 31 March, 2019	As at 31 March, 2018	As at 01 April 2017-Opening
Non-Financial assets at fair value through profit or loss:			
Other non financial assets			
Assets held for Sale	7,927.96	5,557.96	888.79
Total	**7,927.96**	**5,557.96**	**888.79**

Note 44 - Risk Management Note

The Company is registered with the National Housing Bank (NHB), and is in the business of lending to individuals and non individual clients whether on secured or unsecured basis. The Company faces various risks in its gamut of operations. The Company has put in place a Risk Management Policy to ensure that the risks that the Company faces are identified and dealt / controlled in a manner that the Company can continue its operations in a profitable and sustainable manner.

Risk-taking is an inherent element of business and, indeed, profits are in part the reward for successful risk taking in business. On the other hand, excessive and poorly managed risk can lead to losses and thus endanger the safety of the Company. Accordingly, the Company places significant emphasis on the adequacy of management of risk. This document is set to outline the approach towards risk and the process of oversight and management of the risks.

The Risk Management policy has laid down the various guidelines for risk identification, measurement, monitoring and control at each risk level.

The Board would have the ultimate responsibility in relation to the oversight of the risk management process. The Board of the Company also draws support from the Audit & Risk management committee (ARMC) of the Board which provides oversight over the risk management process. The ARMC has put in place a risk management policy which is implemented in the Company.

Senior management would be responsible for implementing strategies in a manner that limits risks associated with each strategy and that ensures compliance with laws and regulations, risk policies and control limits, on both a long-term and day-to-day basis. Accordingly, management would be fully involved in the activities and possess sufficient knowledge of all major products to ensure that appropriate policies, controls, and risk monitoring systems are in place and that accountability and lines of authority are clearly delineated. Senior management would also be responsible for establishing effective internal controls and high ethical standards.

The Company has ensured that adequate policies and procedures are in place for each of the key risks, further a detailed MIS and monitoring mechanism is in place. Further the Company has also put in place internal control mechanisms to review monitor and control risks.

Some of the key risks faced by the Company include –

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 and industry concentrations, and by monitoring exposures in relation to such limits.

Credit risk is monitored by the credit risk department of the Company's independent Risk Controlling Unit. 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 risk managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit risk 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 the Customer.

A detailed credit policy has been designed by the Company for each product type and customer segment.

CREDIT RISK ON LOANS AND ADVANCES:

Credit risk is controlled by analysing the credit limits and creditworthiness of the customer on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. An impairment analysis is performed at each reporting date on a portfolio basis. The Company holds collateral as security against all the loans advanced. The Company obtains the possession of these collaterals in case of default by customer to meet its obligation. These assets are then sold in to recover the loan value.

The impairment of the credit risk on the loans is carried out through a detailed ECL model. The ECL model provides for the ECL on a 12 month ECL basis for standard to stage 1 assets whereas the same is calculated based on a lifetime ECL for stage 2 & 3 level assets. The ECL is calculated based on a Probability of default (PD) X Exposure at Default (EAD) X (Loss given default X discount rate – (LGD)).

Company calculates the PD by taking into account the past historical trends of the portfolio and its credit performance based on a homogenous characteristic of the underlying portfolio. This is calculated based on a 12 month PD perspective. In case of impaired assets where lifetime PD is to be applied, the PD is extrapolated to take into account the probability of default over the lifetime of the asset.

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

The Loss Given Default (LGD) is reviewed by the credit and collections teams every 3 months if not earlier. The credit risk assessment is based on a standardised LGD assessment framework that results in a certain LGD rate. These LGD rates take into account the expected EAD in comparison to the amount expected to be recovered or realised from any collateral held.

The Company segments its retail lending products into smaller homogeneous portfolios, based on key characteristics that are relevant to the estimation of future cash flows. The applied data is based on historically collected loss data and involves a wider set of transaction characteristics (e.g., product type, wider range of collateral types) as well as borrower characteristics.

The Company continuously monitors all assets subject to ECLs in order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Company assesses whether there has been an event which could cause a significantly impair to the underlying asset or the customers ability to pay and accordingly increase the 12 months ECL to a LTECL.

CREDIT RISK ON PASS THROUGH CERTIFICATES :

The Company carries out investments in Pass Through Certificates (PTC). The Company recognises the credit risk in the PTC by estimating the probability of default (PD). The investment is classified as a Stage 1 in case there is no change in the credit rating or a change of one notch in the credit rating. 12 month PD rates are applied for Stage 1 Investments. Further in case there is a higher notch down in credit rating, the investment is taken as at Stage 2 and life time PD is applied. Any investment which is non performing or in default or restructured is taken to be as at Stage 3.

PD is estimated based on various external information including information available through the CRISIL Default Study Reports among others. The Exposure at Default (EAD) is the carrying value of the investment as at the reporting date. The Loss Given Default (LGD) is calculated as per the RBI FIRB report which stipulates the LGD rates for secured or unsecured investments.

The Company continues to evaluate other external information and data on the Company and the underlying assets to evaluate any changes to the ECL methodology applied.

CREDIT RISK ON OTHER FINANCIAL ASSETS :

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

LIQUIDITY RISK :

The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans. The treasury department reporting into the CFO monitors the cash flows on a regular basis. Treasury department is divided into the resource mobilisation and the ALM team. The resource mobilisation team reviews the cash flows, business growth expected and accordingly works with the ALMT to ensure that adequate liquidity is available. A detailed note on the maturity profile of the assets and liabilities of the Company is provided as per Note 40 to the financial statements.

INTEREST RATE RISK :

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

We are subject to interest rate risk, principally because we lend to clients at fixed interest rates and for periods that may differ from our funding sources, while our borrowings are at both fixed and variable interest rates for different periods. We assess and manage our interest rate risk by managing our assets and liabilities. Our Asset Liability Management Committee evaluates asset liability management, and ensures that all significant mismatches, if any, are being managed appropriately.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

Note 45: First-time adoption of Ind AS

These financial statements, for the year ended 31 March, 2019 that has been prepared in accordance with Ind AS. For periods up to and including the year ended 31 March, 2018 the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

Accordingly, the company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March, 2019 together with the comparative period data as at and for the year ended 31 March, 2018 as described in the summary of significant accounting policies. In preparing these financial statements, the company's opening balance sheet was prepared as at 1 April, 2017, the company's date of transition to Ind AS. This note explains the principal adjustments made by the company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April, 2017 and the financial statements as at and for the year ended 31 March, 2018.

Exemptions Applied:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

> Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based on conditions in place as at the date of transition.

> A first-time adopter may opt to continue with the carrying value for all of its PPE as recognised in its previous GAAP financial as deemed cost at the transition date. However, it makes necessary adjustments for decommissioning liabilities to be included in the carrying value of PPE. The Company has used Ind AS 101 exemption and continued with the carrying value as recognised in previous GAAP as deemed cost on the transition date.

> Under Ind AS 109, if an entity measures a financial instrument on initial recognition based on valuation techniques that only use observable market data or current market transactions in the same instrument and the fair value at initial recognition is different from the transaction price, then it is required to recognise the 'day one' gain or loss at initial recognition of this financial instrument. Ind AS 101 allows an entity to apply the 'day one' gain or loss recognition requirement of Ind AS 109 prospectively to transactions entered into on or after the date of transition to Ind AS.

The Company has opted for this exemption to recognise the 'day one' gain or loss on initial recognition arising due to difference in transaction cost and fair value prospectively for transactions entered into on or after the date of transition to Ind AS.

> Ind AS 109 requires a financial asset to be measured at amortised cost if it meets two tests that deal with the nature of the business that holds the assets and the nature of the cash flows arising on those assets. A first-time adopter must assess whether a financial asset meets the conditions on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Ind AS 101 also contains mandatory exception related to classification of financial asset which states that conditions for classifying financial assets to be tested on the basis of facts and circumstances existing at the date of transition to Ind AS instead of the date on which it becomes party to the contract.

The Company has opted to classify all financial assets and liabilities based on facts and circumstances existing on transition date.

> As per Ind AS 101 – An entity shall apply the exception to the retrospective application in case of "Derecognition of financial assets and financial liabilities" wherein a first-time adopter shall apply the Derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind Ass. The Company has opted not to re-evaluate financial assets derecognized in the past including those sold to asset restructuring companies.

Estimates:

The estimates at 1 April, 2017 and at 31 March, 2018 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

> FVTPL / FVOCI – equity and debt instrument

> Impairment of financial assets based on expected credit loss model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April, 2017, the date of transition to Ind AS and as of 31 March, 2018.

Equity reconciliation for 1 April, 2017 (₹in Lacs)

Particulars	Notes	Previous GAAP	Reclassification	Adjustments	Ind AS
ASSETS					
Financial Assets					
Cash and cash equivalents	6	491.12	-	-	491.12
Bank Balance other than above	7	-	-	-	-
Trade receivables	8	2.99	-	-	2.99
Loans	9	1,77,496.04	-	(4,456.13)	1,73,039.91
Investments	10	8,929.49	-	(9.57)	8,919.92
Other financial assets	11	3,397.12	-	(32.56)	3,364.56
Total (A)		**1,90,316.76**	**-**	**(4,498.26)**	**1,85,818.50**
Non-financial Assets					
Current tax assets (net)	12	440.92	-	-	440.92
Deferred tax assets (net)	35	-	-	785.70	785.70
Investment Property	13	-	0.28	-	0.28
Property, plant and equipment	14	510.08	(0.28)	-	509.80
Other Intangible assets	15	3.34	-	-	3.34
Capital work-in-progress	14	-	98.64	-	98.64
Other non-financial assets	16	1,673.54	(232.05)	(201.30)	1,240.19
Total (B)		**2,627.88**	**(133.41)**	**584.40**	**3,078.87**
Total Assets (A+B)		**1,92,944.64**	**(133.41)**	**(3,913.86)**	**1,88,897.37**
LIABILITIES AND EQUITY					
LIABILITIES					
Financial Liabilities					
Payables	17	812.41	-	-	812.41
Debt securities	18	73,400.00	3,603.32	(385.72)	76,617.60
Borrowings (other than debt securities)	19	69,476.61	(108.67)	(4.98)	69,362.96
Other financial liabilities	20	4,264.96	(3,628.06)	-	636.90
Total (C)		**1,47,953.98**	**(133.41)**	**(390.70)**	**1,47,429.87**
Non-financial Liabilities					
Provisions	21	2,535.32	-	(2,126.59)	408.73
Current tax liabilities (net)					
Contract liability					
Deferred tax liabilities (net)	35	30.26	-	(30.26)	-
Other non-financial liabilities	22	58.92	-	-	58.92
Total (D)		**2,624.50**	**-**	**(2,156.85)**	**467.65**
Total Liabilities (C+D)		**1,50,578.48**	**(133.41)**	**(2,547.55)**	**1,47,897.52**
Equity share capital	23	21,416.00	-	-	21,416.00
Other equity	24	20,950.16	-	(1,366.31)	19,583.85
Total Equity		**42,366.16**	**-**	**(1,366.31)**	**40,999.85**
Equity attributable to shareholders of parent (77.25%)		**32,727.86**	**-**	**(1,055.47)**	**31,672.39**
Non-controlling interest (22.75%)		**9,638.30**	**-**	**(310.84)**	**9,327.47**
Total Liabilities and Equity		**1,92,944.64**	**(133.41)**	**(3,913.86)**	**1,88,897.37**

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Equity reconciliation for 31 March, 2018

(₹in Lacs)

Particulars	Notes	Previous GAAP	Reclassification	Adjustments	Ind AS
ASSETS					
Financial Assets					
Cash and cash equivalents	6	536.94	-	-	536.94
Bank Balance other than above	7	135.00	0.95	-	135.95
Trade receivables	8	13.44	-	-	13.44
Loans	9	1,78,529.92	-	(3,891.15)	1,74,638.77
Investments	10	9,934.45	-	(13.63)	9,920.82
Other financial assets	11	474.00	(0.95)	(117.44)	355.61
Total (A)		**1,89,623.75**	**-**	**(4,022.22)**	**1,85,601.53**
Non-financial Assets					
Current tax assets (net)	12	456.11	-	-	456.11
Contract asset					-
Deferred tax assets (net)	35	28.80	-	298.83	327.63
Investment Property		-	0.28	-	0.28
Property, plant and equipment	14	751.23	(0.28)	-	750.95
Other Intangible assets	15	129.67	-	-	129.67
Capital work-in-progress		-	11.05	-	11.05
Other non-financial assets	16	6,961.31	(54.39)	(32.74)	6,874.18
Total (B)		**8,327.12**	**(43.34)**	**266.09**	**8,549.87**
Total Assets (A+B)		**1,97,950.87**	**(43.34)**	**(3,756.13)**	**1,94,151.40**
LIABILITIES AND EQUITY **LIABILITIES**					
Financial liabilities					
Payables	17	876.19	-	-	876.19
Debt securities	18	63,900.00	3,341.04	(283.19)	66,957.85
Borrowings (other than debt securities)	19	80,743.87	(43.10)	(3.02)	80,697.75
Other financial liability	20	3,623.61	(3,341.28)	-	282.33
Total (C)		**1,49,143.67**	**(43.34)**	**(286.21)**	**1,48,814.12**
Non-financial Liabilities					
Provisions	21	3,426.47	-	(3,061.24)	365.23
Current tax liabilities (net)		-	-	-	-
Deferred tax liabilities (net)	35	-	-	-	-
Other non-financial liabilities	22	126.05	-	-	126.05
Total (D)		**3,552.52**	**-**	**(3,061.24)**	**491.28**
Total Liabilities (C+D)		**1,52,696.19**	**(43.34)**	**(3,347.45)**	**1,49,305.40**
Equity share capital	23	21,416.00	-	-	21,416.00
Other equity	24	23,838.68	-	(408.68)	23,430.00
Total Equity		**45,254.68**	**-**	**(408.68)**	**44,846.00**
Equity attributable to shareholders of parent (77.25%)		**34,959.24**	**-**	**(315.71)**	34,643.53
Non-controlling interest (22.75%)		**10,295.44**	**-**	**(92.97)**	**10,202.47**
Total Liabilities and Equity		**1,97,950.87**	**(43.34)**	**(3,756.13)**	**1,94,151.40**

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Profit reconciliation for the year ended 31 March, 2018 (₹in Lacs)

Particulars	Notes	Previous GAAP	Reclassification	Adjustments	Ind AS
REVENUE FROM OPERATIONS					
Interest income	25	26,431.79	-	843.90	27,275.69
Dividend income		-	-	-	-
Rental income		-	-	-	-
Fee and commission income		-	-	-	-
Net gain on fair value changes	26	103.09	-	(0.48)	102.61
Net gain on derecognition of financial instruments under amortised category		-	-	-	-
Other operating income	27	636.78	-	-	636.78
Total revenue from operations		27,171.66	-	843.42	28,015.08
Other income	28	25.49	-	25.07	50.56
Total Income		**27,197.15**	**-**	**868.49**	**28,065.64**
Expenses					
Finance costs	29	11,546.61	-	17.56	11,564.17
Fees and commission expense			-		-
Net loss on fair value changes		-	-	-	-
Net loss on derecognition of financial instruments under amortised category	30	-	-	-	-
Impairment on financial instruments	31	1,810.87	-	(649.13)	1,161.74
Employee benefits expenses	32	4,243.66	-	12.67	4,256.33
Depreciation, amortisation and impairment	33	193.10	-	-	193.10
Other expenses	34	5,063.46	-	25.28	5,088.74
Total Expenses		**22,857.70**	**-**	**(593.62)**	**22,264.08**
Profit /(loss) before exceptional items and tax		4,339.45	-	1,462.11	5,801.56
Exceptional items		-	-	-	-
Profit/(loss) before tax		4,339.45	-	1,462.11	5,801.56
Tax Expense:					
(1) Current tax	35	1,337.56	-	-	1,337.56
(2) Deferred tax (credit)	35	(59.07)	-	514.28	455.21
(3) Earlier years adjustments	35	172.44	-	-	172.44
Profit/(loss) for the period from continuing operations		2,888.52	-	947.83	3,836.35
Profit/(loss) from discontinued operations		-	-	-	-
Gain on disposal of discontinued operation		-	-	-	-
Tax expense of discontinued operations		-	-	-	-
Profit/(loss) for the year		2,888.52	-	947.83	3,836.35
Other comprehensive income					
(i) Items that will not be classified to profit or loss		-	-	-	
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-	-	-
Subtotal (A)		-	-	-	-
(i) Items that will be reclassified to profit or loss		-	-	8.32	8.32
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	(2.88)	(2.88)
Subtotal (B)		-	-	5.44	5.44
Other Comprehensive Income		-	-	5.44	5.44
Total comprehensive income		**2,888.52**	**-**	**953.27**	**3,841.79**

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

FOOTNOTES TO THE RECONCILIATION OF EQUITY AS AT 1 APRIL, 2017 AND 31 MARCH, 2018 AND PROFIT OR LOSS FOR THE YEAR ENDED 31 MARCH, 2018

1. **EIR**

   a. Under Indian GAAP, transaction costs charged to customers was recognised upfront while under Ind AS, such costs are included in the initial recognition amount of financial asset and recognised as interest income using the effective interest method. Consequently loan to customers on date of transition date have decreased by ₹774.17 Lacs (all adavances floating on transition date). The impact of ₹105.26 Lacs for the year ended 31 March, 2018 has been taken to Profit and loss. Loans which were disbursed at fixed rate have impacted Profit and loss for the year ended 31 March, 2018 of ₹0.02 Lacs

   b. Under Indian GAAP, transaction costs incurred on Debt securities was charged to statement of profit and loss proportionately on the basis of tenure while under Ind AS, such costs are included in the initial recognition amount of financial asset and recognised as interest expense using the effective interest method. Consequently borrowings on date of transition date have decreased by ₹385.72 Lacs and impact for the year ended 31 March, 2018 amounting to ₹102.52 Lacs has been taken to Profit and loss.

   c. Unamortised expense on debt securities was recorded as an asset in the balance sheet under Indian GAAP. The same is reversed under Ind AS. As a result, the retained earnings as on the transition date has decreased by ₹395.50 Lacs. Impact for the year ended 31 March 2018 was ₹102.58 Lacs has been taken to the Profit and loss account.

   d. Under Indian GAAP, expenses incurred on investment in PTCs were charged to profit and loss upfront while under IND AS, expenses incurred for floating rate PTCs are amortised on the basis tenure. Consequently Investment in PTCs is increased by ₹8.19 lacs on the date of transition which has impcted retained earning. The impact of ₹1.94 lacs for the year ended 31 March, 2018 has been taken to profit and loss.

2. **Recording of impairment as per ECL**

   a. Under IGAAP, NPA provisioning was computed based on the NHB guidelines. Under Ind AS, the impairment is computed based on Expected Credit Loss model. Under ECL, the company impaired its loans to customers by ₹4,243.87 Lacs which has been eliminated against retained earnings. This has resulted in an additional impairment provision of ₹1,957.85 Lacs on the date of transition to Ind AS the impact of which was taken to retained earnings. Impact for the year ended 31 March, 2018 was ₹650.73 Lacs has been taken to the Profit and loss account.

   b. Under IGAAP, impairment was not provided for investment in PTC. As per IND AS, ECL is provided due to which ratained earnings has reduced by ₹18.35 lacs as on transition date. Impact for the year ended 31 March, 2018 was ₹1.60 Lacs has been taken to the Profit and Loss account.

3. **Interest income on NPA**

   Under IGAAP, interest income on NPA was recognised on cash basis. However, under Ind AS the interest income on NPA is recorded net of ECL provision as and when accrued. As a result of recording interest income on NPAon accrual basis, the retained earnings as on transition date has increased by ₹402.47 Lacs . The impact for the year was ₹740.61Lacs has been taken to Profit and loss.

4. **Fair valuation of security deposit**

   The Company has given interest free security deposit in the form of rental advance for branches taken on lease. Such deposits have been fair valued under Ind AS. As a result of the fair valuation, there has been a addition in the balance of security deposits to the extent of ₹99.46 Lacs impact of which was taken to retained earnings as on 1 April, 2017. The impact of ₹25.07 Lacs for the year ended 31 March, 2018 has been taken in Profit and loss. Also the Company has amortised deferred lease rental as on 1 April, 2017 to the extent of ₹101.71 Lacs , the impact of which was taken to retained earnings as on 1 April, 2017. The impact of ₹27.86 Lacs for the year ended 31 March, 2018 has been taken in Profit and loss.

5. **Fair valuation of ESOP**

Under IGAAP, ESOP was recorded using the Intrinsic Value method. However, under Ind AS, ESOP is recorded using Fair value method. As a result of this there was an increase in the valuation of ESOP as on the transition date by ₹11.51 Lacs which has led to reduction in the retained earnings. The impact for the year ended 31 March, 2018 is ₹4.35 Lacs which has been taken to the profit and loss.

6. **Deferred Tax**

The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. As a result of Ind AS adjustments, the deferred tax (Asset) as on 1 April, 2017 has increased by ₹785.70 Lacs leading to an increase in retained earnings. The impact for the year ended 31 March, 2018 is ₹517.15 Lacs which has been taken to the Profit and loss.

7. **Other comprehensive income**

Under Indian GAAP, the company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

8. **Statement of cash flows**

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

9. **FVOCI financial assets**

Under Indian GAAP, the company accounted for long term investments in PTC at cost. Under Ind AS, the company has designated such investments as FVOCI investments. Ind AS requires FVOCI investments to be measured at fair value. At the date of transition to Ind AS, carrying value of Investment in PTC is considered as fair value .

10. **Defined benefit liabilities**

Both under Indian GAAP and Ind AS, the company recognised costs related to its post-employment defined benefit plan on an actuarial basis.

Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost is increased by ₹8.32 Lacs and Remeasurement gains/ losses on 31 March, 2018.

11. **Fair Valuation of Investment in Mutual Funds**

Under IGAAP, Investment in Mutual Funds is shown at cost. As per IND AS,it is shown at fair value. As on transition date, Investment in Mutual fund is increased by ₹0.48 Lacs which has impacted retained earnings. The impact for the year ended 31 March, 2018 is ₹0.48 Lacs which has been taken to profit and loss.

12. **Amortisation of Cash Credit Renewal Expenses**

Under IGAAP, Cash credit renewal expenses were charged to profit and loss upfront. Under IND AS, it is ammortised over the period due to which ₹5.01 lacs has impacted retained earnings. The impact for the year ended 31 March, 2018 is ₹2.02 lacs which has been taken to profit and loss.

13. **Commission on corporate guarantee**

As per IGAAP, booking of commission on corporate guarantee provided by Shriram City Union Finance to us was not required. As per IND AS, it needs to be booked due to which retained earnings has impacted by ₹19.92 lacs. The impact for the year ended 31 March, 2018 is ₹15.60 lacs which has been taken to profit and loss.

14. Reclassification of provision of standard/non-performing assets (NPA)

Under Indian GAAP provision for NPA and standard asset were presented under provisions. However, under Ind AS financial assets measured at amortised cost (majorly loans) are presented net of provision for expected credit losses. Consequently, the company has reclassified the Indian GAAP provisions for standard assets/ NPA's amounting to ₹2,286.02 Lacs and ₹3,117.82 Lacs as on 1 April, 2017 and 31 March, 2018 respectively.

15. Reclassification of expenses incurred for borrowings/debt securities

Under IGAAP, expenses incurred for borrowings/debt securities which were on floating rate basis were shown under asset while as per IND AS it is clubbed with borrowings/debt securities. Consequently, the company has reclasssified the same with borrowings/debt securities amounting to ₹133.41 lacs and ₹43.34 lacs as on 1 April, 2017 and 31 March, 2018 respectively.

16. Reclassification of interest accrued on borrowings/debt securities

Under IGAAP, interest accrued on borrowings/debt securities were shown under other financial liabilities is clubbed with respective debt secuties/borrowings as per IND AS. Consequently, the company has reclassified the same amounting to ₹3,628.05 lacs and ₹3,341.28 lacs as on 1 April, 2017 and 31 March, 2018.

17. Reclassification of Land

Under IGAAP, Land was shown under fixed asset where as under IND AS it is shown under Investmnet property amounting to ₹0.28 lacs.

18. Reclassification of advances given against capital assets

Under IGAAP, advances given for capital assets were shown as advance under separate head whereas as per IND AS, it is shown under property, plant and equipment as capital work in progress including advance for capital assets.

Note 46. As certified by the Management, loans given by the company are secured by Equitable Mortgage/Registered Mortgage of the property & Assets Financed &/or assignment of Life Insurance policies &/or Personal Guarantees &/or undertaking to create a security and are considered secured & good.

Note 47. Company has obtained guarantee on pool of Home Loan contracts with a Mortgage Guarantee extended by India Mortgage Guarantee Corporation Pvt. Ltd (IMGC). The guarantee from IMGC helps in mitigating credit losses.

Note 48. No Funds raised through Preferential allotment of shares.

Note 49. Value of Imports on CIF basis- NIL (Previous Year-NIL).

Note 50. Foreign exchange earnings - NIL (Previous Year - NIL) and out go - NIL (Previous Year - NIL).

Note 51. Based on the information received by the company, none of the suppliers have confirmed to be registered under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

Note 52. The Company does not have licensed capacity as it is a Housing Finance Company.

Note 53. The figures of previous year have been rearranged/ regrouped to conform to the current year.

Note 54. Transfer to Reserve Fund:

As per Section 29C of the National Housing Bank Act, 1987, the Company is required to transfer at least 20% of net profits every year to Reserve Fund. The Company has transferred an amount of ₹337.99 Lacs (Previous Year ₹578.00 Lacs).

(₹in Lacs)

Particulars as at	As at 31 March, 2019	As at 31 March, 2018
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	-	-
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under section 29C of the NHB Act 1987.	2,460.70	1,882.70
c) Total	2,460.70	1,882.70
Addition / Appropriation / Withdrawal during the year		
Add:		
a) Amount transferred uls 29C of the NHB Act, 1987		
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under section 29C of the NHB Act 1987.	337.99	578.00
Less:		
a) Amount appropriated from the Statutory Reserve - u/s 29C of the NHB Act, 1987	-	
b) Amount withdrawn from the Special Reserve ul s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	-	-
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	2,798.69	2,460.70
c) Total	**2,798.69**	**2,460.70**

Capital to Risk Ratio (CRAR)

Items	As at 31 March, 2019	As at 31 March, 2018
1. CRAR(%)	29.94%	33.02%
2. CRAR(%)Tier I capital	28.99%	31.66%
3. CRAR(%)Tier II capital	0.95%	1.36%
4. Amount of subordinated debt raised as Tier- II Capital	-	-
5. Amount raised by issue of Perpetual Debt Instruments	-	-

Exposure to Real Estate Sector

a) Direct Exposure

i) Residential mortgagesLending fully secured by mortgage on Residential property that is or will be occupied by the borrower or that is rented

(₹in Lacs)

Category	As at 31 March, 2019	As at 31 March, 2018
(i) Housing Loan to individuals upto ₹15 lacs	33,910.86	39,271.82
(ii) Housing Loan to individuals more than ₹15 lacs	54,552.18	50,595.50
(iii) Non Housing Loan against residential property	72,722.42	59,352.22

(ii) Commercial Real Estate

(₹in Lacs)

Category	As at 31 March, 2019	As at 31 March, 2018
Lending secured by mortgages on commercial real - estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc) exposure includes non-fund based (NFB) limits	20,978.67	25,419.23

iii) Investment in mortgage backed securities (MBS) and other securitized exposures

(₹in Lacs)

Category	As at 31 March, 2019	As at 31 March, 2018
a) Residential	144.28	253.07
b) Commercial Real Estate	-	-

b) Indirect exposure

Fund based and non-fund based exposure on National Housing Bank (NHB) and Housing Finance Companies (HFCs) – NIL (previous year- NIL)

Note 55: Investments

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Value of Investments		
(i) Gross value of Investments (a) In India	21,859.75	9940.70
(b) Outside India	-	-
(ii) Provisions for Depreciation * (a) In India	(4.74)	(19.88)
(b) Outside India	-	-
(iii) Net value of Investments (a) In India	21,855.01	9,920.82
(b) Outside India	-	-
Movement of provisions held towards depreciation on investments*		
(i) Opening balance	19.88	18.24
(ii) Add: Provisions made during the year*	-	1.64
(iii) Less: Write-off/Written-back of excess provisions during the year*	(15.14)	-
(iv) Closing balance	**4.74**	**19.88**

*Amount shown is as per expected credit loss(ECL) on investment in PTC as per Ind AS.

Asset Liability Management:

Maturity pattern of certain items of Assets and Liabilities.

(₹in Lacs)

Period	Liabilities		Assets	
	Borrowings from Banks*	Market Borrowings**	Advances	Investment
1 day to 30-31 days(one month)	2,227.42	2,480.74	4,099.80	16,216.92
Over one month to 2 months	505.70	2,793.46	959.66	197.80
Over 2 months upto 3 months	393.52	(7.35)	1,045.07	198.97
Over 3 months to 6 months	6,272.16	20,038.91	2,826.09	405.26
Over 6 months to 1 year	29,749.89	6,293.81	5,886.71	722.38
Over 1 year to 3 years	40,508.71	23,410.79	27,464.35	1,083.54
Over 3 to 5 years	25,757.63	3,969.51	25,833.42	1,013.50
Over 5 to 7 years	494.90	3,993.39	25,235.72	1,106.24
Over 7 to 10 years	-	-	40,543.17	548.35
Over 10 Years	-	-	48,270.14	362.05
Total	**1,05,909.93**	**62,973.26**	**1,82,164.13**	**21,855.01**

*Includes Borrowings from National Housing Bank.
**Includes Commercial papers

Details of non- performing financial assets sold :

(₹in Lacs)

SI. No.	Particulars	As at 31 March, 2019	As at 31 March, 2018
1.	No. of accounts sold	355.00	-
2.	Aggregate outstanding	7,692.17	-
3.	Aggregate consideration received	3,776.00	-

Details of non-performing financial assets purchased:

(₹in Lacs)

SI. No.	Particulars	As at 31 March, 2019	As at 31 March, 2018
1.	No. of accounts purchased during the year	NA	NA
2.	Aggregate outstanding		
3.	Of these, number of accounts restructured during the year		
4.	Aggregate outstanding		

Note 56: Provisions & Contingencies

(₹in Lacs)

SI. No.	Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	As at 31 March, 2019	As at 31 March, 2018
1.	Provisions for depreciation on Investment**	(15.19)	1.60
2.	Provision made towards Income tax	(92.94)	1,510.00
3.	Provision towards NPA*	(1,390.64)	774.29
4.	Provision for Standard Assets*	(375.68)	(490.38)
5.	Other Provision and Contingencies Provision for Gratuity	(43.88)	46.05
	Provision for Leave benefits	89.87	49.12
	Provision for Non funded exposures*	(17.16)	(102.85)

* Amount shown is as per expected credit loss(ECL) of loans & non funded exposure as per Ind AS
** Amount shown is as per expected credit loss(ECL) of investment as per Ind AS

(₹in Lacs)

Break up of Loan & Advances and Provisions thereon	Housing		Non-Housing	
	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
Standard Assets				
a) Total Outstanding Amount	1,06,718.64	1,04,192.09	72,882.70	64,765.65
b) Provisions made*	828.21	1,031.50	658.26	830.66
Sub-Standard Assets				
a) Total Outstanding Amount	1,231.94	3,331.96	1,889.89	4,541.83
b) Provisions made*	296.39	902.73	409.03	1,079.46
Doubtful Assets – Category-I				
a) Total Outstanding Amount	429.16	1,180.40	1,079.70	525.90
b) Provisions made*	98.91	302.99	204.54	117.66
Doubtful Assets – Category-II				
a) Total Outstanding Amount	383.92	374.16	133.42	95.17
b) Provisions made*	80.55	84.36	23.06	19.03
Doubtful Assets – Category-III				
a) Total Outstanding Amount	16.82	-	-	-
b) Provisions made*	3.11	-	-	-
Loss Assets				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made*	-	-	-	-
TOTAL				
a) Total Outstanding Amount	**1,08,780.48**	**1,09,078.61**	**75,985.71**	**69,928.55**
b) Provisions made*	**1,307.17**	**2,321.58**	**1,294.89**	**2,046.81**

*Amount shown under "provisions made" is expected credit loss(ECL) on loans as per IND AS

Note 57: Concentration of Public Deposits, Advances, Exposures and NPAs

(i) Concentration of Public Deposits (for Public Deposit taking/holding HFCs)

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Total Deposits of twenty largest depositors	N.A.	N.A.
Percentage of Deposits of twenty largest depositors to Total Deposits of the HFC		

(ii) Concentration of Loans & Advances

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Total Loans & Advances to twenty largest borrowers	22,451.60	21,966.58
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	12.32%	12.58%

(iii) Concentration of all Exposure (including off-balance sheet exposure)

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Total Exposure to twenty largest borrowers /customers	23,801.26	25,215.27
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	12.60%	13.68%

(iv) Concentration of NPAs

(₹in Lacs)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Total Exposure to top ten NPA accounts	1,345.24	1,867.32

(v) Sector-wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector
A.	**Housing Loans:**	
1	Individuals	1.47%
2	Builders/Project Loan	0.01%
3	Corporates	-
4	Others (specify)	-
B.	**Non-Housing Loans:**	
1	Individuals	2.53%
2	Builders/Project Loan	0.02%
3	Corporates	0.75%
4	Others (specify)	-

(vi) Movement of NPAs

(₹in Lacs)

SI. No.	Particulars	As at 31 March, 2019	As at 31 March, 2018
(I)	Net NPAs to Net Advances (%)	2.20%	4.27%
(II)	Movement of NPAs (Gross)		
	a) Opening balance	10,049.42	4,987.89
	b) Additions during the year	3,476.79	8,004.95
	c) Reductions during the year	8,361.37	2,943.42
	d) Closing balance	**5,164.84**	**10,049.42**
(III)	Movement of Net NPAs		
	a) Opening balance	7,543.18	3,255.95
	b) Additions during the year	2,773.12	6,203.27
	c) Reductions during the year	6,267.06	1,916.04
	d) Closing balance	**4,049.24**	**7,543.18**
(IV)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	a) Opening balance	2,506.24	1,731.94
	b) Provisions made during the year	750.57	1,961.98
	c) Write-off/write-back of excess provisions	2,141.21	1,187.68
	d) Closing balance	**1,115.60**	**2,506.24**

Note 58 : Rating Assigned by Credit rating agencies and migration of ratings during the year

Rating Agency	Rating Instrument	Rating Assigned as on 31st March 2019
India Rating & Research Pvt. Ltd.	Long-Term (NCDs)	IND AA / Stable
	Bank Loan Ratings	IND AA / Stable
Credit Analysis & Research Limited	Long-Term (NCDs)	CARE AA+
	Short-Term (CP)	CARE A1+

Note: No migration during the year

Note 59: Disclosure of Complaints and Customers Complaints

Sl. No.	Particulars	As at 31 March, 2019	As at 31 March, 2018
a)	No. of complaints pending at the beginning of the year	-	-
b)	No. of complaints received during the year	890	525
c)	No. of complaints redressed during the year	890	525
d)	No. of complaints pending at the end of the year	-	-

Note 60 :

(a) **Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)**

SI. No.	Particulars	As at 31 March, 2019	As at 31 March, 2018
(i)	The notional principal of swap agreements	NA	NA
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements		
(iii)	Collateral required by the SHFL upon entering into swaps		
(iv)	Concentration of credit risk arising from the swaps		
(v)	The fair value of the swap book		

(b) **Exchange Traded Interest Rate (IR) Derivative**

SI. No.	Particulars	As at 31 March, 2019	As at 31 March, 2018
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrumentwise)	NA	NA
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as on 31 March, 2019 (instrument-wise)		
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)		
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)		

(c) **Disclosures on Risk Exposure in Derivatives**

A. Qualitative Disclosure - NA

B. Quantitative Disclosure

SI. No.	Particulars	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)	NA	NA
(ii)	Marked to Market Positions [1] (a) Assets (+) (b) Liability (-)		
(iii)	Credit Exposure [2]		
(iv)	Unhedged Exposures		

(d) **Securitisation**

The Company has not done any securitisation and there no transaction outstanding as on March 31, 2019

(e) **Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction**

(₹in Lacs)

SI. No.	Particulars	As at 31 March, 2019	As at 31 March, 2018
(i)	No. of accounts	355	-
(ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	5,500	-
(iii)	Aggregate consideration	3,776	-
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	0	-
(v)	Aggregate gain / loss over net book value	(1,050)	-

(f) **Exposure to Capital Market**

SI. No.	Particulars	As at 31 March, 2019	As at 31 March, 2018
(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;		
(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;	NA	NA
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;		
(vi)	Loans sanctioned to corporates against the security of shares/ bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;		
(vii)	Bridge loans to companies against expected equity flows / issues;		
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)		
	Total Exposure to Capital Market		

(g) **Details of financing parent company products**
The Company has not financed any parent company products

(h) **Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by SHFL**
The company has not exceeded any Single Borrower or Group Borrower Limits

(i) The Company has not obtained registration from any other financial sector regulators.

(j) No Penalties have been imposed by the National Housing Bank or any other regulators.

(k) There has been no case of draw down of any specific reserves.

(l) There have no loans granted against collateral gold jewellery.

(m) The Company has not made any unsecured advances.

(n) **Overseas Assets**

SI. No.	Particulars	As at 31 March, 2019	As at 31 March, 2018
	NA		

(o) **Off-balance Sheet SPVs sponsored**

Name of SPV sponsored	
Domestic	**Overseas**
NA	NA

As per our report of even date

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

Sangeeta Gupta
Partner
Membership No.: 064225

Place: Mumbai
Date: April 22, 2019

For and on behalf of the Board of Directors
Shriram Housing Finance Limited

Subramanian Jambunathan
Managing Director and CEO
DIN: 00969478

Y. S. Chakravarti
Director
DIN: 00052308

Kunal Karnani
Chief Financial Officer

Nikita Hule
Company Secretary

Place: Mumbai
Date: April 22, 2019

NOTE 61: THE COMPANY HAS 72 BRANCHES AS AT MARCH 31, 2019.
THE LIST OF BRANCHES IS ATTACHED.

SHRIRAM HOUSING FINANCE LIMITED

LIST OF BRANCHES

SI.No.	STATES/U.T.	BRANCHES
1	**Andhra Pradesh**	Guntur
2	**Andhra Pradesh**	Karimnagar
3	**Andhra Pradesh**	Kurnool
4	**Andhra Pradesh**	Nellore
5	**Andhra Pradesh**	Rajahmundry
6	**Andhra Pradesh**	Thirupathi
7	**Andhra Pradesh**	Vijayawada
8	**Andhra Pradesh**	Visakhapatnam
9	**Andhra Pradesh**	Warangal
10	**Chattisgarh**	Raipur
11	**Delhi**	Delhi
12	**Gujarat**	Ahmedabad
13	**Gujarat**	Ahmedabad East
14	**Gujarat**	Bharuch
15	**Gujarat**	Bhavnagar
16	**Gujarat**	Himmatnagar
17	**Gujarat**	Mehsana
18	**Gujarat**	Palanpur
19	**Gujarat**	Rajkot
20	**Gujarat**	Surat
21	**Gujarat**	Vadodara
22	**Karnataka**	Banashankari
23	**Karnataka**	Bengaluru
24	**Karnataka**	Davangere
25	**Karnataka**	Hubli
26	**Karnataka**	Mysore
27	**Kerala**	Ernakulam
28	**Kerala**	Thrissur

29	**Madhya Pradesh**	Bhopal
30	**Madhya Pradesh**	Indore
31	**Madhya Pradesh**	Ujjain
32	**Maharashtra**	Ahmednagar
33	**Maharashtra**	Amaravati
34	**Maharashtra**	Aurangabad
35	**Maharashtra**	Kolhapur
36	**Maharashtra**	Nagpur
37	**Maharashtra**	Nasik
38	**Maharashtra**	Navi Mumbai
39	**Maharashtra**	Pune
40	**Maharashtra**	Pune Viman Nagar
41	**Maharashtra**	Solapur
42	**Maharashtra**	Wardha
43	**Orissa**	Bhubaneshwar
44	**Pondicherry/ Puducherry**	Pondicehrry/ Puducherry
45	**Punjab**	Ludhiana
46	**Punjab**	Mohali (Chandigarh)
47	**Rajasthan**	Alwar
48	**Rajasthan**	Ajmer
49	**Rajasthan**	Bikaner
50	**Rajasthan**	Jodhpur
51	**Rajasthan**	Jaipur
52	**Rajasthan**	Kota
53	**Rajasthan**	Udaipur
54	**Tamil Nadu**	Chennai
55	**Tamil Nadu**	Coimbatore
56	**Tamil Nadu**	Hossur
57	**Tamil Nadu**	Kanchipuram
58	**Tamil Nadu**	Madurai
59	**Tamil Nadu**	Salem
60	**Tamil Nadu**	Thiruchirapalli
61	**Tamil Nadu**	Thiruvallur
62	**Tamil Nadu**	Tirunelveli
63	**Tamil Nadu**	Vellore

64	**Telengana**	Hyderabad
65	**Telengana**	Kukatpally
66	**Telengana**	Secunderabad
67	**Uttarakhand**	Dehradun
68	**Uttar Pradesh**	Agra
69	**Uttar Pradesh**	Lucknow
70	**Uttar Pradesh**	Meerut
71	**West Bengal**	Kolkata
72	**West Bengal**	Siliguri

Annexure – IX

RELATED PARTY TRANSACTIONS

Notes to Financial Statements

for the year ended 31st March 2021

Note 40: Related party disclosures

Sr. No.	Relationship	Name of the party
(i)	Enterprises having significant influence over the Company/Associates	Valiant Mauritius Partners FDI Ltd. (VMPL)
		Shriram Fortune Solutions Limited (SFSL)*
		Shriram Financial Products Solutions (Chennai) Private Limited (SFPSPL)*
		Shriram General Insurance Company Limited (SGICL)*
		Shriram Insight Share Brokers Limited (SISBL)*
		Shriram Life Insurance Company Limited (SLICL)*
		Shriram Value Services Limited (SVSL)*
		Novac Technology Solutions Pvt. Ltd. (NTSPL)*
		Shriram Ownership Trust (SOT)
		Shriram Capital Limited
(ii)	Holding	Shriram City Union Finance Limited (SCUF)
(iii)	Key Management Personnel	Mr. Subramanian Jambunathan, Managing Director & CEO
		Mr. Gauri Shankar Agarwal, Chief Financial Officer
		Ms. Bhavita Ashiyani, Company Secretary
		Mr. Venkataraman Murali, Director
		Ms. Lakshminarayanan Priyadarshini, Director
		Mr. Yalamati Srinivasa Chakravarti, Director
		Mr. Kunal Karnani, Chief Financial Officer (Ceased w.e.f. 6.9.2019)
		Ms. Nikita Hule, Company Secretary (Ceased w.e.f. 24.07.2019)
(iv)	Relatives of Key Management Personnel	Nil**

* The Company neither holds any shares in the above entities nor these entities hold any shares in the Company. However, these entities are "subsidiaries" of Shriram Capital Limited and these entities are treated as "associates" as per para 9 (b)(ii) of Ind AS 24 and transactions made with these entities are disclosed.

** There are no transactions with relatives of Key Management Personnel for year ended 31st March 2021.

Related party disclosures

Related party transactions during the year:

(₹ in Lakh)

Particulars	Holding Company		Associates/ Enterprises having significant influence over the Company		Key Management Personnel		Total	
	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020
Remuneration to Directors (Sitting Fees)								
Mr. V. Murali					5.45	3.80	5.45	3.80
Ms. Lakshminarayanan Priyadarshini					6.81	4.90	6.81	4.90
Remuneration to other KMPs							-	-
Employee Benefits - Ms. Nikita Hule					-	4.41	-	4.41
Employee Benefits - Mr. Subramanian Jambunathan - Short-term Benefit					185.69	182.81	185.69	182.81
Employee Benefits - Mr. Subramanian Jambunathan - Share Based Payment					53.73	50.05	53.73	50.05
Employee Benefits - Mr. Kunal Karnani					-	30.18	-	30.18

Notes to Financial Statements
for the year ended 31st March 2021

(₹ in Lakh)

Particulars	Holding Company		Associates/ Enterprises having significant influence over the Company		Key Management Personnel		Total	
	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020
Employee Benefits - Mr. Gauri Shankar Agarwal					96.17	39.90	96.17	39.90
Employee Benefits - Mr. Gauri Shankar Agarwal - Share Based Payment					6.63	1.14	6.63	1.14
Employee Benefits - Ms. Bhavita Ashiyani					11.56	5.51	11.56	5.51
Reimbursement of Rent & Expenses								
Rent - SCUF	44.06	56.51					44.06	56.51
Rent - SFSL			-	0.34			-	0.34
Rent - SFPS			-	0.47			-	0.47
Expenses reimbursements - SCUF	13.47	18.22					13.47	18.22
Expenses reimbursements - SFPS			-	0.07			-	0.07
Expenses reimbursements - SCL	-		1.48	-			1.48	-
Expenses reimbursements - SISBL			1.32	1.29			1.32	1.29
Expenses reimbursements - SLIC			23.90	15.67			23.90	15.67
Expenses reimbursements - SVS			-	46.89			-	46.89
Expenses reimbursements - NOVAC			373.60	712.67			373.60	712.67
Royalty Fees - SOT			-	105.39			-	105.39
Royalty Fees - SVS			461.16	252.16			461.16	252.16
Payment on assignment deal - SCUF	-	9,784.26					-	9,784.26
Other Payments								
Transfer of liability for Gratuity/Leave - SCUF	-	13.48					-	13.48
Security Deposit - SCUF	275.33						275.33	-
Other Receipts								
Transfer of liability for Gratuity/Leave - SCUF	-	13.59					-	13.59
Rent Received							-	-
Rent - SCUF	68.38	327.06					68.38	327.06
Rent - SFSL			0.80	3.78			0.80	3.78
Electricity, telephone and printing charges Received								
Expenses reimbursement - SCUF	10.16	24.97					10.16	24.97
Expenses reimbursement - SLIC			2.27	2.39			2.27	2.39
Received on assignment deal - SCUF	2,550.74	1,137.74					2,550.74	1,137.74
Loans given and repayments								
Loan disbursement - Mr. Gauri Shankar Agarwal	-	-			130.00		130.00	-
Loan EMI received - Mr. Gauri Shankar Agarwal					8.45		8.45	-
Balance outstanding as at 31st March 2021:								
Share Capital - SCUF	16,544	16,544.00					16,544.00	16,544.00
Share Capital - VMPL			4,872.00	4,872.00			4,872.00	4,872.00
Expenses Payable to SCUF	21.20	24.88					21.20	24.88

Notes to Financial Statements
for the year ended 31st March 2021

(₹ in Lakh)

Particulars	Holding Company		Associates/ Enterprises having significant influence over the Company		Key Management Personnel		Total	
	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020
Expenses Receivable from SCUF	46.69	47.32					46.69	47.32
Security Deposit - SCUF	-	275.33					-	275.33
Expenses Payable to SVS Royalty			119.45	92.10			119.45	92.10
Expenses Receivable from SFSL			-	0.87			-	0.87
Expenses Payable to SISBL			0.38	0.06			0.38	0.06
Expenses Payable to SVS			-	0.74			-	0.74
Expenses Payable to NOVAC			9.23	11.34			9.23	11.34
Loan Receivable from Mr. Gauri Shankar Agarwal	-	-	-	-	126.45		126.45	-

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[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]

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NOTES TO FINANCIAL STATEMENTS
for the Period Ended 31 March 2020

Note 40: Related party disclosures

	Relationship		Name of the party
(i)	Enterprises having significant influence over the Company / Associates	:	Valiant Mauritius Partners FDI Ltd. (VMPL) Shriram Fortune Solutions Limited (SFSL)* Shriram Financial Products Solutions (Chennai) Private Limited (SFPSPL)* Shriram General Insurance Company Limited (SGICL)* Shriram Insight Share Brokers Limited (SISBL)* Shriram Life Insurance Company Limited (SLICL)* Shriram Value Services Limited (SVSL)* Novac Technology Solutions Pvt. Ltd. (NTSPL)* Shriram Ownership Trust (SOT)
(ii)	Holding	:	Shriram City Union Finance Limited
(iii)	Key Management Personnel	:	Mr. Venkataraman Murali, Director Ms. Lakshminarayanan Priyadarshini, Director Mr. Subramanian Jambunathan, MD & CEO Mr. Kunal Karnani, Chief Financial Officer - DOL 6.9.2019 Ms. Nikita Hule, Company Secretary - DOL 24.07.2019 Mr. Yalamati Srinivasa Chakravarti Mr. Gauri Shankar Agarwal, Chief Financial Officer - wef 25.09.2019 Ms. Bhavita Ashiyani - Company Secretary -wef 20.10.2019
(iv)	Relatives of Key Management Personnel	:	Nil

* The Company neither holds any shares in the above entities nor these entities hold any shares in the Company. However these entities are "subsidiaries" of Shriram Capital Limited and these entities are treated as "associates" as per para 9 (b) (ii) of Ind AS 24 and transactions made with these entities are disclosed.
There are no transactions with relatives of Key Management Personnel for the period ended March 31, 2020.

NOTES TO FINANCIAL STATEMENTS
for the Period Ended 31 March 2020

Related party transactions during the year:

(₹ In Lakh)

Particulars	Holding Company		Associates / Enterprises having significant influence over the Company		Key Management Personnel		Total	
	As at Mar 31, 2020	As at March 31, 2019	As at Mar 31, 2020	As at March 31, 2019	As at Mar 31, 2020	As at March 31, 2019	As at Mar 31, 2020	As at March 31, 2019
Equity contribution								
Shriram City Union Finance Limited (SCUF)	16,544.00	16,544.00					16,544.0	16,544.00
Percentage Holding	77.25%	77.25%					77.25%	77.25%
Valiant Mauritius Partners FDI Ltd. (VMPL)			4,872.00	4,872.00			4,872.00	4,872.00
Percentage Holding			22.75%	22.75%			22.75%	22.75%
Interest expense								
SCUF - Intercorporate Loan	-	255.92					-	255.92
Remuneration to Directors (Sitting Fees)								
Ms.Quadsia Gandhi					-	0.80	-	0.80
Mr. V Murali					3.80	2.60	3.80	2.60
Ms Lakshminarayanan Priyadarshini					4.90	1.80	4.90	1.80
Remuneration to other KMPs							-	-
Employee Benefits - Mr Sujan Sinha - short term benefit					-	41.89	-	41.89
Employee Benefits - Mr Sujan Sinha - share based payment					-	(1.51)	-	(1.51)
Employee Benefits - Mr Kankshit Munshi					-	39.50	-	39.50
Employee Benefits - Ms Nikita Hule					4.41	12.03	4.41	12.03
Employee Benefits - Mr.Subramanian Jambunathan - Short Term Benefit					182.81	61.24	182.81	61.24
Employee Benefits - Mr.Subramanian Jambunathan - Share Based Payment					50.05	14.12	50.05	14.12
Employee Benefits - Mr.Kunal Karnani					30.18	18.55	30.18	18.55
Employee Benefits - Mr.Gauri Shankar Agarwal					39.90	-	39.90	-
Employee Benefits - Mr.Gauri Shankar Agarwal - share based payment					1.14	-	1.14	-
Employee Benefits - Ms Bhavita Ashiyani					5.51		5.51	-
Reimbursement of Rent & Expenses								
Rent - SCUF	56.51	84.53					56.51	84.53
Rent - SFSL			0.34	0.75			0.34	0.75

(₹ In Lakh)

Particulars	Holding Company		Associates / Enterprises having significant influence over the Company		Key Management Personnel		Total	
	As at Mar 31, 2020	As at March 31, 2019	As at Mar 31, 2020	As at March 31, 2019	As at Mar 31, 2020	As at March 31, 2019	As at Mar 31, 2020	As at March 31, 2019
Rent - SFPS			0.47	1.06			0.47	1.06
Expenses reimbursements - SCUF	18.22	63.17					18.22	63.17
Expenses reimbursements - SFPS			0.07	0.19			0.07	0.19
Expenses reimbursements - SGIL				17.19			-	17.19
Expenses reimbursements - SISBL			1.29	1.03			1.29	1.03
Expenses reimbursements - SLIC			15.67	15.41			15.67	15.41
Expenses reimbursements - SVS			46.89	1,210.13			46.89	1,210.13
Expenses reimbursements - NOVAC			763.27				763.27	-
Royalty Fees - SOT			105.39	137.19			105.39	137.19
Royalty Fees - SVS			252.16				252.16	-
Payment on assignment deal - SCUF	9,784.26						9,784.26	-
Other Payments								
Transfer of liability for Gratuity/Leave - SCUF	13.48	6.98					13.48	6.98
Other Receipts								
Transfer of liability for Gratuity/Leave - SCUF	13.59	32.64					13.59	32.64
Transfer of liability for Gratuity/Leave - SVS			-				-	
Rent Received							-	-
Rent - SCUF	327.06	302.22					327.06	302.22
Rent - SFSL			3.78	3.47			3.78	3.47
Rent - SISBL				0.57			-	0.57
Rent, Electricity, telephone and printing charges Received								
Expenses reimbursement - SCUF	24.97	15.26					24.97	15.26
Expenses reimbursement - SISBL			-	0.09			-	0.09
Expenses reimbursement - SLIC			2.39	-			2.39	-
Received on assignment deal - SCUF	1,137.74						1,137.74	-
Corporate loan received from								
Intercorporate Loan - SCUF	-	16,500.00					-	16,500.00
Repayment of Corporate loan received from								
Intercorporate Loan - SCUF	-	16,500.00					-	16,500.00

NOTES TO FINANCIAL STATEMENTS
for the Period Ended 31 March 2020

(₹ In Lakh)

Particulars	Holding Company		Associates / Enterprises having significant influence over the Company		Key Management Personnel		Total	
	As at Mar 31, 2020	As at March 31, 2019	As at Mar 31, 2020	As at March 31, 2019	As at Mar 31, 2020	As at March 31, 2019	As at Mar 31, 2020	As at March 31, 2019
Balance outstanding at March 31,2020 :								
Share Capital - SCUF	16,544	16,544.00					16,544.00	16,544.00
Share Capital - VMPL			4,872.00	4,872.00			4,872.00	4,872.00
Expenses Payable to SCUF	24.88	16.57					24.88	16.57
Loan Repayable to SCUF							-	-
Expenses Receivable from SCUF	47.32	32.64					47.32	32.64
Security Deposit - SCUF	275.33	275.33					275.33	275.33
Expenses Payable to SOT			-	135.93			-	135.93
Expenses Payable to SVS Royalty			92.10				92.10	-
Expenses Receivable from SFSL			0.87	0.31			0.87	0.31
Expenses Payable from SFSL			-	0.06			-	0.06
Expenses Payable to SFPS			-	0.14			-	0.14
Expenses Payable to SISBL			0.06	1.19			0.06	1.19
Expenses Payable to SVS			0.74	1.73			0.74	1.73
Expenses Payable to NOVAC			11.34	-			11.34	-
Assignment deal Receivable from SCUF	8,959.57		-	-			8,959.57	-

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH, 2019

Note 41: Related party disclosures

Relationship	Name of the party
Subsidiary Company	
Holding Company	Shriram City Union Finance Limited (SCUF)
Enterprises having significant influence over the Company	Shriram Capital Limited (SCL), Shriram Ownership Trust (SOT), Valiant Mauritius Partners FDI Ltd. (VMPL), Shriram Value Services Ltd (SVS), Shriram Fortune Solutions Limited(SFSL), Shriram Financial Products Solutions (Chennai) Private Limited (SFPS), Shriram General Insurance Company Limited(SGIL), Shriram Insight Share Brokers Limited(SISBL), Shriram Life Insurance Company Limited(SLIC).
Associates / Enterprises owned or significantly influenced by key management personnel or their relatives Key Management Personnel of Company	Mr. Subramanian Jambunathan (MD and CEO)##, Mr. Sujan Sinha (MD and CEO)#, Mr Kankshit Munshi (CFO)*, Mr. Kunal Shah (CFO)^, Mr Kunal Karnani (CFO)^^, Ms. Nikita Hule (Company Secretary), Ms Magesweri Pasupathy (Company Secretary)$, Ms.Quadsia Gandhi $$, Mr. V Murali, Ms Lakshminaryanan Priyadarshini**
Key Management Personnel of Holding Company	Mr. Duruvasan Ramachandra (MD & CEO), Mr. Ramasubramanian Chandrasekar (CFO), Mr. Chitta Ranjan Dash(CS)
Relatives of Key Management Personnel (need to check def of relatives & to be reported)	Ms. Dharini Mani Subramanian (Spouse of Managing Director), Late Mr. Krishnawamy Jambunathan (Father of Managing Director) Ms. Padmavathi Jambunathan (Mother of Managing Director), Ms. Anusha Subramanian (Daughter of Managing Director), Mr. Jambunathan Krishnan (Brother of Managing Director)

Related Party transactions during the year:

(₹in Lacs)

Particulars	Holding Company			Associates / Enterprises owned or significantly influence over the company			Key Management Personnel Personnel			Relatives of Key Management		
	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Debentures and Subordinate Bond redeemed during the year												
Equity contribution												
Shriram City Union Finance Limited (SCUF)	16,544.00	16,544.00	16,544.00									
Percentage Holding	77.25%	77.25%	77.25%									
Valiant Mauritius Partners FDI Ltd. (VMPL)				4,872.00	4,872.00	4,872.00						
Percentage Holding				22.75%	22.75%	22.75%						
Interest expense												
SCUF - Intercorporate Loan	255.92	-	-									
Commission to Directors	-	-	-	-	-	-	-	-	-	-	-	-
Remuneration to Directors (Sitting Fees)												
Ms. Quadsia Gandhi $$							**0.80**	**3.19**	**1.29**			
Mr. V Murali							2.60	2.75	1.94			
Ms Lakshminaryanan Priyadarshini **							1.80	-	-			
Remuneration to other KMPs												
Employee Benefits - Mr Sujan Sinha - short term benefit							41.89	100.62	134.63			
Employee Benefits - Mr Sujan Sinha - share based payment							(1.51)	1.74	0.53			
Employee Benefits - Mr Kankshit Munshi ^							39.50	26.91	-			
Employee Benefits - Mr Kunal Shah							-	5.01	74.15			
Employee Benefits - Ms Nikita Hule							12.03	9.14	6.56			
Employee Benefits - Ms Magesweri Pasupathy							-	-	0.51			
Emoloyee Benefits - Mr. Subramanian Jambunathan - Short Term Benefit							61.24	-	-			
Emoloyee Benefits - Mr. Subramanian Jambunathan - Share Based Payment							14.12	-	-			
Emoloyee Benefits - Mr. Kunal Karnani							18.55	-	-			

Reimbursement of Rent & Expenses												
Rent - SCUF	**84.53**	60.09	17.96									
Rent - SCL				-	43.45	190.51						
Rent - SFSL				0.75	0.60	-						
Rent - SFPS				1.06	-	-						
Rent - SISBL				-	-	2.43						
Expenses reimbursements - SCUF	**63.17**	31.88	12.14	-	-	-						
Expenses reimbursements - SCL		-	-		30.98	58.13						
Expenses reimbursements - SFPS				0.19								
Expenses reimbursements - SGIL				17.19	15.46	13.66						
Expenses reimbursements - SISBL				1.03	1.27	1.18						
Expenses reimbursements - SLIC				15.41	11.30	10.46						
Expenses reimbursements - SVS				1,210.13	940.69	494.56						
Commission - SCUF		0.11	1.02	-	-	-						
Commission - SISBL				-	0.18	1.76						
Royalty Fees - SOT		-	-	148.52	257.18	256.94						
Other Payments												
Security Deposit of Branches-SCL					9.53	-						
Transfer of liability for Gratuity/ Leave - SCUF	6.98											
Other Receipts												
Security Deposit -SCUF	-	157.94	-	-	-	-						
Transfer of liability for Gratuity/ Leave - SCUF	32.64	-	23.69									
Rent Received												
Rent - SCUF	302.22	299.79	210.25									
Rent - SFSL				3.47	2.21							
Rent - SISBL				0.57	1.15							
Purchase of assets												
Purchase of Assets- SCL	-					53.75	-					
Rent, Electricity, telephone and printing charges Received												
Expenses reimbursement - SCUF	15.26	16.22	35.94									
Expenses reimbursement - SFSL					-	2.00						
Expenses reimbursement - SISBL					0.09	0.24						
Corporate loan received from												
Intercorporate Loan - SCUF	16,500.00											
Repayment of Corporate loan received from												
Intercorporate Loan - SCUF	16,500.00											

Balance outstanding as at the year end:												
Share Capital - SCUF		16,544.00	16,544.00									
Share Capital - VMPL		-	-		4,872.00	4,872.00						
Outstanding Expenses - SCUF		11.40			-	-						
Expenses Receivable - SCUF		-			-	-						
Security Deposit - SCUF		275.33			-	-						
Outstanding Expenses - SCL		-	-		-	65.91						
Outstanding Expenses - SOT		-	-		89.71	18.80						
Expenses Receivable - SFSL					1.53							
Expenses Payable - SFSL												
Expenses Payable - SFPS												
Expenses Receivable - SISBL					1.29	-						
Expenses Payable - SISBL					0.24	-						
Expenses Payable - SVS					141.86	1.00						
Corporate loan Outstanding		-										

Ceased to be MD & CEO w.e.f. 31.08.2018
Appointed as MD & CEO w.e.f. 20.11.2018
* Ceased to be Chief Financial Officer w.e.f. 19.11.2018
^ Ceased to be Chief Financial Officer w.e.f. 23.04.2017
^^ Appointed as Chief Financial Officer w.e.f. 21.01.2019
$ Ceased to be Company Secretary w.e.f 12.07.2016
$$ Ceased to be a Director w.e.f. 23.05.2018
** Appointed as a Director w.e.f. 16.10.2018

Note:

a) Related parties have been identified on the basis of the declaration received by the management and other records available.

b) The loans have been utilised by the Shriram for lending Home Loan and meeting the working capital requirements.

c) The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

d) 3,35.000 Stock options granted on 22nd December 2016 of "ESOP 2016 Scheme" have lapsed

e) 25,00,000 Stock options have been granted on 19th December 2018 of "ESOP 2013 Scheme" and same can be excercised not later than 5 years from date of vesting of options.