IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (I) "QUALIFIED INSTITUTIONAL BUYERS" ("QIBS") AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR (II) PURCHASING THE NOTES IN "OFFSHORE TRANSACTIONS" AS DEFINED IN, AND PURSUANT TO, REGULATION S OF THE SECURITIES ACT ("REGULATION S") AND, IN CERTAIN CIRCUMSTANCES, ARE NON-U.S. PERSONS (AS DEFINED IN REGULATION S).

IMPORTANT: You must read the following before continuing. The following applies to the note offering circular dated September 24, 2024 (together with the offering circular dated December 29, 2023, the "**Offering Circular**") following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF THE NOTES FOR SALE IN THE UNITED STATES (EXCEPT TO QIBS) OR ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTIONS AND THE NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR, IN CERTAIN CIRCUMSTANCES, TO, OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. ANY INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THE TERMS AND CONDITIONS OF THE SECURITIES AND THE INFORMATION CONTAINED IN THE OFFERING CIRCULAR. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORIZED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

Confirmation of the Representation: By accepting the electronic mail and accessing this Offering Circular, you shall be deemed to have represented to us (1) that you and any customers you represent are either (a) QIBs or (b) purchasing the securities outside the United States in an "**offshore transaction**" as defined in, and in reliance on, Regulation S and, in certain circumstances, are non-U.S. persons as defined in Regulation S, and that the electronic mail address that you gave us and to which this electronic mail has been delivered is not located in the United States, and (2) that you consent to the delivery of this Offering Circular by electronic transmission.

Important Notice to Prospective Investors: Prospective investors should be aware that certain intermediaries in the context of certain offerings of Notes pursuant to this Programme (each such offering a "**CMI Offering**"), including certain Dealers, may be "capital market intermediaries" ("**CMIs**") subject to Paragraph 21 of the Hong Kong SFC Code of Conduct for Persons Licensed by or Registered with the Hong Kong Securities and Futures Commission (the "**SFC Code**"). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as "overall coordinators" (together, the "**OCs**") for a CMI Offering and are subject to additional requirements under the SFC Code.

The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an association (an "**Association**") with the Issuer, the CMI or the relevant group company. Prospective investors associated with the Issuer or any CMI (including its group companies) should specifically disclose this when placing an order for the relevant Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to the relevant CMI Offering, such order is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). If a prospective investor is an asset management arm affiliated with any relevant Dealer, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the relevant Dealer or its group company has more than 50% interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". If a prospective investor is otherwise affiliated with any relevant Dealer, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should indicate to the Dealer when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the relevant Dealers and/or any other third parties as may be required by the SFC Code, including to the Issuer, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. Failure to provide such information may result in that order being rejected.

You are reminded that the Offering Circular has been delivered to you on the basis that you are a person into whose possession the Offering Circular may be lawfully delivered in accordance with the laws of jurisdiction in which you are located and you may not, nor are you authorized to, deliver the Offering Circular to any other person.

The materials relating to any offering of securities described in the Offering Circular do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of our Company in such jurisdiction.

The Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Dealers (as defined in the Offering Circular) nor any person who controls each of them nor any director, officer, employee nor agent of each of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format available to you on request from the Dealers.

In accordance with applicable provisions of Indian regulations, persons who meet the "**Eligibility Requirements**" are persons who are: (A) (i) non-resident investors that are residents of jurisdictions that are Financial Action Task Force ("**FATF**") or International Organization of Securities Commission's ("**IOSCO**") compliant; (ii) multilateral and regional financial institutions where India is a member country; (iii) individuals that are residents of FATF or IOSCO compliant jurisdictions who are foreign equity holders or for subscription to bonds/debentures listed outside India; and (iv) foreign branches or subsidiaries of banks incorporated in India (except that: (a) such foreign branches or subsidiaries of Indian banks can only subscribe to Notes denominated in freely convertible currency other than INR; (b) such foreign branches or subsidiaries of Indian banks are not permitted to purchase or hold Rupee denominated Notes except in the capacity of an arranger, an underwriter, a market-maker or trader, subject to applicable prudential norms; and (c) such foreign branches or subsidiaries of Indian banks are not permitted to purchase or hold Notes which fall within the categories mentioned in (b) to (e) of serial number V of paragraph 2.1 of Part I of the Master Directions on External Commercial Borrowings, Trade Credits and Structured Obligations issued by RBI vide notification no. RBI/FED/2018-19/67 FED Master Direction No.5/ 2018-19 dated March 26, 2019, as amended from time to time ("**ECB Directions**")); and (B) in compliance with all other conditions set out in respect of eligible investors under the ECB Directions and any other applicable regulations, notifications, circulars or guidelines issued by the authorities in India in respect of foreign currency denominated External Commercial Borrowings ("**ECBs**") and are not otherwise prohibited under any applicable law or regulation from acquiring, owning or selling the Notes. Additionally, the Notes should have a minimum average maturity period of 3 (Three) years under the ECB Directions (other than in case of: (i) manufacturing sector companies which may raise ECBs with a minimum average maturity period of one year for ECB up to U.S.$50.00 million or its equivalent per fiscal year; (ii) ECB from foreign equity holders with a minimum average maturity of five years, provided that the proceeds are proposed to be utilized for working capital purposes, general corporate purposes or repayment of Rupee loans; (iii) ECB raised for working capital purposes, general corporate purposes or on-lending by NBFCs for working capital purposes or general corporate purposes which are required to have a minimum average maturity of 10 years; (iv) ECB raised for repayment of Rupee loans availed domestically for capital expenditure or on-lending by NBFC for the same purpose which are required to have a minimum average maturity of seven years; and (v) ECB raised for repayment of Rupee loans availed domestically for purposes other than capital expenditure or on-lending by NBFCs for the same purpose which are required to have a minimum average maturity of 10 years). Furthermore, the proceeds of issuance of Notes will not be used for: (A) real estate activities; (B) investing in the capital markets; (C) equity investments; (D) payment of interest/charges of the ECB; (E) working capital purposes (except as mentioned in (ii) and (iii) of the preceding statement); (F) general corporate purposes (except as mentioned in (ii) and (iii) of the preceding statement); (G) repayment of rupee loans (except as mentioned in (iv) and (v) of the preceding statement); or (H) on-lending to entities for the aforesaid activities (except as mentioned in (iii), (iv) and (v) of the preceding statement). Finally, the Notes together with any other external commercial borrowings raised by the Issuer pursuant to the ECB Directions do not exceed the limits under the automatic route and under the RBI ECB Limits Approval (as defined in the Offering Circular).

The Offering Circular has not been and will not be filed, produced or made available to all as an offer document (whether as a prospectus in respect of a public offer or an information memorandum or private placement offer letter or other offering material in respect of any private placement under the Companies Act, 2013 or any other applicable Indian laws) with the Registrar of Companies of India ("**RoC**") or the Securities and Exchange Board of India ("**SEBI**") or any other statutory or regulatory body of like nature in India, save and except for any information from any part of the Offering Circular which is mandatorily required to be disclosed or filed in India under any applicable Indian laws, including, but not limited to, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, and under the listing agreement with any Indian stock exchange pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or pursuant to the sanction of any regulatory and adjudicatory body in India.

In addition, holders and beneficial owners shall be responsible for compliance with the restrictions on the ownership of the Notes denominated in INR or any other currency as may be applicable imposed from time to time by applicable laws or by any regulatory authority or otherwise. In this context, holders and beneficial owners of Notes denominated in INR or any other currency as may be applicable shall be deemed to have acknowledged, represented and agreed that such holders and beneficial owners are eligible to purchase the Notes denominated in INR or any other currency as may be applicable under applicable laws and regulations and are not prohibited under any applicable law or regulation from acquiring, owning or selling the Notes denominated in INR or any other currency as may be applicable. Potential investors should seek independent advice and verify compliance with the Eligibility Requirements prior to any purchase of the Notes.

The holders and beneficial owners of Notes denominated in INR or any other currency as may be applicable shall be deemed to confirm that for so long as they hold any Notes subscribed to by them, they will meet the Eligibility Requirements. Furthermore, all Noteholders represent and agree that the Notes denominated in INR or any other currency as may be applicable will not be offered or sold on the secondary market to any person who does not comply with the Eligibility Requirements.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

NOTE OFFERING CIRCULAR

Shriram Finance Limited

(incorporated with limited liability in the Republic of India)

U.S.$ 500,000,000 6.15 per cent. Notes due 2028
issued pursuant to the
U.S.$3,500,000,000 Global Medium Term Note Programme

The U.S.$500,000,000 6.15% Notes due 2028 (the "**Notes**") will be issued by Shriram Finance Limited (the "**Issuer**" or the "**Company**"), pursuant to its U.S.$3,500,000,000 Global Medium Term Note Programme (the "**Programme**"). The Notes will bear interest at the rate of 6.15% per annum, from and including September 30, 2024, up to but excluding April 3, 2028, and interest will be payable semi-annually on April 3 and October 3 of each year, commencing on April 3, 2025. The Notes will mature on April 3, 2028. At any time prior to two months before the Maturity Date (the "**Par Call Date**"), the Issuer may, on the Make Whole Optional Redemption Date (as defined in the Pricing Supplement), redeem all, or some only, of the Notes then outstanding at a redemption price equal to 100% of the principal amount of the Notes plus the Applicable Premium (as defined in the Pricing Supplement) as of, and accrued and unpaid interest, if any, to (but not including) the Make Whole Optional Redemption Date. On or after the Par Call Date, the Issuer may redeem all, or some only, of the Notes then outstanding at a redemption price equal to 100% of the principal amount of the Notes plus accrued and unpaid interest, if any, to (but not including) the redemption date. Prior to maturity, the Notes may be redeemed by the Issuer, in whole, but not in part, in the event of certain changes in Indian tax law. See "*Terms and Conditions of the Notes*" of the Original Offering Circular (as defined below).

The Notes will constitute the direct, unconditional, unsubordinated and secured obligations of the Issuer and will rank *pari passu* and without preference among themselves and (save for certain obligations required to be preferred by law) at least equally with all other secured obligations of the Issuer, from time to time outstanding. See "*Pricing Supplement for the Notes*" in this Note Offering Circular.

Application will be made to the India International Exchange IFSC Limited (the "**India INX**") for the Notes to be admitted to trading on the India INX. The India INX has not approved or verified the contents of the listing particulars.

Investing in the Notes involves risks. See "*Risk Factors*" in the Original Offering Circular (as defined below) for a discussion of certain factors to be considered in connection with an investment in the Notes.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or any U.S. state securities laws, and are being offered and sold (i) in the United States only to "qualified institutional buyers" ("**QIBs**") (as defined in Rule 144A under the Securities Act ("**Rule 144A**")) in reliance on Rule 144A and (ii) outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S under the Securities Act ("**Regulation S**") and in certain circumstances only to non-U.S. persons as defined in Regulation S. Prospective purchasers are hereby notified that sellers of the Notes may rely on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. The Notes will not be transferable except in accordance with the restrictions described under "*Subscription and Sale*" and "*Transfer Restrictions*" in the Original Offering Circular (as defined herein).

It is expected that delivery of the Notes in registered global form will be made on September 30, 2024 or such later date as may be agreed (the "**Closing Date**") by the Issuer and Barclays Bank PLC, BNP Paribas, Citigroup Global Markets Inc., Deutsche Bank AG, Singapore Branch, DBS Bank Ltd., Emirates NBD Bank PJSC, The Hongkong and Shanghai Banking Corporation Limited, J.P. Morgan Securities plc, MUFG Securities Asia Limited Singapore Branch, SMBC Nikko Securities (Hong Kong) Limited and Standard Chartered Bank (together, the "**Joint Lead Managers**").

The Notes in registered global form will be deposited on or about the Closing Date with a custodian for, and registered in the name of, Cede & Co. as nominee for DTC.

For the purposes of the Notes only, this note offering circular (the "**Note Offering Circular**") is supplemental to, and should be read in conjunction with, the offering circular dated December 29, 2023 (the "**Original Offering Circular**" and, together with the Note Offering Circular, the "**Offering Circular**").

Words and expressions defined in the Original Offering Circular shall have the same meanings where used in this Note Offering Circular, unless the context otherwise requires or unless otherwise stated herein.

Joint Lead Managers

Barclays	**BNP PARIBAS**	**Citigroup**	**DBS Bank Ltd.**	**Deutsche Bank**
Emirates NBD Bank PJSC	**HSBC**	**J.P. Morgan**	**MUFG**	**SMBC Nikko**

Standard Chartered Bank

The date of this Note Offering Circular is September 24, 2024

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ABOUT THIS DOCUMENT

This document is in two parts. The first part is the Note Offering Circular, which describes the specific terms of the Notes and also adds to, and updates information contained in, the Original Offering Circular. The second part, the Original Offering Circular, provides more general information about the Issuer and the terms and conditions of the Notes.

In the event of any conflict between the description of the Notes in the Note Offering Circular and the description of the Notes in the Original Offering Circular, the description of the Notes in the Note Offering Circular shall prevail.

The Issuer accepts responsibility for the information contained in the Note Offering Circular. To the best of the Issuer's knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in the Offering Circular is in accordance with the facts and does not omit anything that would make the statements therein, in the light of the circumstances under which they were made, misleading. The Issuer, having made all reasonable enquiries, confirms that the Offering Circular contains all information which is material in the context of the Notes, that the information contained in this Offering Circular is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Offering Circular are honestly held and that there are no other facts the omission of which would make the Offering Circular or any of such information or the expression of any such opinions or intentions misleading. The Issuer accepts responsibility accordingly.

No person is or has been authorized by the Issuer to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the Programme or the Notes and, if given or made by any other person, such information or representation must not be relied upon as having been authorized by the Issuer, the Joint Lead Managers, the Trustee or the Agents (each as defined in the Terms and Conditions of the Notes).

None of the Joint Lead Managers, the Trustee or the Agents has separately verified the information contained herein or incorporated by reference and can give no assurance that this information is accurate, truthful or complete. Accordingly, no representation, warranty or undertaking, express or implied, is made and, to the fullest extent permitted by law, no responsibility or liability is accepted by the Joint Lead Managers, the Trustee, the Agents or any director, officer, employee, agent or affiliate of any such persons as to the accuracy, sufficiency or completeness of the information contained in the Offering Circular, or for any other statement, made or purported to be made by the Joint Lead Managers or on their behalf in connection with the Issuer or the Notes or any other information provided by the Issuer in connection with the Notes.

To the fullest extent permitted by law, none of the Joint Lead Managers, or any director, officer, employee, agent or affiliate of any such persons, accept any responsibility for the contents of the Offering Circular or for any other statement made or purported to be made by any of the Joint Lead Managers, or any director, officer, employee, agent or affiliate of any such person or on its behalf in connection with us or the issue and offering of the Notes. The Joint Lead Managers, the Trustee and the Agents accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) that they might otherwise have in respect of the Offering Circular or any such statement.

Neither the Offering Circular nor any other information supplied in connection with the Programme or the Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer, the Joint Lead Managers, the Trustee or the Agents that any recipient of the Offering Circular or any other information supplied in connection with the Programme or the Notes should purchase any of the Notes. Each investor contemplating purchasing any of the Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any of the Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme or the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Joint

Lead Managers, the Trustee and the Agents expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by the Offering Circular or to advise any investor in any series of the Notes of any information coming to their attention.

In the Note Offering Circular, where information has been presented in millions or billions of units, amounts may have been rounded, in the case of information presented in millions, to the nearest ten thousand or one hundred thousand units or, in the case of information presented in billions, one, ten or one hundred million units. Accordingly, the totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items and actual numbers may differ from those contained herein due to rounding.

USE OF PROCEEDS

The net proceeds from the issuance of the Notes will be applied in accordance with the Issuer's Social Finance Framework and as may be permitted by the RBI ECB Guidelines, and for the purpose of onward lending and other activities as may be permitted by the ECB Guidelines, in accordance with the approvals granted by the RBI from time to time. The Social Finance Framework has been reviewed by S&P and CareEdge each of whom have issued a Second Party Opinion, and the allocation reports will be reviewed by CareEdge.

PRICING SUPPLEMENT

September 30, 2024

Shriram Finance Limited

Issue of U.S.$500,000,000 6.15 per cent. Senior Secured Notes due 2028 under the U.S.$3,500,000,000 Global Medium Term Note Programme (the "Notes")

This document constitutes the pricing supplement (the "**Pricing Supplement**") relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated December 29, 2023 (the "**Offering Circular**"). This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular.

MiFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

Singapore SFA Product Classification – In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

1.	Issuer:	Shriram Finance Limited
2.	(a) Series Number:	10
	(b) Tranche Number:	01
	(c) Date on which the Notes will be consolidated and form a single Series:	Not Applicable
3.	Specified Currency or Currencies:	United States Dollars ("**U.S.$**")
4.	Aggregate Nominal Amount:	
	(a) Series:	U.S.$500,000,000
	(b) Tranche:	U.S.$500,000,000
5.	Issue Price:	99.999% of the Aggregate Nominal Amount
6.	(a) Specified Denominations:	U.S.$200,000 and, in excess thereof, integral multiples of U.S.$1,000
	(b) Calculation Amount (and in relation to calculation of interest in global form see Conditions):	U.S.$1,000.
7.	(a) Issue Date:	September 30, 2024

	(b) Interest Commencement Date:	Issue Date
8.	Maturity Date:	April 3, 2028
9.	Interest Basis:	6.15% Fixed Rate
10.	Redemption/Payment Basis:	Redemption at par
11.	Change of Interest Basis or Redemption/Payment Basis:	Not Applicable
12.	Put/Call Options:	Applicable, Issuer Call – see Paragraph 22
13.	(a) Date of board approval for issuance of Notes obtained:	Board resolution dated January 24, 2022 read with board resolution dated July 30, 2024 and resolution passed by the Banking and Finance Committee dated September 24, 2024
	(b) Date of regulatory approval/consent for issuance of Notes obtained:	Loan Registration Number 202409116 has been allotted for ECB (Bond) on September 6, 2024 under RBI Automatic Approval Route
14.	Listing:	Global Securities Market of the India International Exchange (INX)
15.	Method of distribution:	Syndicated
16.	Use of Proceeds:	In accordance with the Issuer's Social Finance Framework and as may be permitted by the RBI ECB Guidelines. Onward lending and other activities as may be permitted by the RBI ECB Guidelines and in accordance with the approvals granted by the RBI from time to time. The Social Finance Framework has been reviewed by S&P and CareEdge each of whom have issued a Second Party Opinion, and the allocation reports will be reviewed by CareEdge.

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

17.	Fixed Rate Note Provisions:	Applicable
	(a) Rate(s) of Interest:	6.15% per annum payable in arrear on each Interest Payment Date
	(b) Interest Payment Date(s):	April 3 and October 3 in each year, commencing on April 3, 2025, up to and including the Maturity Date. There will be a long first coupon
	(c) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions):	Long first coupon: U.S.$ 31.2625 per Calculation Amount Subsequent coupons: U.S.$ 30.75 per Calculation Amount
	(d) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions):	Long first coupon: U.S.$ 31.2625 per Calculation Amount
	(e) Day Count Fraction:	30/360, unadjusted

	(f) Determination Date(s):	Not Applicable
	(g) Other terms relating to the method of calculating interest for Fixed Rate Notes:	None
18.	Floating Rate Note Provisions	Not Applicable
19.	Zero Coupon Note Provisions	Not Applicable
20.	Index Linked Interest Note Provisions	Not Applicable
21.	Dual Currency Interest Note Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

22. Issuer Call:

At any time prior to two months before the Maturity Date (the "**Par Call Date**"), the Issuer may, having given not less than the 15 days nor more than 30 days of notice to the Noteholders in accordance with Condition 15 (which notice shall be irrevocable and shall specify the date fixed for redemption (the "**Make Whole Optional Redemption Date**")), redeem all, or some only, of the Notes then outstanding at a redemption price equal to 100% of the principal amount of the Notes plus the Applicable Premium as of, and accrued and unpaid interest, if any, to (but not including) the Make Whole Optional Redemption Date. Neither the Trustee nor any of the Agents shall be responsible for verifying or calculating the Applicable Premium.

On or after the Par Call Date, the Issuer may, having given not less than the 15 days nor more than 30 days of notice to the Noteholders in accordance with Condition 15 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all, or some only, of the Notes then outstanding at a redemption price equal to 100% of the principal amount of the Notes plus accrued and unpaid interest, if any, to (but not including) the redemption date.

In this Condition:

"**Applicable Premium**" means the greater of (1) 1.00% of the principal amount of such Note and (2) the excess of (a) the present value at the Make Whole Optional Redemption Date of the principal amount of such Note, plus all required remaining scheduled interest payments due on such Note through the Par Call Date (but excluding accrued and unpaid interest, if any, to (but not including) the redemption date), computed using a discount rate equal to the Treasury Rate plus 50 basis points, over (b) the principal amount of such Note on such redemption date;

"**Treasury Rate**" means, as of the Make Whole Optional Redemption Date, the yield to maturity as of the earlier of (a) the Make Whole Optional

	Redemption Date or (b) the date on which such Notes are defeased or satisfied and discharged, of the most recently issued United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to such date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the Make Whole Optional Redemption Date to the Par Call Date; *provided, however*, that if the period from the Make Whole Optional Redemption Date to the Par Call Date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used. Any such Treasury Rate shall be obtained by the Issuer.
23. Investor Put:	Not Applicable
24. Final Redemption Amount	Redemption at par
25. Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required):	U.S.$1,000 per Calculation Amount

PROVISIONS RELATING TO SECURITY

26. Secured Notes Provisions:	Applicable
(a) Charged Property	The charged property shall comprise specified receivables being the First List of Hypothecated Assets (as defined in the DoH), over which hypothecation shall be created in terms of an unattested deed of hypothecation ("**DoH**"). The DoH shall be executed on or prior to the Issue Date and the Issuer will within a maximum period of 30 (Thirty) calendar days from the date of execution of the DoH, make all necessary filings with the relevant Indian Registrar of Companies to perfect such security interest. The specified receivables shall be receivables arising from loans which have been made available by the Issuer in its ordinary course of business and which are classified as a 'standard asset' in the Issuer's books of accounts and which are not encumbered. Further, the Issuer shall: (a) on a quarterly basis i.e. within 15 (fifteen) Business Days following every March 31, June 30, September 30 and December 31 of every year, after September 30, 2024 until the Notes are repaid in full, provide a

	quarterly asset report ("**QAR**") setting out a list of the specified receivables which has been specifically identified towards the security being made available for the Notes, such that the Security Coverage Ratio shall be at a level equal to or greater than 1.0; and (b) on a semi-annual basis, commencing from September 30, 2024, create a charge over the specified receivables as set out in the latest QAR such that the Security Coverage Ratio shall be at a level equal to or greater than 1.0, for which a Supplemental DOH (as defined in the DoH) will be executed by the Issuer in favour of the Security Trustee no later than 40 (forty) calendar days from every March 31 and September 30 falling after the date of execution of the DoH until the Notes are repaid in full. The Issuer will within the same time period provided for the execution of the Supplemental DOH, make all necessary filings with the relevant Indian Registrar of Companies to perfect such security interest.

GENERAL PROVISIONS APPLICABLE TO THE NOTES

27. Form of Notes:	Registered Notes: Regulation S Global Note registered in the name of a nominee for DTC Rule 144A Global Note registered in the name of a nominee for DTC
28. Additional Financial Centers:	New York, London, Hong Kong
29. Talons for future Coupons to be attached to definitive Notes in bearer form (and dates on which such Talons mature):	No
30. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
31. Details relating to Instalment Notes:	Not Applicable
32. Other terms or special conditions:	Not Applicable

DISTRIBUTION

33. (a) If syndicated, names of Managers:	Barclays Bank PLC BNP Paribas Citigroup Global Markets Inc. Deutsche Bank AG, Singapore Branch

DBS Bank Ltd.

Emirates NBD Bank PJSC

The Hongkong and Shanghai Banking Corporation Limited

J.P. Morgan Securities plc

MUFG Securities Asia Limited Singapore Branch

SMBC Nikko Securities (Hong Kong) Limited

Standard Chartered Bank

	(b) Stabilizing Manager(s) (if any):	Deutsche Bank AG, Singapore Branch
34.	If non-syndicated, name of relevant Dealer:	Not Applicable
35.	Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable:	TEFRA not applicable
36.	U.S. Selling Restrictions:	Regulation S Category 1/Rule 144A
37.	Additional selling restrictions:	Applicable

Restrictions on Sales to Investors in Canada

The Notes may be sold in Canada only to purchasers purchasing, or deemed to be purchasing, as principal that are both accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions ("NI 45-106") or subsection 73.3(1) of the Securities Act (Ontario), and permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations ("Permitted Canadian Investor"). Any purchasers in Canada will be deemed to have agreed that it is a Permitted Canadian Investor and that it has reviewed the following paragraphs:

Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable Canadian securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if the Offering Circular (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal adviser.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts ("NI 33-105"), the

	Managers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with the offerings in Canada. Upon receipt of the Offering Circular, each Canadian purchaser will be deemed to agree that it has expressly requested that all documents evidencing or relating in any way to the sale of the Notes (including for greater certainty, any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque acheteur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.
38. Prohibition of Sales to EEA Retail Investors:	Not Applicable
39. Prohibition of Sales to UK Retail Investors:	Not Applicable

HONG KONG SFC CODE OF CONDUCT

40. Rebates:	Not Applicable
41. Contact email addresses of the Overall Coordinators where underlying investor information in relation to omnibus orders should be sent:	asiasyn@list.db.com SYNHK@sc.com
42. Marketing and Investor Targeting Strategy	As per the Offering Circular

OPERATIONAL INFORMATION

43. Any clearing system(s) other than Euroclear and Clearstream and the relevant identification number(s):	The Depository Trust Company
44. Delivery:	Delivery against payment
45. Additional Paying Agent(s) (if any):	Not Applicable
ISIN:	US82556FAB85 (Rule 144A) USY775M1CJ07 (Regulation S)
Common Code:	290810337 (Rule 144A) 290810345 (Regulation S)
CUSIP:	82556F AB8 (Rule 144A) Y775M1 CJ0 (Regulation S)
Legal Entity Identifier:	335800TM2YO24B76XL26
46. The aggregate principal amount of Notes issued has been translated into U.S. dollars at the rate of ___, producing a sum of:	Not Applicable

47. Ratings: The Notes to be issued are expected to be rated: Fitch: BB; Standard & Poor's: BB

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the U.S.$3,500,000,000 Global Medium Term Note Programme of Shriram Finance Limited.

For the avoidance of doubt, none of the Social Finance Framework, the Second Party Opinion or limited assurance by an external verifier are, and none shall be deemed to be, incorporated by reference into and/or form a part of this Pricing Supplement and the accompanying Offering Circular.

LISTING

Application will be made to the INX for the listing and quotation of the Notes.

RESPONSIBILITY

The INX assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Pricing Supplement. The admission of the Notes to the INX is not to be taken as an indication of the merits of the Issuer, the Programme or the Notes.

We accept responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By: ....

Duly authorized

SELECTED FINANCIAL INFORMATION

The following table sets out a summary of certain selected financial information of our Company as of and for the three months ended June 30, 2024 and 2023, and the years ended March 31, 2022, 2023 and 2024.

Unless otherwise specified, where financial information in relation to our Company has been translated into U.S. dollars, it has been so translated, for convenience only, as set forth below:

(i) for information as of and for the three months ended June 30, 2024, at the rate of INR 83.4534 per U.S.$1.00 (the closing exchange rate on June 30, 2024 based on the FBIL Reference Rate);

(ii) for information as of and for the year ended March 31, 2024, at the rate of INR 83.3739 per U.S.$1.00 (the closing exchange rate on March 31, 2024 based on the FBIL Reference Rate).

The selected financial information is derived from our Company's audited unconsolidated and consolidated financial statements and notes thereto as of and for the years ended March 31, 2022, 2023 and 2024, audited by our joint auditors for the period, Sundaram & Srinivasan and KKC & Associates LLP (formerly Khimji Kunverji & Co LLP).

Copies of the audited unconsolidated annual financial statements of our Company deemed to be incorporated by reference in this Offering Circular may be obtained without charge from either the website of the National Stock Exchange of India Limited (https://www1.nseindia.com/live_market/dynaContent/live_watch/get_quote/GetQuote.jsp?symbol=SHRIRAMFIN) or of the Company (https://www.shriramfinance.in/investors/financials).

Pursuant to an order dated November 14, 2022, as supplemented by an order dated November 17, 2022, the NCLT approved the Scheme, involving amalgamation of SCL with its remaining undertaking with the Company and amalgamation of SCUF with its entire undertaking with the Company, effective from the appointed date of April 1, 2022. In accordance with applicable accounting standards, the Merger has been accounted under the "acquisition method" and the difference between the purchase consideration and fair value has been accounted as goodwill on amalgamation. The figures for the period beginning on April 1, 2022 include the effect of the merger of the transferor companies, i.e., SCUF and SCL and are, therefore, not comparable with figures of financial year ended March 31, 2022.

Neither the information set forth below nor the format in which it is presented should be viewed as comparable to information prepared in accordance with IFRS or other accounting principles. The Indian Accounting Principles differ in certain material respects from IFRS. For a discussion of significant differences between the Indian Accounting Principles and IFRS, see "*Summary of Significant Differences between IFRS and IND-AS*" of the Original Offering Circular.

Unconsolidated Statement of Profit and Loss for the Three Months Ended June 30, 2023 and 2024

Particulars	Three months ended		
	June 30, 2023 (Unaudited)	June 30, 2024 (Unaudited)	June 30, 2024
	(INR million)		(U.S.$ million)[(1)]
	(Unconsolidated)		
Revenue from operations			
(i) Interest income	76,879.5	93,627.9	1,121.9
(ii) Dividend income..............................	-	-	-
(iii) Rental income	0.6	-	-
(iv) Fee and commission income	667.7	1,037.7	12.4
(v) Net gain on fair value changes..........	712.4	-	-
(vi) Net gain on derecognition of financial instruments under amortised cost category……	768.5	432.7	5.2
(vii) Other Operating Income	999.6	951.5	11.4
(I) **Total Revenue from operations**	**80,028.3**	**96,049.8**	1,150.9
(II) **Other Income**	**51.8**	**47.3**	0.6
(III) **Total Income (I+II)**.........................	**80,080.1**	**96,097.1**	1,151.5
Expenses			
(i) Finance cost	34,875.4	41,289.1	494.8
(ii) Fee and commission expenses	842.8	1,013.3	12.1
(iii) Net loss on fair value changes	-	126.4	1.5
(iv) Impairment of financial instruments .	8,786.1	11,875.5	142.3
(v) Employee benefit expenses...............	7,903.9	8,683.5	104.1
(vi) Depreciation, amortization and impairment.......................................	1,318.7	1,534.8	18.4
(vii) Other expenses.................................	**3,877.0**	4,908.6	58.8
(IV) **Total Expenses**	**57,603.9**	**69,431.2**	832.0
(V) **Profit before exceptional items and tax (III-IV)**.......................................	**22,476.2**	**26,665.9**	319.5
(VI) **Exceptional items**...........................	**-**	**-**	-
(VII) **Profit before tax (V+VI)**.................	**22,476.2**	**26,665.9**	319.5
(VIII) **Tax Expense**:			

Particulars	Three months ended		
	June 30, 2023 (Unaudited)	June 30, 2024 (Unaudited)	June 30, 2024
	(INR million)		(U.S.$ million)[(1)]
	(Unconsolidated)		
(1) Current tax	7,180.7	9,952.9	119.3
(2) Deferred tax	(1,458.9)	(3,092.9)	(37.1)
(IX) **Profit for the period from continuing operations (VII-VIII)**	**16,754.4**	**19,805.9**	237.3
(X) **Profit for the period**	**16,754.4**	**19,805.9**	237.3
(XI) **Other Comprehensive Income**			
(i) Items that will not be classified to profit or loss			
Remeasurement gain/(loss) on defined benefit plan	(132.0)	(9.6)	(0.1)
Gain/(loss) on fair valuation of quoted investments in equity shares	141.7	30.7	0.4
(ii) Income tax relating to items that will not be reclassified to profit or loss	(2.4)	(5.3)	(0.1)
(A) Subtotal	**7.3**	**15.8**	0.2
(i) Items that will be classified to profit or loss	(1.035.6)	85.3	1.0
(ii) Income tax relating to items that will be reclassified to profit or loss	260.6	(21.5)	(0.2)
(B) **Subtotal**	(775.0)	63.8	0.8
Other Comprehensive Income (A+B)	**(767.7)**	**79.6**	1.0
(XII) **Total Comprehensive Income for the year (X+XI)**	**15,986.7**	**19,885.5**	238.3
(XIII) **Paid-up equity share capital (Face value INR 10/- per share)**	374.8	375.9	4.5
(XIV) **Earnings per equity share**			
Basic (INR)	44.73	52.70	0.6
Diluted (INR)	44.52	52.60	0.6

Note:

(1) The reviewed unconsolidated financial statements as of and for the three months ended June 30, 2024 have been translated into U.S. dollars at the rate of INR 83.4534 per U.S.$1.00 (the closing exchange rate June 30, 2024 was based on the FBIL Reference Rate).

Unconsolidated Statement of Profit and Loss for the Years Ended March 31, 2022, 2023 and 2024

Particulars		Year ended March 31,		
	2022 (Audited)	2023 (Audited)	2024 (Audited)	2024
		(INR million)		(U.S.$ million)[(1)]
		(Unconsolidated)		
Revenue from operations				
(i) Interest income	186,462.6	286,073.6	335,996.6	4,030.0
(ii) Dividend income	—	65.2	14.5	0.2
(iii) Rental income	1.7	1.7	1.3	0.0
(iv) Fee and commission income	1,000.8	2,426.1	4,573.8	54.9
(v) Net gain on fair value changes	2,217.0	3,400.7	956.5	11.5
(vi) Net gain on derecognition of financial instruments under amortised cost category	2,177.4	2,244.6	3,246.5	38.9
(vii) Other Operating Income	692.2	3,509.7	4,854.9	58.2
(I) **Total Revenue from operations**	**192,551.7**	**297,721.6**	**349,644.1**	4,193.7
(II) **Other Income**	**190.6**	**307.3**	**332.0**	4.0
(III) **Total Income (I+II)**	**192,742.3**	**298,028.9**	**349,976.1**	4,197.7
Expenses				
(i) Finance cost	97,343.1	125,457.6	148,061.2	1,775.9
(ii) Fee and commission expenses	917.4	3,036.1	4,286.9	50.7
(iii) Impairment of financial instruments	38,608.6	41,591.7	45,183.4	541.9
(iv) Employee benefit expenses	9,970.9	25,061.1	32,155.9	385.7
(v) Depreciation, amortization and impairment	1,353.7	5,241.8	5,688.3	68.2
(vi) Other expenses	9,056.1	15,791.7	17,823.2	213.8
(IV) **Total Expenses**	**157,249.8**	**216,180.0**	**253,139.7**	3,036.2
(V) **Profit before exceptional items and tax (III-IV)**	**35,492.5**	**81,848.9**	**96,836.4**	1,161.5
(VI) **Exceptional items**	—	—	—	-
(VII) **Profit before tax (V+VI)**	**35,492.5**	**81,848.9**	**96,836.4**	1,161.5
(VIII) **Tax Expense**:				
(1) Current tax	11,125.7	28,750.1	34,000.6	407.8
(2) Deferred tax	(1,889.3)	(6,809.6)	(9,069.0)	(108.7)
(3) Tax adjustment for earlier years	(823.2)	(115.0)	-	-

Particulars	Year ended March 31,			
	2022 (Audited)	2023 (Audited)	2024 (Audited)	2024
	(INR million)			(U.S.$ million)(1)
	(Unconsolidated)			
(IX) **Profit for the year from continuing operations (VII-VIII)**	**27,079.3**	**59,793.4**	**71,904.8**	862.4
(X) **Profit for the year**	**27,079.3**	**59,793.4**	**71,904.8**	862.4
(XI) **Other Comprehensive Income**				
(i) Items that will not be classified to profit or loss				
Remeasurement gain/(loss) on defined benefit plan	(32.4)	(80.2)	(780.9)	(9.4)
Gain/(loss) on fair valuation of quoted investments in equity shares	—	(118.0)	164.9	2.0
(ii) Income tax relating to items that will not be reclassified to profit or loss	8.2	49.9	155.0	1.9
(A) Subtotal	**(24.2)**	**(148.3)**	**(461.0)**	(5.5)
(i) Items that will be classified to profit or loss	(1,608.7)	(146.8)	(561.2)	(6.7)
(ii) Income tax relating to items that will be reclassified to profit or loss	404.9	36.9	141.2	1.7
(B) **Subtotal**	(1,203.8)	(109.9)	(420.0)	(5.0)
Other Comprehensive Income (A+B)	**(1,228.0)**	**(258.2)**	**(881.0)**	(10.5)
(XII) **Total Comprehensive Income for the year (X+XI)**	**25,851.3**	**59,535.2**	**71,023.8**	851.9
(XIII) **Earnings per equity share**				
Basic (INR)	101.7	159.7	191.6	2.3
Diluted (INR)	101.7	159.0	191.0	2.3

Note:

(1) The audited unconsolidated financial statements as of and for the year ended March 31, 2024 have been translated into U.S. dollars at the rate of INR 83.3739 per U.S.$1.00 (the closing exchange rate on March 31, 2024 was based on the FBIL Reference Rate).

Unconsolidated Balance Sheet as of March 31, 2024 and June 30, 2024

	As of		
	March 31, 2024 (Audited)	**June 30, 2024** (Unaudited)	**June 30, 2024**
	(INR million)		**(U.S.$ million)[(1)]**
		(Unconsolidated)	
Financial Assets			
Cash and cash equivalents	60,133.7	42,439.4	508.5
Total financial assets	**2,301,820.00**	**2,362,664.1**	**23,311.2**
Total Non-Financial Assets	**70,940.1**	**74,682.6**	**894.9**
Total Assets	**2,372,760.1**	**2,452,969.1**	**23,393.3**

Note:

(1) The unconsolidated financial statements as of and for the three months ended June 30, 2024 have been translated into U.S. dollars at the rate of INR 83.4534 per U.S.$1.00 (the closing exchange rate June 30, 2024 was based on the FBIL Reference Rate).

Unconsolidated Balance Sheet as of March 31, 2022, 2023 and 2024

	As of March 31,			
	2022 (Audited)	2023 (Audited)	2024 (Audited)	2024
	(INR million)			(U.S.$ million)(1)
	(Unconsolidated)			
Assets				
Financial assets				
Cash and cash equivalents	106,624.4	95,053.0	60,133.7	721.3
Bank Balance other than above	56,927.2	63,121.1	47,992.7	575.6
Derivative financial instruments	2,014.0	6,688.1	3,304.8	39.6
Receivables				
(I) Trade Receivables	53.5	170.0	516.3	6.2
(II) Other Receivables	1,904.9	2,601.2	3,329.6	40.1
Loans	1,166,651.5	1,719,845.8	2,079,294.1	24,939.4
Investments	68,091.6	85,650.6	106,566.4	1,278.2
Other Financial assets	514.5	727.0	682.4	8.2
Non-Financial Assets				
Current tax assets (net)	2,282.4	7,169.7	5,725.1	68.7
Deferred tax assets (net)	8,693.8	17,439.2	28,840.3	345.9
Investment Property	19.7	26.2	9.8	0.1
Property, plant and equipment	1,105.6	6,997.0	8,457.7	101.4
Right of use Assets	3,025.2	4,902.1	-	-
Intangible assets under development	—	660.8	—	-
Goodwill	—	14,067.3	14,067.3	168.7
Other Intangible assets	30.4	12,176.5	10,339.3	124.0
Other non-financial assets	3,122.2	4,245.1	3,500.6	41.9
Total Assets	**1,421,060.9**	**2,036,638.6**	**2,372,760.1**	**28,459.3**
Liabilities				
Financial Liabilities				
Payables				
(I) Trade Payables				
(i) Total outstanding dues of micro enterprises and small enterprises	0.2	—	0.2	0.0

	As of March 31,			
	2022 (Audited)	2023 (Audited)	2024 (Audited)	2024
	(INR million)			(U.S.$ million)[1]
	(Unconsolidated)			
(ii) Total outstanding dues of creditors other than microenterprises and small enterprises	1,660.1	2,932.4	2,117.6	25.4
(II) Other Payables				
(i) Total outstanding dues of micro enterprises and small enterprises	14.6	3.6	22.5	0.3
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	12.1	10.9	31.6	0.4
Debt Securities..	412,565.5	436,525.9	449,486.1	5,391.2
Borrowings (other than debt securities).......	466,769.3	735,900.2	921,488.0	11,052.5
Deposits..	219,489.8	361,398.3	444,436.6	5,330.6
Subordinated liabilities	46,142.5	45,238.5	43,000.7	515.8
Other financial liabilities	8,596.4	15,841.2	18,479.9	221.7
Lease liabilities	3,494.3	5,634.6	-	-
Non-financial liabilities				
Current tax liabilities (net)..........................	368.2	1,608.9	2,377.9	28.5
Provisions...	1,381.8	2,114.8	2,962.1	35.5
Other non-financial liabilities	1,244.2	1,997.5	2,673.0	32.1
Total Liabilities...	**1,161,739**	**1,603,572.2**	**1,887,076.2**	22,633.9
Equity				
Equity share capital	2,705.2	3,744.3	3,757.9	45.1
Other equity..	256,616.7	429,322.1	481,926.0	5,780.3
Total Equity	**259,321.9**	**433,066.4**	**485,683.9**	5,825.4
Total Liabilities and Equity	**1,421,060.9**	**2,036,638.6**	**2,372,760.1**	28,459.3

Note:

(1) The audited unconsolidated financial statements as of and for the year ended March 31, 2024 have been translated into U.S. dollars at the rate of INR 83.3739 per U.S.$1.00 (the closing exchange rate on March 31, 2024 was based on the FBIL Reference Rate).

CAPITALIZATION

Set out below is our Company's unconsolidated total borrowings and shareholders' funds as of June 30, 2024, as derived from its reviewed unconsolidated financial statements as of and for the three months ended June 30, 2024.

	As of June 30, 2024	
	(INR million) (unaudited)	**(U.S.$ million)**
Borrowing:		
Debt Securities	486,188.7	5,825.9
Borrowings	1,034,651.1	12,398.0
Deposits	474,940.1	5,691.1
Subordinated liabilities	27,736.8	332.3
Total Borrowings as per IND-AS	**2,023,516.7**	**24,247.3**
Shareholders' Funds:		
Share capital	3,759.1	45.0
Other equity	506,028.7	6,063.7
Shareholders' Funds as per IND-AS	**509,787.8**	**6,108.7**

Note:

(1) The reviewed unconsolidated financial statements as of and for the three months ended June 30, 2024 have been translated into U.S. dollars at the rate of INR 83.4534 per U.S.$1.00 (the closing exchange rate June 30, 2024 was based on the FBIL Reference Rate).

There has been no material change in our Company's unconsolidated total borrowings and shareholders' funds since June 30, 2024.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

You should read this section in conjunction with the Company's Audited Financial Statements as of and for each of the years ended March 31, 2023 and 2024 and the Condensed Unconsolidated Interim Financial Statements for the Company as of and for the three months ended June 30, 2024, including the notes thereto, included elsewhere in this Offering Circular. This discussion contains forward-looking statements. There may be future events that we are unable to accurately predict or control and that may cause our actual results to differ materially from the expectations we describe in our forward-looking statements.

Overview

The Company is registered as a deposit-taking non-banking financial company ("**NBFC**") with the Reserve Bank of India ("**RBI**") under Section 45-IA of the Reserve Bank of India Act, 1934. Shriram Finance Limited is the country's biggest retail NBFC offering credit solutions for commercial vehicles, two-wheeler loans, car loans, home loans, gold loans, personal and small enterprise/ micro, small and medium enterprises ("**MSME**") loans, and it operates a large fixed deposit franchise across India. We are part of the 50-year-old Shriram Group, which has a strong presence in the financial services industry in India, including in commercial vehicle financing, consumer finance, life and general insurance, stock broking, chit funds and distribution of financial products, such as life and general insurance products and mutual fund products. Our Company (formerly Shriram Transport Finance Company Limited) was incorporated as a public limited company under the provisions of the Companies Act, 1956, by a certificate of incorporation dated June 30, 1979, issued by the Registrar of Companies, Tamil Nadu ("**ROC**"). Our Company commenced its operations, pursuant to a certificate of commencement of business dated October 9, 1979. Subsequently, our Company has obtained a certificate of registration dated September 4, 2000 bearing registration no. A-07-00459 issued by the RBI to carry on the activities of a NBFC under section 45-IA of the Reserve Bank of India Act, 1934, which has been renewed on April 17, 2007 (bearing registration no. 07-00459). Our Company is also registered with Insurance Regulatory and Development Authority of India as a corporate agent to deal in general insurance and life insurance since 2013 and with Association of Mutual Funds in India (AMFI) as a distributor of mutual fund products with effect from May 2023.

Shriram City Union Finance Limited and Shriram Capital Limited merged with Shriram Transport Finance Company Limited, whose name has been changed to Shriram Finance Limited. Powered by cutting-edge technology, Shriram Finance Limited is a digitally mature financial institution that reflects the banking needs of Millennial and Gen-Z customers.

Our widespread network of branches across India is a key driver of our growth. As of June 30, 2024, we had 3,095 branches across India, including most of the major commercial vehicle hubs along various road transportation routes in India, as well as a presence in 675 rural centers across India. As of the same date, we had a total number of 75,813 employees. Our Assets Under Management as of June 30, 2024, was INR 2,334,436.3 million (U.S.$ 27,972.9 million) (comprising Total Loan Assets (gross of Provisions) of INR 2,302,462.1 million (U.S.$ 27,589.8 million) and loan assets assigned of INR 31,974.3 million (U.S.$ 383.1 million)), on an unconsolidated basis. Our capital adequacy ratio as of June 30, 2024, computed on the basis of applicable RBI requirements, was 20.29% on an unconsolidated basis, compared to the RBI stipulated minimum requirement of 15.0%. Our Tier I capital as of June 30, 2024, was INR 411,925.1 million (U.S.$ 4,936.00 million) on an unconsolidated basis. Our Stage 3 Assets as a percentage of Total Loan Assets (gross of Provisions) were 5.4% as of June 30, 2024, on an unconsolidated basis. In addition, our return on average equity, total income, profit after tax from operations for the year ended June 30, 2024 was 25.60%, INR 96,097.1 million (U.S.$ 1,151.5 million), and INR 19,805.9 million (U.S.$ 237.3 million), respectively, on an unconsolidated basis. See "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" and "*Assets and Liabilities*."

Significant Factors Affecting Our Results of Operations

We believe that the following factors significantly affected our results of operations for the three months ended June 30, 2024 and the years ended March 31, 2023 and 2024 and will have a significant impact on our results of operations in the future.

General market conditions and customer demand

We provide financing for new and pre-owned commercial vehicles, focusing primarily on serving FTBs and SRTOs, and serve lower and middle-income groups and small enterprise borrowers through our other products including financing for passenger vehicles, construction equipment, farm equipment, micro, small and medium enterprises, two-wheelers, personal loans and gold loans. Individual borrowers, FTBs and SRTOs are generally less financially resilient than larger corporate borrowers or fleet owners, and as a result, can be more adversely affected by declining economic conditions. Due to the nature of our customers, demand for our services is correlated with general macroeconomic conditions. Weak or weakening macroeconomic conditions can cause our customers to experience less demand for the products and services they provide, which in turn can negatively affect requirement and utilization of vehicles.

The negative effect of weak macroeconomic conditions on customer demand for our services is partially offset by the increased attractiveness of asset financing relative to cash purchases of assets due to customers having less available cash.

Furthermore, as 46.98% of our Assets Under Management comprised loans to commercial vehicles as of June 30, 2024, on an unconsolidated basis, our business is impacted by the trends in the vehicle finance industry. The vehicle financing industry has continued to be impacted by a number of key trends that include consolidation, competitive pricing and increased regulation. Longer-term, stable growth depends on stable regulation and effective decisions by policymakers. The changing regulatory landscape remains a work in progress, and the operating environment will continue to be unpredictable. The ongoing global economic uncertainty, including in India, makes it difficult to predict future demand for vehicle financing and increases the likelihood that our actual results of operations could differ materially from our expectations.

Fluctuations in interest rates

Our results of operations are substantially dependent upon the level of our net interest margins. We provide loans at fixed rates of interest, and we borrow funds on both fixed and floating rates. As of June 30, 2024, approximately 77.90% of our borrowings were at fixed rates and 22.10% were at floating interest rates on an unconsolidated basis. We are exposed to interest rate risks as a result of lending to customers predominantly at fixed interest rates, amounts and for periods which may differ from our funding sources. Volatility in interest rates can materially and adversely affect our financial performance and cash flows. In a rising interest rate environment, we may not be able to pass on increased cost of funds to customers with fixed rate loan agreements, resulting in an adverse impact on our net interest income and net interest margins. However, even for floating rate loan agreements, if the yield on our interest-earning assets does not increase simultaneously with or to the same extent as our cost of funds, or, in a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, our net interest income and net interest margin would be adversely impacted.

Accordingly, our operations are susceptible to fluctuations in interest rates. Interest rates fluctuations are dependent upon many factors which are beyond our control, including the monetary policies of the RBI, de-regulation of the financial services sector in India, domestic and international economic and political conditions, inflation and other factors. Difficult conditions in the global and Indian economy can affect the availability of credit.

Non-performing assets and Stage 3 Assets in our loan portfolio

Stage 3 Assets have increased from INR 115,088.8 million as of June 30, 2023 to INR 124,077.5 million as of June 30, 2024 on an unconsolidated basis. Our Stage 3 Assets net of Stage 3 Provisions have increased from INR 54,613.5 million as of June 30, 2023 to INR 60,617.9 million as of June 30, 2024. Our Stage 3

Assets as a percentage of Total Loan Assets (gross of Provisions) were 5.5% and 5.4 % as of June 30, 2023 and June 30, 2024, respectively, on an unconsolidated basis. Our Stage 3 Assets net of Stage 3 Provisions as a percentage of our Net Loan Assets were 2.9% and 2.7% as of June 30, 2023 and June 30, 2024, respectively.

We cannot be sure that we will be able to improve our collections and recoveries in relation to our NPAs, or otherwise adequately control our level of NPAs in future. The classification of NPAs is done as per the Prudential Regulations under the RBI SBR Directions, whereby the extant NPA classification norm stands changed to the overdue period of more than 90 days for the applicable NBFCs. However, for the financial year 2020-21, RBI had previously clarified, in its circular dated April 7, 2021, that asset classification for all accounts which were granted moratorium under the RBI Moratorium Circulars, shall be as per the then extant asset classification norms under the RBI Master Circular - Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances dated July 1, 2015 for the period commencing September 1, 2020. In accordance with the instructions in paragraph 5 of aforesaid RBI Circular dated April 7, 2021, as the Company was already classifying the NPA accounts as Stage 3 Assets and provision was made accordingly, there was no change in asset classification on account of the interim order dated March 23, 2021.

Furthermore, the RBI had issued circular RBI/2021-2022/125 titled "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications" dated November 12, 2021 ("**Prudential Norms – Clarifications 2021**"), which provides for more stringent classification and recognition of NPAs. The said Prudential Norms – Clarifications 2021 have been consolidated and incorporated under the RBI SBR Directions.

In certain cases where a customer has delayed payments but has demonstrated an ability to continue servicing the relevant loan, we generally do not enforce the security and seize the financed vehicle, but we allow the loan to remain outstanding and continue without restructuring, which can adversely affect the position of our asset quality and ECL provisioning. There can also be no assurance that in such cases the customer would not continue to delay payments, which could adversely affect our profitability and cash flows.

If we are not able to control or reduce our level of NPAs/Stage 3 Assets, the overall quality of our loan portfolio may deteriorate, and our results of operations and/or cash flows may be adversely affected. Furthermore, although we believe our current provisioning for NPAs/Stage 3 Assets is comparable with the industry standards, in future our provisions may not be adequate when compared to the loan portfolios of other financial institutions. Moreover, there also can be no assurance that there will be no further deterioration in our provisioning coverage as a percentage of gross NPAs or Stage 3 Provisions coverage as a percentage of Stage 3 Assets or otherwise, or that the percentage of NPAs/Stage 3 Assets that we will be able to recover will be similar to our past experience of recoveries of NPAs. In the event of any deterioration in our NPA/Impaired portfolio, there could be an even greater adverse impact on our results of operations and/or cash flows.

Factors Affecting the Comparability of Our Financial Information

Increase in the Scope of our Operations following the Merger

Our financial statements pre-Merger may not be comparable to our post-Merger financial statements, primarily as a result of the significant increase in the scope of our operations pursuant to the Merger.

Prior to the Merger, our Company was primarily engaged in the business of providing financing for passenger commercial vehicles, multi-utility vehicles, three-wheelers and tractors, as well as ancillary equipment and vehicle parts finance, such as loans for tires and engine replacements, in addition to providing working capital facilities for FTBs and SRTOs. Following the Merger, our Company's business has expanded to include the legacy businesses of the Merged Entities that comprise multiple product lines, including loans to the small enterprise segments, loans against gold, financing for two-wheelers, appliances and other commercial goods, housing finance loans, gold loans, MSME loans and personal loans.

As a result, we have transitioned from primarily being a vehicle finance company to becoming a provider of a broader range of financial services and products. Our total assets and revenue for periods following the Merger have increased significantly, which diminishes the comparability of our post-Merger financial statements with those of our prior periods.

Certain Accounting Policies

In order to prepare the financial statements of the Company, estimates and judgments are used based on, among other things, industry trends, the Company's experience and the terms of existing contracts, all of which are subject to an inherent degree of uncertainty. For information on the Company's material accounting policies, see Note 6 to the audited unconsolidated financial statements of the Company for the year ended March 31, 2024. For information on the Company's significant accounting policies, see Note 6 to the audited unconsolidated financial statements of the Company for the years ended March 31, 2023 and 2022 as set forth in this Offering Circular. While the Company believes its estimates and judgments to be reasonable under the circumstances, there can be no assurance that the Company's judgments will prove correct or that actual results reported in future periods will not differ from expectations reflected in the Company's accounting treatment of certain items. In addition, other companies may utilize different accounting policies, which may impact the comparability of the Company's results of operations to those of companies in similar businesses.

Unconsolidated Accounting Policies under IND-AS

The Unconsolidated Interim Financial Statements, included elsewhere in this Offering Circular have been prepared for the purpose of inclusion in this Offering Circular and comply with the recognition and measurement requirements of IND-AS as notified by the MCA pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. The Company has uniformly applied the accounting policies during the periods presented other than those mentioned in Note 6 to the audited unconsolidated financial statements for the years ended March 31, 2024, March 31, 2023 and March 31, 2022.

Summary of Material Unconsolidated Accounting Policies under IND-AS

The Audited Financial Statements have been prepared using the accounting policies and measurements bases summarized below. For more information regarding our significant accounting policies and the summary of significant accounting judgments and estimates, see Notes 6 and 7 to the Audited Financial Statements included on pages F-32 through F-49 in this Note Offering Circular.

Description of Selected Line Items

Income

Revenue from operations

Revenue from operations represents:

- our interest income, including on our loan portfolio and related charges and direct assignment including interest on investments and deposits with banks;
- fee and commission income, including income from commission services, and guarantee fee;
- dividend income;
- rental income;
- net gain on fair value changes of investment and derivatives;
- net gain on derecognition of financial instruments under amortized cost category; and
- other operating income like bad debt recovery.

Other income

Other income consists of miscellaneous income, and interest on income tax refunds.

Expenses

Employee benefits expense

Employee benefits expense primarily includes salaries, other allowances and bonuses and contributions to provident and other funds and share based payments to employees.

Finance costs

Finance costs represent interest expenses, including on debentures, loans from banks, senior secured notes, external commercial bonds, subordinated debt and public deposits.

Fee and commission expenses

Fee and commission expenses includes recurring professional charges, processing charges and brokerage.

Depreciation and amortization

Depreciation and amortization primarily consist of depreciation and amortization charges on property, plant and equipment and right-of-use assets and intangible assets.

Impairment of financial instruments

Impairment of financial instruments primarily include expected credit loss provisions and bad debts written off.

Other expenses

Other expenses primarily include royalty, travelling and conveyance, rent, rates and taxes, business promotion, bank charges, professional charges on securitization, legal and professional charges, service charges, CSR expenses and miscellaneous expenses.

Tax expense

Tax expense includes current tax, less deferred tax and tax paid for earlier years.

Results of Operations

The tables below set forth our results of operations for the periods indicated.

Unconsolidated statement of profit and loss for the three months ended June 30, 2024 and 2023

Particulars	Three months ended		
	June 30, 2023 (Unaudited)	June 30, 2024 (Unaudited)	June 30, 2024
	(INR million)		(U.S.$ million)(1)
	(Unconsolidated)		
Revenue from operations			
(i) Interest income	76,879.5	93,627.9	1,121.9
(ii) Dividend income..............................	-	-	-
(iii) Rental income	0.6	-	-
(iv) Fee and commission income	667.7	1,037.7	12.4
(v) Net gain on fair value changes..........	712.4	-	-
(vi) Net gain on derecognition of financial instruments under amortised cost category……	768.5	432.7	5.2
(vii) Other Operating Income	999.6	951.5	11.4
(I) **Total Revenue from operations**	**80,028.3**	**96,049.8**	1,150.9
(II) **Other Income**	**51.8**	**47.3**	0.6
(III) **Total Income (I+II)**........................	**80,080.1**	**96,097.1**	1,151.5
Expenses			
(i) Finance cost	34,875.4	41,289.1	494.8
(ii) Fee and commission expenses	842.8	1,013.3	12.1
(iii) Net loss on fair value changes	-	126.4	1.5
(iv) Impairment of financial instruments .	8,786.1	11,875.5	142.3
(v) Employee benefit expenses...............	7,903.9	8,683.5	104.1
(vi) Depreciation, amortization and impairment.......................................	1,318.7	1,534.8	18.4
(vii) Other expenses.................................	**3,877.0**	4,908.6	58.8
(IV) **Total Expenses**	**57,603.9**	**69,431.2**	832.0
(V) **Profit before exceptional items and tax (III-IV)**......................................	**22,476.2**	**26,665.9**	319.5
(VI) **Exceptional items**...........................	**-**	**-**	-
(VII) **Profit before tax (V+VI)**.................	**22,476.2**	**26,665.9**	319.5
(VIII) **Tax Expense**:			
(1) Current tax	7,180.7	9,952.9	119.3

Particulars	Three months ended		
	June 30, 2023 (Unaudited)	June 30, 2024 (Unaudited)	June 30, 2024
	(INR million)		(U.S.$ million)[(1)]
	(Unconsolidated)		
(2) Deferred tax	(1,458.9)	(3,092.9)	(37.1)
(IX) **Profit for the period from continuing operations (VII-VIII)**	**16,754.4**	**19,805.9**	237.3
(X) **Profit for the period**	**16,754.4**	**19,805.9**	237.3
(XI) **Other Comprehensive Income**			
(i) Items that will not be classified to profit or loss			
Remeasurement gain/(loss) on defined benefit plan	(132.0)	(9.6)	(0.1)
Gain/(loss) on fair valuation of quoted investments in equity shares	141.7	30.7	0.4
(ii) Income tax relating to items that will not be reclassified to profit or loss	(2.4)	(5.3)	(0.1)
(A) Subtotal	**7.3**	**15.8**	0.2
(i) Items that will be classified to profit or loss	(1.035.6)	85.3	1.0
(ii) Income tax relating to items that will be reclassified to profit or loss	260.6	(21.5)	(0.2)
(B) **Subtotal**	(775.0)	63.8	0.8
Other Comprehensive Income (A+B)	**(767.7)**	**79.6**	1.0
(XII) **Total Comprehensive Income for the year (X+XI)**	**15,986.7**	**19,885.5**	238.3
(XIII) **Paid-up equity share capital (Face value INR 10/- per share)**	374.8	375.9	4.5
(XIV) **Earnings per equity share**			
Basic (INR)	44.73	52.70	0.6
Diluted (INR)	44.52	52.60	0.6

Note:

(1) The reviewed unconsolidated financial statements as of and for the three months ended June 30, 2024 have been translated into U.S. dollars at the rate of INR 83.4534 per U.S.$1.00 (the closing exchange rate June 30, 2024 was based on the FBIL Reference Rate).

Three Months Ended June 30, 2024 Compared to Three Months Ended June 30, 2023

Revenue from operations

Interest income

Our interest income increased by 21.8% from INR 76,879.5 million in the three months ended June 30, 2023 to INR 93,627.9 million in the three months ended June 30, 2024, primarily due to an increase in interest on loans and interest income from investments, on account of an increase in average earning assets.

Rental income

Our rental income decreased by 100% from INR 0.6 million in the three months ended June 30, 2023 to rental income of nil in the three months ended June 30, 2024 primarily due to sale of rental property.

Fees and commission income

Our fees and commission income increased by 55.4% from INR 667.7 million in the three months ended June 30, 2023 to INR 1,037.70 million in the three months ended June 30, 2024, primarily due to an increase in income from commission services on general insurance and life insurance.

Net gain on fair value changes

Our net gain on fair value changes decreased by 100% from INR 712.4 million in the three months ended June 30, 2023 to nil in the three months ended June 30, 2024, primarily due to a decrease in gain on fair valuation of investment in shares, venture capital fund, mutual funds and certificate of deposits.

Other operating income

Our other operating income decreased by 4.8% from INR 999.6 million in three months ended June 30, 2023 to INR 951.5 million in the three months ended June 30, 2024, primarily due to increase in bad debts recovery.

Total revenue from operations

As a result of the foregoing, our total revenue from operations increased by 20.1% from INR 80,028.3 million in the three months ended June 30, 2023 to INR 96,049.8 million in the three months ended June 30, 2024.

Other income

Other income decreased by 8.7% from INR 51.8 million in the three months ended June 30, 2023 to INR 47.3 million in the three months ended June 30, 2024, primarily due to a decrease in miscellaneous income that comprised rent recovery, sub-lease property and sharing income.

Total income

As a result of the foregoing, our total income increased by 20.0% from INR 80,080.1 million in the three months ended June 30, 2023 to INR 96,097.1 million in the three months ended June 30, 2024.

Expenses

Finance costs

Finance costs increased by 18.4% from INR 34,875.4 million in the three months ended June 30, 2023 to INR 41,289.1 million in the three months ended June 30, 2024, primarily due to an increase in average borrowings comprising privately placed non-convertible debentures, term loans from banks, deposits and an external commercial bond, which were required to meet the growth of the business.

Fees and commission expenses

Fees and commission expense increased by 20.2% from INR 842.8 million in the three months ended June 30, 2023 to INR 1,013.3 million in the three months ended June 30, 2024, primarily due to increase in commission paid for sourcing loan which is in line with the ordinary course of business.

Impairment of financial instruments

Impairment of financial instruments increased by 35.2% from INR 8,786.10 million in the three months ended June 30, 2023 to INR 11,875.50 million in three months ended June 30, 2024, primarily attributable to the growth in the assets under management which aligns with the company's regular business activities.

Employee benefit expenses

Our employee benefit expenses increased by 9.9% from INR 7,903.9 million in the year ended June 30, 2023 to INR 8,683.5 million in the three months ended June 30, 2024, primarily due to an increase in number of employees and thereby increase in salaries and other related benefits.

Depreciation, amortization and impairment

Depreciation, amortization and impairment increased by 16.4% from INR 1,318.7 million in the three months ended June 30, 2023 to INR 1,534.8 million in the three months ended June 30, 2024, primarily due to an increase in depreciation of property, plant and equipment.

Other expenses

Our other expenses increased by 26.6% from INR 3,877.0 million in the three months ended June 30, 2023 to INR 4,908.6 million in the three months ended June 30, 2024 due to an increase in business promotion, miscellaneous and royalty expenses.

Total expenses

As a result of the foregoing, our total expenses increased by 20.5% from INR 57,603.9 million in the three months ended June 30, 2023 to INR 69,431.2 million in the three months ended June 30, 2024.

Profit before tax

As a result of the foregoing, our profit before tax increased by 18.6% from INR 22,476.2 million in the three months ended June 30, 2023 to INR 26,665.9 million in the three months ended June 30, 2024.

Current tax

Our current tax increased by 38.6% from INR 7,180.7 million in the three months ended June 30, 2023 to INR 9,952.9 million in the three months ended June 30, 2024.

Deferred tax

Our deferred tax increased by 112.0% from INR (1,458.90) million in the three months ended June 30, 2023 to INR (3,092.9) million in the three months ended June 30, 2024.

Profit for the period

As a result of the foregoing, our profit for the period increased by 18.2% from INR 16,754.4 million in the three months ended June 30, 2023 to INR 19,805.9 million in the three months ended June 30, 2024.

Items that will not be reclassified to profit or loss

Remeasurement loss on defined benefit plan decreased by 92.7% from INR (132.0) million in the three months ended June 30, 2023 to INR (9.6) million in the three months ended June 30, 2024. Gains/ (loss) on fair valuation of quoted investments in equity shares decreased by 78.3% from INR 141.7 million in the three months ended June 30, 2023 to INR 30.7 million in the three months ended June 30, 2024.

Items that will be reclassified to profit or loss

Cash flow hedge reserve items that will not be reclassified to profit or loss decreased by 108.2% from INR (1,035.6) million in the three months ended June 30, 2023 to INR 85.3 million in the three months ended June 30, 2024.

Income tax relating to items that will be reclassified to profit or loss

Income tax relating to items that will not be reclassified to profit or loss decreased by 108.3% from INR 260.6 million in the three months ended June 30, 2023 to INR (21.5) million in the three months ended June 30, 2024, primarily due to an increase in loss on the effective portion of hedging instruments in a cash flow hedge.

Other comprehensive income

As a result of the foregoing, our other comprehensive income decreased by 110.4% from INR (767.7) million in the three months ended June 30, 2023 to INR 79.6 million in the three months ended June 30, 2024.

Total comprehensive income for the period

As a result of the foregoing, our total comprehensive income for the period increased by 24.4% from INR 15,986.7 million in the three months ended June 30, 2023 to INR 19,885.5 million in the three months ended June 30, 2024.

Unconsolidated statement of profit and loss for the years ended March 31, 2023 and 2024

		Year ended March 31,		
Particulars		**2023** (Audited)	**2024** (Audited)	**2024**
		(INR million)		**(U.S.$ million)[(1)]**
		(Unconsolidated)		
Revenue from operations				
(i)	Interest income	286,073.6	335,996.6	4,030.0
(ii)	Dividend income...............................	65.2	14.5	0.2
(iii)	Rental income..................................	1.7	1.3	0.0
(iv)	Fee and commission income	2,426.1	4,573.8	54.9
(v)	Net gain on fair value changes...........	3,400.7	956.5	11.5
(vi)	Net gain on derecognition of financial instruments under amortised cost category……	2,244.6	3,246.5	38.9
(vii)	Other Operating Income	3,509.7	4,854.9	58.2
(I)	**Total Revenue from operations**	**297,721.6**	**349,644.1**	4,193.7
(II)	**Other Income**	**307.3**	**332.0**	4.0

Particulars	Year ended March 31, 2023 (Audited)	2024 (Audited)	2024
	(INR million)		(U.S.$ million)[1]
	(Unconsolidated)		
(III) **Total Income (I+II)**..........................	**298,028.9**	**349,976.1**	4,197.7
Expenses			
(i) Finance cost......................................	125,457.6	148,061.2	1775.9
(ii) Fee and commission expenses	3,044.4	4,227.7	50.7
(iii) Impairment of financial instruments..	41,591.7	45,183.4	541.9
(iv) Employee benefit expenses................	25,061.1	32,155.9	385.7
(v) Depreciation, amortization and impairment	5,241.8	5,688.3	68.2
(vi) Other expenses..................................	15,783.4	17,823.2	213.8
(IV) **Total Expenses**	**216,180.0**	**253,139.7**	3,036.2
(V) **Profit before exceptional items and tax (III-IV)**	**81,848.9**	**96,836.4**	1,161.5
(VI) **Exceptional items**............................	—	—	-
(VII) **Profit before tax (V+VI)**.................	**81,848.9**	**96,836.4**	1,161.5
(VIII)**Tax Expense**:....................................			
(1) Current tax...	28,865.1	34,000.6	407.8
(2) Deferred tax......................................	(6,809.6)	(9,069.0)	(108.7)
(3) Tax adjustment for earlier years	-	-	-
(IX) **Profit for the year from continuing operations (VII-VIII)**......................	**59,793.4**	**71,904.8**	862.4
(X) **Profit for the year**	**59,793.4**	**71,904.8**	862.4
(XI) **Other Comprehensive Income**........			
(i) Items that will not be classified to profit or loss......................................			
Remeasurement gain/(loss) on defined benefit plan	(80.2)	(780.9)	(9.4)
Gain/(loss) on fair valuation of quoted investments in equity shares..	(118.0)	164.9	2.0
(ii) Income tax relating to items that will not be reclassified to profit or loss.....	49.9	155.0	1.9
(A) Subtotal	**(148.3)**	**(461.0)**	(5.5)
(i) Items that will be classified to profit or loss	(146.8)	(561.2)	(6.7)

Particulars	Year ended March 31, 2023 (Audited)	2024 (Audited)	2024
	(INR million)		(U.S.$ million)(1)
	(Unconsolidated)		
(ii) Income tax relating to items that will be reclassified to profit or loss..........	36.9	141.2	1.7
(B) **Subtotal**	(109.9)	(420.0)	(5.0)
Other Comprehensive Income (A+B)......	**(258.2)**	**(881.0)**	(10.5)
(XII) **Total Comprehensive Income for the year (X+XI)**...............................	**59,535.2**	**71,023.8**	851.9
(XIII) **Earnings per equity share**			
Basic (INR)..	1,596.9	191.63	2.3
Diluted (INR)...	1,589.9	191.02	2.3

Note:

(1) The audited unconsolidated financial statements as of and for the year ended March 31, 2024 have been translated into U.S. dollars at the rate of INR 83.3739 per U.S.$1.00 (the closing exchange rate on March 31, 2024 was based on the FBIL Reference Rate).

Year Ended March 31, 2024 Compared to Year Ended March 31, 2023 on an unconsolidated basis.

Revenue from operations

Interest income

Our interest income increased by 17.5% from INR 286,073.6 million in the year ended March 31, 2023 to INR 335,996.6 million (U.S.$4,030.0 million) in the year ended March 31, 2024, primarily due to an increase in interest on loans and interest income from investments, on account of an increase in average earning assets, and due to the impact from the Merger.

Dividend income

Dividend income decreased by 77.8% from INR 65.2 million in the year ended March 31, 2023 to INR 14.5 million (U.S.$0.2 million) in the year ended March 31, 2024, primarily due to our subsidiary, Shriram Housing Finance Limited, not having proposed any dividend in the year ended March 31, 2024 to preserve its resources for its business growth.

Rental income

Our rental income decreased by 23.5% from INR 1.7 million in the year ended March 31, 2023 to rental income of INR 1.3 million (U.S.$0.0 million) in the year ended March 31, 2024 primarily due to a decrease in rental expenses related to property leased by us.

Fees and commission income

Our fees and commission income increased by 88.5% from INR 2,426.1 million in the year ended March 31, 2023 to INR 4,573.8 million (U.S.$54.9 million) in the year ended March 31, 2024, primarily due to an increase in income from commission services on general insurance and life insurance, and due to the impact from the Merger.

Net gain on fair value changes

Our net gain on fair value changes decreased by 71.9% from INR 3,400.7 million in the year ended March 31, 2023 to INR 956.5 million (U.S.$11.5 million) in the year ended March 31, 2024, primarily due to a decrease in gain on fair valuation of investment in shares, venture capital fund, mutual funds and certificate of deposits, and due to the impact from the Merger.

Net gain on de-recognition of financial instruments under amortized cost category

Our net gain on fair value changes increased by 44.6% from INR 2,244.6 million in the year ended March 31, 2023 to INR 3,246.5 million (U.S.$ 38.9 million) in the year ended March 31, 2024, due to increase in profits from sales.

Other operating income

Our other operating income increased by 38.3% from INR 3,509.7 million in the year ended March 31, 2023 to INR 4,854.9 million (U.S.$58.2 million) in the year ended March 31, 2024, primarily due to increase in bad debts recovery, and due to the impact from the Merger.

Total revenue from operations

As a result of the foregoing, our total revenue from operations increased by 17.4% from INR 297,721.6 million in the year ended March 31, 2023 to INR 349,644.1 million (U.S.$ 4,193.7 million) in the year ended March 31, 2023.

Other income

Other income increased by 8.0% from INR 307.3 million in the year ended March 31, 2023 to INR 332.0 million (U.S.$4.0 million) in the year ended March 31, 2024, primarily due to an increase in miscellaneous income that comprised rent recovery, sub-lease property and sharing income, and due to the impact from the Merger.

Total income

As a result of the foregoing, our total income increased by 17.4% from INR 298,028.9 million in the year ended March 31, 2023 to INR 349,976.1 million (U.S.$4,197.7 million) in the year ended March 31, 2024.

Expenses

Finance costs

Finance costs increased by 18.0% from INR 125,457.6 million in the year ended March 31, 2023 to INR 148,061.2 million (U.S.$1,775.9 million) in the year ended March 31, 2024, primarily due to an increase in average borrowings comprising privately placed non-convertible debentures, term loans from banks, deposits and an external commercial bond, which were required to meet the growth of the business, and due to the impact from the Merger.

Fees and commission expenses

Fees and commission expense increased by 38.9% from INR 3,044.4 million in the year ended March 31, 2023 to INR 4,227.7 million (U.S.$50.7 million) in the year ended March 31, 2024, primarily due to a dealer incentive expense in connection with the Merger.

Impairment of financial instruments

Impairment of financial instruments increased by 8.6% from INR 41,591.7 million in the year ended March 31, 2023 to INR 45,183.4 million (U.S.$541.9 million) in year ended March 31, 2024, primarily due to an increase in our average loan portfolio and change in the process of classifying NPAs, and due to the impact from the Merger. For further information, see Note 62 to the audited unconsolidated financial statements for the year ended March 31, 2024.

Employee benefit expenses

Our employee benefit expenses increased by 28.3% from INR 25,061.1 million in the year ended March 31, 2023 to INR 32,155.9 million (U.S.$385.7 million) in the year ended March 31, 2024, primarily due to an increase in salaries, other allowances and bonus, as a result of an increase in variable pay in the year ended March 31, 2024.

Depreciation, amortization and impairment

Depreciation, amortization and impairment increased by 8.5% from INR 5,241.8 million in the year ended March 31, 2023 to INR 5,688.3 million (U.S.$68.2 million) in the year ended March 31, 2024, primarily due to an increase in depreciation of property, plant and equipment.

Other expenses

Our other expenses increased by 12.9% from INR 15,783.4 million in the year ended March 31, 2023 to INR 17,823.2 million (U.S.$213.8 million) in the year ended March 31, 2024 due to an increase in business promotion, miscellaneous and royalty expenses.

Total expenses

As a result of the foregoing, our total expenses increased by 17.1% from INR 216,180.0 million in the year ended March 31, 2023 to INR 253,139.7 million (U.S.$3,036.3 million) in the year ended March 31, 2024.

Profit before tax

As a result of the foregoing, our profit before tax increased by 18.3% from INR 81,848.9 million in the year ended March 31, 2023 to INR 96,836.4 million (U.S.$1,161.5 million) in the year ended March 31, 2024.

Current tax

Our current tax increased by 17.8% from INR 28,865.1 million in the year ended March 31, 2023 to INR 34,000.6 million (U.S.$407.8 million) in the year ended March 31, 2024. This increase was primarily on account of the impact from the Merger. For further information, see Note 44 to the audited financial statements for the year ended March 31, 2024.

Deferred tax

Our deferred tax increased by 33.2% from INR (6,809.6) million in the year ended March 31, 2023 to INR (9,069.0) million (U.S.$(108.7) million) in the year ended March 31, 2024. This increase was primarily on account of the impact from the Merger. For further information, see Note 44 to the audited financial statements for the year ended March 31, 2024.

Profit for the year

As a result of the foregoing, our profit for the period increased by 20.3% from INR 59,793.4 million in the year ended March 31, 2023 to INR 71,904.8 million (U.S.$862.4 million) in the year ended March 31, 2024.

Items that will not be reclassified to profit or loss

Remeasurement loss on defined benefit plan increased from INR (80.2) million in the year ended March 31, 2023 to INR (780.9) million (U.S.$(9.4) million) in the year ended March 31, 2024. Gains/ (loss) on fair valuation of quoted investments in equity shares increased from INR (118.0) million in the year ended March 31, 2023 to INR 164.9 million (U.S.$2.0 million) in the year ended March 31, 2024.

Income tax relating to items that will not be reclassified to profit or loss

Income tax relating to items that will not be reclassified to profit or loss increased from INR 49.9 million in the year ended March 31, 2023 to INR 155.0 million (U.S.$1.9 million) in the year ended March 31, 2024.

Items that will be reclassified to profit or loss

Cash flow hedge reserve items that will be reclassified to profit or loss increased by 282.3% from INR (146.8) million in the year ended March 31, 2023 to INR (561.2) million (U.S.$(6.7) million) in the year ended March 31, 2024, primarily due to an increase in loss on the effective portion of hedging instruments in a cash flow hedge.

Income tax relating to items that will be reclassified to profit or loss

Income tax relating to items that will be reclassified to profit or loss increased by 282.7% from INR 36.9 million in the year ended March 31, 2023 to INR 141.2 million (U.S.$1.7 million) in the year ended March 31, 2024, primarily due to an increase in loss on the effective portion of hedging instruments in a cash flow hedge.

Other comprehensive income

As a result of the foregoing, our other comprehensive income decreased by 241.2% from INR (258.2) million in the year ended March 31, 2023 to INR (881.0) million (U.S.$(10.5) million) in the year ended March 31, 2024.

Total comprehensive income for the period

As a result of the foregoing, our total comprehensive income for the period increased by 19.3% from INR 59,535.2 million in the year ended March 31, 2023 to INR 71,023.8 million (U.S.$851.9 million) in the year ended March 31, 2024.

Cash Flow

Our primary use of cash is to fund our working capital needs, capital expenditures and repayment of our indebtedness. We have utilized a combination of cash flows generated from our operating activities, bank borrowings, short-term financing bills, medium-term notes, asset-based securities and other loans and capital contributions made by our shareholders.

Unconsolidated cash flows for the years ended March 31, 2023 and 2024

	Year ended March 31,		
	2023 (Audited)	**2024 (Audited)**	**2024(1)**
	(INR million)		**(U.S.$ million)**
	(unconsolidated)		
Net cash flow			
Net cash flow from / (used) in operating activities	(158,413.3)	(276,530.8)	(3,316.8)
Net cash flow from / (used) in investing activities	(1,800.6)	(2,383.3)	(28.6)
Net cash flow from financing activities	96,468.4	243,994.8	2,926.5
Net increase/(decrease) in cash and cash equivalents	(63,745.5)	(34,919.3)	(418.8)
Cash and cash equivalents at the beginning of year	106,624.4	95,053.0	1,140.1
Cash and cash equivalents at the end of year	**95,053.0**	**60,133.7**	721.3

Note:

(1) The audited unconsolidated financial statements as of and for the year ended March 31, 2024 have been translated into U.S. dollars at the rate of INR 83.3739 per U.S.$1.00 (the closing exchange rate on March 31, 2024 was based on the FBIL Reference Rate).

Operating Activities

In the year ended March 31, 2024, net cash used in operating activities was INR 276,530.8 million (U.S.$3,316.8 million) on an unconsolidated basis. Such cash outflow was primarily attributable to (i) an increase in loans of INR 390,394.3 million (U.S.$4,682.5 million), (ii) an increase in investments of INR 19,667.8 million (U.S.$235.9 million), (iii) a decrease in bank deposits of INR 15,128.4 million (U.S.$181.5 million) and (iv) direct taxes paid (net of refunds) of INR 33,822.8 million (U.S.$405.7 million) partially offset by (i) profit before tax of INR 96,836.4 million (U.S.$1,161.5 million) and (ii) an impairment on loans of INR 44,847.4 million (U.S.$537.9 million).

In the year ended March 31, 2023, net cash used in operating activities was INR 158,413.3 million on an unconsolidated basis. Such cash outflow was primarily attributable to (i) an increase in loans of INR 276,747.3 million, (ii) a decrease in investments of INR 13,330.2 million, (iii) a decrease in bank deposits of INR 7,760.9 million and (iv) direct taxes paid (net of refunds) of INR 32,245.1 million partially offset by (i) profit before tax of INR 81,848.9 million and (ii) an impairment on loans of INR 41,287.9 million.

Investing Activities

In the year ended March 31, 2024, net cash used in investing activities was INR 2,383.3 million (U.S.$28.6 million), primarily attributable to purchase of property, plant, equipment and intangible assets of INR 2,456.0 million (U.S.$29.5 million). In the year ended March 31, 2023, net cash used in investing activities was INR 1,800.6 million, primarily attributable to purchase of property, plant, equipment and intangible assets of INR 1,836.0 million.

Financing Activities

In the year ended March 31, 2024, net cash flow from our financing activities was INR 243,994.8 million (U.S.$2,926.5 million) primarily attributable to (i) amounts received from debt securities of INR 230,561.0 million (U.S.$2,765.4 million) and (ii) amounts received from borrowings other than debt securities of INR

754,055.4 million (U.S.$9,044.3 million), which was partially offset by (i) repayments of borrowings other than debt securities of INR 576,525.7 million (U.S.$6,914.9 million) and (ii) repayments of debt securities of INR 221,770.6 million (U.S.$2,660.0 million).

In the year ended March 31, 2023, net cash flow from our financing activities was INR 96,468.4 million primarily attributable to (i) amounts received from debt securities of INR 91,947.0 million and (ii) amounts received from borrowings other than debt securities of INR 616,339.5 million, which was partially offset by (i) repayments of borrowings other than debt securities of INR 526,250.2 million and (ii) repayments of debt securities of INR 139,922.2 million.

Financial Condition

Our net worth was INR 432,020.7 million and INR 484,638.2 million (U.S.$ 5,812.8 million) as of March 31, 2023 and March 31, 2024, respectively, on an unconsolidated basis. Net worth as defined in Section 2(57) of the Companies Act, 2013 means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

The following table sets forth our unconsolidated balance sheets as of each of the dates indicated.

Unconsolidated as of March 31, 2023 and 2024

	As of March 31,		
	2023	**2024**	**2024**
	(Audited)	**(Audited)**	
	(INR million)		**(U.S.$ million)[1]**
	(Unconsolidated)		
Assets			
Financial assets			
Cash and cash equivalents	95,053.0	60,133.7	721.3
Bank Balance other than above	63,121.1	47,992.7	575.6
Derivative financial instruments	6,688.1	3,304.8	39.6
Receivables			
(I) Trade Receivables	170.0	516.3	6.2
(II) Other Receivables	2,601.2	3,329.6	40.1
Loans	1,719,845.8	2,079,294.1	24,939.4
Investments	85,650.6	106,566.4	1,278.2
Other Financial assets	727.0	682.4	8.2
Non-Financial Assets			
Current tax assets (net)	7,169.7	5,725.1	68.7
Deferred tax assets (net)	17,439.2	28,840.3	345.9
Investment Property	26.2	9.8	0.1
Property, plant and equipment	6,997.0	8,457.7	101.4

	As of March 31,		
	2023 (Audited)	2024 (Audited)	2024
	(INR million)		(U.S.$ million)[(1)]
		(Unconsolidated)	
Right of use Assets	4,902.1	-	-
Intangible assets under development	660.8	—	-
Goodwill	14,067.3	14,067.3	168.7
Other Intangible assets	12,176.5	10,339.3	124.0
Other non-financial assets	4,245.1	3,500.6	41.9
Total Assets	**2,036,638.6**	**2,372,760.1**	28,459.3
Liabilities			
Financial Liabilities			
Payables			
(I) Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises	—	0.2	0.0
(ii) Total outstanding dues of creditors other than microenterprises and small enterprises	2,932.4	2,117.6	25.4
(II) Other Payables			
(i) Total outstanding dues of micro enterprises and small enterprises	3.6	22.5	.03
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	10.9	31.6	0.4
Debt Securities	436,525.9	449,486.1	5391.2
Borrowings (other than debt securities)	735,900.2	921,488.0	11,052.5
Deposits	361,398.3	444,436.6	5,330.6
Subordinated liabilities	45,238.5	43,000.7	515.8
Other financial liabilities	15,841.2	18,479.9	221.7
Lease liabilities	-	-	-
Non-financial liabilities			
Current tax liabilities (net)	1,608.9	2,377.9	28.5
Provisions	2,114.8	2,962.1	35.5
Other non-financial liabilities	1,997.5	2,673.0	32.0

	As of March 31,		
	2023	2024	2024
	(Audited)	(Audited)	
	(INR million)		(U.S.$ million)(1)
		(Unconsolidated)	
Total Liabilities	**1,603,572.2**	**1,887,076.2**	22,633.9
Equity			
Equity share capital	3,744.3	3,757.9	45.1
Other equity	429,322.1	481,926.0	5,780.3
Total Equity	**433,066.4**	**485,683.9**	5,825.4
Total Liabilities and Equity	**2,036,638.6**	**2,372,760.1**	28,459.3

(1) The audited unconsolidated financial statements as of and for the year ended March 31, 2024 have been translated into U.S. dollars at the rate of INR 83.3739 per U.S.$1.00 (the closing exchange rate on March 31, 2024 was based on the FBIL Reference Rate).

Assets as on March 31, 2023 compared with March 31, 2024 on unconsolidated basis.

Our total assets increased by 16.5% from INR 2,036,638.6 million as of March 31, 2023 to INR 2,372,760.1 million (U.S.$28,459.3 million) as of March 31, 2024. The most significant element of this increase was loans and investments.

Cash and cash equivalents decreased by 36.7% from INR 95,053.0 million as of March 31, 2023 to INR 60,133.7 million (U.S.$721.3 million) as of March 31, 2024. This decrease was primarily due to decrease in balances with banks (of the nature of cash and cash equivalents).

Bank balance other than cash and cash equivalents decreased by 24.0% from INR 63,121.1 million as of March 31, 2023 to INR 47,992.7 million (U.S.$575.6 million) as of March 31, 2024. This decrease was primarily due to increase in balances with banks to the extent held as credit enhancement or security against the borrowings, guarantee, other commitments.

Derivative financial instruments increased by 50.5% from INR 6,688.1 million as of March 31, 2023 to INR 3,304.8 million (U.S.$39.6 million) as of March 31, 2024. This increase was due to an increase in currency derivatives and interest rate derivatives.

Trade receivables increased by 203.7% from INR 170.0 million as of March 31, 2023 to INR 516.3 million (U.S.$6.2 million) as of March 31, 2024. This increase was due to an increase in trade receivables considered good-unsecured.

Other receivables increased by 28.0% from INR 2,601.2 million as of March 31, 2023 to INR 3,329.6 million (U.S.$40.1 million) as of March 31, 2024. This increase was primarily due to an increase in receivables against direct assignment.

Loans increased by 20.9% from INR 1,719,845.8 million as of March 31, 2023 to INR 2,079,294.1 million (U.S.$24,939.4 million) as of March 31, 2024. The increase was primarily due to an increase in loan portfolio.

Investments increased by 24.4% from INR 85,650.6 million as of March 31, 2023 to INR 106,566.4 million (U.S.$1,278.2 million) as of March 31, 2024. This increase was primarily due to an increase in investments in government securities, commercial paper and certificate of deposits.

Other financial assets decreased by 6.1% from INR 727.0 million as of March 31, 2023 to INR 682.4 million (U.S.$8.2 million) as of March 31, 2024.

Current tax assets (net) decreased by 20.1% from INR 7,169.7 million as of March 31, 2023 to INR 5,725.1 million (U.S.$ 68.7 million) as of March 31, 2024. This increase was primarily due to adjustment of tax for earlier years.

Deferred tax assets (net) increased by 65.4% from INR 17,439.2 million as of March 31, 2023 to INR 28,840.3 million (U.S.$ 345.9 million) as of March 31, 2024. This increase was primarily on account of increase in deferred tax assets booked on impairment allowance on loans and advances.

Investment property decreased by 62.4% at INR 26.2 million as of March 31, 2023, as compared with INR 9.8 million (U.S.$0.1 million) as of March 31, 2024.

Property, plant and equipment increased by 20.8% from INR 6,997.0 million as of March 31, 2023 to INR 8,457.7 million (U.S.$101.4 million) as of March 31, 2024. This increase was primarily due to merging of right of use assets.

Right of use assets decreased by 100.0% from INR 4,902.1 million as of March 31, 2023 to nil as of March 31, 2024. This decrease was because right of use assets was merged with property, plant and equipment.

Intangible assets under development decreased from INR 660.8 million as of March 31, 2023 to nil as of March 31, 2024.

Goodwill remained at INR 14,067.3 million (U.S.$168.7 million) as of March 31, 2024 from INR 14,067.3 million as of March 31, 2023.

Other intangible assets decreased by 15.1% from INR 12,176.5 million as of March 31, 2023 to INR 10,339.3 million (U.S.$124.0 million) as of March 31, 2024. This decrease was because of disposals of computer software and distribution network.

Other non-financial assets decreased by 17.5% from INR 4,245.1 million as of March 31, 2023 to INR 3,500.6 million (U.S.$41.9 million) as of March 31, 2024. This decrease was primarily due to reduction in GST input tax credits receivables.

Indebtedness

The following table sets forth the principal components of our secured borrowings on an unconsolidated basis.

Unconsolidated as of March 31, 2024

	As of March 31, 2024 (Audited)	
	(INR million)	(U.S.$ million)
Redeemable Non-Convertible Debentures – Privately Placed	304,115.5	3,647.6
Redeemable Non-Convertible Debentures – Public issue	11,284.6	135.3
Others (Senior Secured Notes)	-	-
Term loans:		
Term loans from banks..	352,324.9	4,225.8
Term loans from financial institutions..	104,051.9	1,248.0
Other loans – Securitisation liabilities..	291,381.6	3,494.9
External commercial bonds	109,483.1	1,313.2
External commercial borrowings	144,670.5	1,735.2
Loans repayable on demand:		
From Banks (Cash credit)..	29,059.1	348.6
Total secured borrowings	1,346,371.2	16,148.6

The following table sets forth the principal components of our unsecured borrowings on an unconsolidated basis.

Unconsolidated as of March 31, 2024

	As of March 31, 2024 (Audited)	
	(INR million)	(U.S.$ million)
Deposits		
i. Public deposits	428,022.8	5,133.8
ii. From corporate...	16,413.8	196.9
iii. From others (Inter-corporate deposits from associate)	-	-
Subordinated Debts (Unsecured) – Debentures, Bonds...............................	43,000.7	515.8
Redeemable non-convertible debentures	904.2	10.8
Commercial papers...	23,698.7	284.2
Total unsecured borrowings...	512,040.2	6,141.5

Contingent Liabilities

As of March 31, 2024, we had certain contingent liabilities not provided for, as set out in the table below. In the event that any of these contingent liabilities materialize, our financial condition may be adversely affected.

Contingent Liabilities not provided for	**As of March 31, 2024**

	(Audited) (INR million) (*Unconsolidated*)
Income tax demands where the Company has filed an appeal before various authorities …............	562.2
VAT demand where the Company has filed an appeal before various appellate courts	0.2
Service tax demands where the Company has filed appeal before various authorities	20,566.1
Penalty levied for Contravention of provisions of Section 6(3)(b) of FEMA, 1999 read with Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000	-
GST Demand where company is in process of filling appeal…………………………………….	72.0
Stamp Duty demand raised by District Registrar Office against which companies planning to appeal in the IGR office in Chennai………………………………………………………………	66.9

Commitments

The Company had the following commitments as of the dates indicated.

Unconsolidated as of March 31, 2024

Particulars	**As of March 31, 2024 (Audited) (INR million)** (*Unconsolidated*)
Commitments not provided for:	
Estimated amount of contracts remaining to be executed on capital account	443.9
Commitments related to loans sanctioned but undrawn	1,082.4

Off-Balance Sheet Arrangements

Save as described above, as of March 31, 2024, we did not have any material off-balance sheet arrangements.

Competitive Conditions

Please refer to the sections entitled "*Business*," "*Industry Overview*" and "*Risk Factors*" in the Offering Circular regarding competition.

Unusual or Infrequent Events or Transactions

Except as described in the Offering Circular, there have been no other events or transactions to the best of our knowledge which may be described as "unusual" or "infrequent".

Known Trends or Uncertainties

Except as described in the sections titled "*Our Business*", "*Industry Overview*" and "*Risk Factors*", this section and elsewhere in the Offering Circular, to the best of our knowledge there are no known trends or uncertainties that have or had or are expected to have any material adverse impact on the Group's revenues or income from continuing operations.

Future Relationship between Cost and Income

Except as described in the sections titled "*Risk Factors*", "*Business*" and this section, to the best of our knowledge, there are no known factors that will have a material adverse impact on our operations and finances.

Financial Risks

In our normal course of business, we are exposed to various risks arising from our operations, including interest rate risk, liquidity risk, credit risk and cash management risk. For more information on these risks, see "*Assets and Liabilities—Risk Management*."

RECENT DEVELOPMENTS

Authorization

The shareholders of our Company authorized the Board by resolution dated July 30, 2024, to borrow up to INR 2,350,000.0 million pursuant to Section 180(1)(c) of the Companies Act, 2013 and create security over its assets to secure borrowings up to INR 2,937,500.0 million pursuant to Section 180(1)(a) of the Companies Act, 2013, respectively.

Acquisition of Shriram Overseas Investments Private Limited

The Audit Committee and the Board of Directors ("**Board**") of the Company at their respective meetings held on April 26, 2024, subject to the approval of the Reserve Bank of India ("**RBI**"), approved the acquisition of 100% equity stake in Shriram Overseas Investments Private Limited ("**SOIPL**") from Shriram Investments Holdings Private Limited for a total consideration up to INR 480.5 million and to make further investment post acquisition by way of new equity shares in SOIPL for the purpose of carrying out 'primary dealership' business. The Company shall enter into a share purchase agreement governing the terms and conditions of the aforesaid transaction upon receipt of the approval from RBI.

SOIPL is a non-banking financial company within the promoter group of the Company and is engaged in the business of investment in, acquiring and holding, underwriting, subscribing for and/or selling or disposing shares, bonds, stocks, securities, debenture stocks issued by any company constituted and carrying on any business in India or elsewhere, and also acting as underwriters and brokers of stock, shares, debentures, government bonds, units of Unit Trust of India, national savings certificate, fixed deposits and other savings instruments.

Consequent to the acquisition of the entire share capital of SOIPL by the Company, SOIPL shall make necessary application to the RBI for undertaking the primary dealership business. Accordingly, the name of SOIPL shall be changed to "Shriram Gilts Limited or Shriram Primary Dealership Private Limited or Shriram Primary Dealer Private Limited" to align the name with the business of primary dealership, subject to approval of the Registrar of Companies. Given that the current fixed income activities of SOIPL could be merged into the primary dealership business, the Company expects the primary dealership business to benefit from wider acceptability and balance sheet capabilities. The Company also anticipates significant opportunities to access the fixed income market with a secured source of funds through acquiring the primary dealership license from the RBI.

As on the date of this Note Offering Circular, the Company is awaiting RBI's approval for the proposed acquisition transaction.

Disinvestment in Shriram Housing Finance Limited

The Board of Directors of the Company at its meeting held on May 13, 2024, *inter alia*, approved the proposal for disinvestment/ sale/ transfer of the Company's entire stake in Shriram Housing Finance Limited ("**SHFL**"), a "high value debt-listed" non-material subsidiary of the Company, to Mango Crest Investment Ltd. (an affiliate of Warburg Pincus) for a consideration up to INR 39,090 million along with certain additional amounts based on occurrence of identified events.

In this regard, the Company has entered into a share purchase agreement on May 13, 2024 with SHFL, Valiant Mauritius Partners FDI Limited and Mango Crest Investment Ltd. (an affiliate of Warburg Pincus).

The Competition Commission of India at its meeting held on August 20, 2024 has *inter alia* approved the acquisition of up to 99.91% of share capital of SHFL by the purchaser under Section 31(1) of the Competition Act, 2002.

Subject to the receipt of other requisite approvals from regulatory authorities and fulfilment of other customary conditions, as per the terms and conditions specified in the share purchase agreement and other ancillary agreements and upon transfer of shares held by the Company in SHFL, SHFL shall cease to be a subsidiary of the Company.

Appointment of Joint Statutory Auditors

Pursuant to the Board's recommendation, the Company has, in its annual general meeting dated July 30, 2024, appointed M/s. G. D. Apte & Co., Chartered Accountants, Mumbai (Firm Registration No. 100515W) and M/s. M. M. Nissim & Co. LLP, Chartered Accountants, Mumbai (Firm Registration No. 107122W/W100672) as joint statutory auditors for a period of 3 (three) consecutive years from the conclusion of the 45th annual general meeting of the Company till the conclusion of the 48th annual general meeting of the Company.

Our Management

Board of Directors

Subsequent to the issuance of the Original Offering Circular, the Board of our Company has held meetings on January 25, 2024, March 22, 2024, April 26, 2024, May 13, 2024, June 01, 2024, July 26, 2024 and July 30, 2024.

As of the date of this Note Offering Circular, the Company's Board comprises of 12 directors. In addition to the 10 directors appointed on the Board of the Company, details of whom have been detailed in the Original Offering Circular, the Company has appointed two directors as specified below:

Mr. Gokul Dixit

Mr. Gokul Dixit is a non-executive independent director on the Board of the Company. Mr. Gokul Dixit is a chartered accountant and holds a degree in Master of Business Administration from Ross School of Business, University of Michigan, Ann. Arbor. He has two decades of experience in the regions of North America, European Union and Indian in accounting, financial and capital markets including audits securities issuances, merger and acquisitions, structured finance, private equity buyouts and venture capital investing. He recently served as special invitee on the accounting standards board and corporate laws and corporate governance committee of the Institute of Chartered Accountants of India, and was contributing respondent for the stakeholder engagement consultation paper published by the National Financial Reporting Authority. During his career, he worked with renowned organizations / firms of international repute. Recently, he has also been leading investments for Dallas Venture Capital, a technology SaaS focused venture capital fund.

Mrs. M.V. Bhanumathi

Mrs. M. V. Bhanumathi is a non-executive independent director on the Board of the Company. She holds a degree in B.Sc. and M.Sc. in Agriculture from University of Tamil Nadu and degree in Bachelor of Law from University of Delhi. She has retired as the Director General of Income Tax – Investigation, Mumbai region, Income Tax Department in May 2022. She joined Indian Revenue Service in the year of 1987 and has 36 years' of experience in public service. She held important positions in Government of India and represented India in many international bodies. She is currently serving as an independent director on the board of UPL Sustainable Agri Solutions Limited, Adani Ports and Special Economic Zone Limited and trustee in Pratham Mumbai, an educational initiative.

In addition to the above, please note that Mr. Parag Sharma has been elevated and re-designated as Managing Director & Chief Financial Officer and details of the same are as follows:

Mr. Parag Sharma

Mr. Parag Sharma, a whole time director and presently designated as the Joint Managing Director & Chief Financial Officer, has been elevated and re-designated as Managing Director & Chief Financial Officer of the Company with certain revised terms of remuneration with effect from June 01, 2024 for the remainder term of his appointment i.e. up to December 12, 2026.

Committees

As on the date of this Note Offering Circular, the Audit Committee has six members:

- Mr. S. Sridhar, Chairman;

- Mr. S. Ravindran, Member;
- Mrs. Maya S Sinha, Member;
- Mr. Pradeep Kumar Panja, Member;
- Mr. Gokul Dixit, Member; and
- Mrs. M.V. Bhanumathi, Member.

As on the date of this Note Offering Circular, the Nomination and Remuneration Committee has five members:

- Mr. Pradeep Kumar Panja, Chairman;
- Mr. Jugal Kishore Mohapatra, Member;
- Mr. D V Ravi, Member;
- Mrs. Maya S Sinha, Member; and
- Mrs. M. V. Bhanumathi, Member.

As on the date of this Note Offering Circular, the Risk Management Committee has six members:

- Mr. Umesh G Revankar, Chairman;
- Mr. S. Sridhar, Member
- Mr. Gokul Dixit, Member;
- Mr. Y S Chakravarti, Member;
- Mr. S. Sunder, Member; and
- Mr. Hardeep Singh (CRO), Member.

As on the date of this Note Offering Circular, the Asset Liability Management Committee has six members:

- Mr. Y S Chakravarti, Chairman;
- Mr. Umesh G Revankar, Member;
- Mr. S. Sridhar, Member;
- Mr. Gokul Dixit, Member;
- Mr. Parag Sharma, Member; and
- Mr. Hardeep Singh, CRO, Member.

As on the date of this Note Offering Circular, the IT Strategy Committee has seven members:

- Mr. S. Sridhar, Chairman;
- Mr. Umesh G Revankar, Member;
- Mr. Y S Chakravarti, Member;
- Mr. Gokul Dixit, Member;
- Mr. Gayadhar Behera, CTO, Member;
- Mr. Prashant N Deshpande, CISO, Member; and
- Mr. S. Varadachary, CIO, Member.

As on the date of this Note Offering Circular, the Environmental, Social and Governance Committee has eight members:

- Mr. Jugal Kishore Mohapatra, Chairman;
- Mrs. Maya S Sinha, Member;

- Mr. S. Ravindran, Member;
- Mrs. M. V. Bhanumathi, Member;
- Mr. Umesh G. Revankar, Member;
- Mr. Y. S. Chakravarti, Member;
- Mr. Parag Sharma, Member; and
- Mr. S. Sunder, Member.

REGULATION AND POLICIES

A summary of the relevant regulations and policies prescribed by the Government and other regulatory bodies that are applicable to the Issuer's business has been set out in the Original Offering Circular. While the information set out therein is merely intended to provide general information and is neither designed nor intended to be a substitute for professional legal advice, set out below are some key changes to the summary as set out in the Original Offering Circular:

Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated November 07, 2023

The said master direction incorporates, consolidates and updates the guidelines, instructions and circulars on IT governance, risk, controls, assurance practices and business continuity/ disaster recovery management and thereby repealing the earlier 'Master Direction – Information Technology Framework for the NBFCs, June 08, 2017' to the extent of its applicability to NBFCs under the Top Layer, Upper Layer and Middle Layer on and from April 01, 2024. These directions are applicable to the regulated entities which includes: (a) All banking companies including foreign banks, small finance banks and payments banks, corresponding new banks and State Bank of India, (b) NBFCs' included in the 'Top Layer', 'Upper Layer' and 'Middle Layer'; (c) Credit Information Companies; (d) EXIM Bank, National Bank for Agriculture and Rural Development, National Bank for Financing Infrastructure and Development, National Housing Bank and Small Industries Development Bank of India as incorporated under their respective regulations. However, local area banks and NBFC-Core Investment Companies are exempted from the applicability of the said master direction. Further, foreign banks operating in India through branch mode shall be required to follow 'comply or explain' approach to deviate from any specific part of this master direction however, the same shall be subject to examination and acceptance by Reserve Bank of a reasonably justifiable explanation for the same, as part of the supervisory process.

The said Master Directions require the REs to put in place certain frameworks / policies and lays down the guidelines for (a) role of board of directors, senior management and committees established under the Master Directions, (b) establishment of IT strategy committee and IT steering committee, (c) appointment of head of IT function who shall be sufficiently senior level, technically competent and experienced official in IT related aspects, (d) infrastructure and services management which includes necessary audit and system logging capability and requirement for audit trails, (e) conduct of periodic risk assessment and vulnerability assessment / penetration testing for critical and non-critical information, as may be decided, (f) establishment of processes to improve incident response and recovery activities and capabilities through lessons learnt from past incidents as well as from the conduct of tests and drills, (g) systems and processes for business continuity and disaster recovery management, and (h) a separate Information Systems audit function or resources who possess required professional skills and competence within the internal audit function.

Master Direction - Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023

In order to strengthen the internal grievance redress mechanism within the regulated entities and to ensure speedy resolution of customer complaints, the RBI has issued master direction, effective from December 29, 2023, detailing the requirements for appointment of internal ombudsman, appointment of deputy internal ombudsman, their qualifications, tenure, reporting requirement, roles and responsibilities, removal, vacancy, procedure for complaint redressal by internal ombudsman etc. The said master direction is applicable to, among others, NBFCs-D with 10 or more branches or NBFCs-ND with asset size of INR 50,000 million and above and having public customer interface. Such NBFCs are mandatorily required to appoint an internal ombudsman, who satisfies the qualifications in terms of the said directions and, at their sole discretion, may appoint more than one internal ombudsman or a deputy internal ombudsman depending on the volume of complaints received. Such internal ombudsman shall be designated as an ex-officio member or a permanent invitee to the meetings of the committee of the board of NBFCs handling customer service and protection. In terms of the said direction, applicable NBFCs shall be required to: (a) depute such number of its officers or other staff to the office of the internal ombudsman as is considered necessary; (b) through its customer service committee / consumer protection committee, determine the structure of emoluments, facilities and benefits accorded to the internal ombudsman / deputy internal ombudsman keeping in view their stature and position; (d) conduct an internal audit for implementation of the aforesaid directions on yearly basis; (e) require the customer service committee / consumer protection committee to discuss such cases where decision of internal ombudsman has been rejected by it and take approval from RBI for rejecting such cases; (f) formulate a standard operating procedure and establish a fully automated complaints management software for auto-escalation of such complaints to internal ombudsman which are partly or wholly rejected by NBFCs internal grievance redress mechanism; (e) widely disseminate the guidelines / instructions regarding these directions among their staff while communicating the appointment of internal ombudsman; (f) make periodic reporting of information pertaining to grievance redressal to Consumer Education and Protection Department, Central Office, RBI, on a quarterly and annual basis in the specified formats.

Master Direction – Reserve Bank of India (Commercial Paper and Non-Convertible Debentures of original or initial maturity upto one year) Directions, 2024

The said master direction issued by RBI on January 03, 2024 are applicable on all persons/agencies dealing in commercial paper and/or non-convertible debentures of original or initial maturity upto one year and the same have been made effective from April 01, 2024. The eligible issuers under the said master directions include NBFCs. The issuance under these directions is subject to condition that all fund-based facilities availed, if any, by the eligible issuer from banks/ All India Financial Institutions/ NBFCs are classified as 'standard' at the time of issue. The said master direction provides for, among other provisions, a list of eligible investors, general guidelines (in relation to primary issuance, discount / coupon rate, credit enhancement, end-use of funds, rating requirement, primary and secondary market related conditions, buy-back, repayment, default, market timing and practices), reporting requirements, roles and responsibilities of (a) issuing and paying agent, (b) debenture trustee, and (c) credit rating agency. Further, it has been stated that the public deposit directions shall not be applicable to the NBFCs raising funds by issuance of commercial papers in accordance with the aforesaid master directions.

Master Direction – Reserve Bank of India (Filing of Supervisory Returns) Directions, 2024

The said master directions are applicable on supervised entities as defined under paragraph 2.1 of the same which includes all NBFCs except for HFCs and asset reconstruction companies. These master directions replaces the NBFC Return Directions, as detailed in paragraph 14 of the "*Regulations and Policies*" of the Original Offering Circular, on February 27, 2024 with immediate effect. The said master direction prescribes for provisions in relation to responsibilities of the board and senior management, data architecture and IT infrastructure, accuracy and integrity in reporting, applicable returns, a general description of such returns, timelines for return submissions, alternate timelines for specific returns, mode of submission of returns along with details of online portals for filing applicable returns by NBFCs.

Master Circular on Bank Finance to Non-Banking Financial Companies (NBFCs) dated April 24, 2024

The consolidated Master Circular provides for insertion of paragraph 9 to the said master circular. Paragraph 9 provides that bank's exposure to NBFCs shall be subject to capital charge as per the risk weight prescribed in paragraph 5 of Master Circular DOR.CAP.REC.4/21.06.201/2024-25 dated April 01, 2024, as updated from time to time.

RBI Notification on Extension of Timeline for Implementation of Instructions of Fair Lending Practice - Penal Charges in Loan Accounts

The circular issued on 'Fair Lending Practice - Penal Charges in Loan Accounts' dated August 18, 2023 provided that the instructions specified thereunder were to come into effect from January 01, 2024. Vide notification dated December 29, 2023, RBI has decided to extend the timeline for implementation of the instructions by three months considering the request of additional time sought by some regulated entities. Accordingly, the instructions are required to be implemented in respect of all the fresh loans availed from April 1, 2024 onwards and in the case of existing loans, the switchover to new penal charges regime shall be ensured on the next review/ renewal date falling on or after April 1, 2024, but not later than June 30, 2024.

RBI Notification on Investment in AIFs dated March 27, 2023

On December 19, 2023, the RBI had issued instructions to address certain regulatory concerns in relation to the investment by regulated entities, which includes NBFCs, in the AIFs ("**Circular**"), as more particularly explained in "*Regulatory and Policies*" of the Original Offering Circular. In furtherance of the same RBI has issued clarifications vide notification dated March 27, 2023 ("**Clarifications**") to address the concerns of various stakeholders and to ensure uniform implementation of the Circular. As per the said Clarifications, the following has been advised: (a) downstream investments as referred in paragraph 2 (i) of the Circular shall exclude investment in equity shares of debtor company of NBFCs but shall include hybrid investment and all other investments; (b) provisioning of investment in terms of paragraph 2 (iii) of the Circular shall be required to the extent such investment in AIF scheme is further invested in debtor company and not the entire investment in AIF; (c) Paragraph 3 of the Circular shall only be applicable in cases where AIFs do not have any downstream investment in the debtor company of NBFCs however, where the NBFCs have made investment in subordinate units of AIFs which has downstream exposure to the debtor company then such NBFCs shall be prohibited from making such investment and shall be required to liquidate their investments in terms of paragraph 2 of the Circular; (d) the proposed deduction from capital in terms of paragraph 3 of the Circular shall take place equally from Tier 1 and Tier-2 capital; (e) in paragraph 3 of the Circular reference to investment in subordinated units of AIF schemes includes all forms of sub-ordinated exposures including investment in the nature of sponsor units. Further, it has been clarified that the said Circular shall not be applicable to investments by NBFCs in AIFs through intermediaries such as fund of funds or mutual funds.

Circular on Key Fact Statement (KFS) for loans and advances dated April 15, 2024

In order to harmonize the instructions on the same and enhance transparency, the RBI has issued a circular on April 15, 2024 replacing certain instructions in relation to key fact statement and disclosure of annual percentage rate in Circular on '*Display of information by banks*' dated January 22, 2015, Master Direction on '*Regulatory Framework for Microfinance Loans*' dated March 14, 2022 and '*Guidelines on Digital Lending*' dated September 2, 2022. The aforesaid circular shall be applicable on all retail and MSME term loans extended by all regulated entities (including NBFCs) and are required to be complied with on or after October 01, 2024. The said circular provides as follows: (a) definition of the following terms 'Key Facts', 'Key Fact Statement ("**KFS**")', 'Annual Percentage Rate ("**APR**")' and 'Equated Periodic Instalment (EPI)'; (b) require NBFCs to provide a KFS to all prospective borrowers before executing the loan contract as per the standardised format; (c) to include KFS as summary box attached in the loan agreement; (d) provide for the following in KFS: unique proposal number, computation sheet of APR, the amortisation schedule of the loan over the loan tenor, validity period of KFS as prescribed in the circular, (d) NBFCs to include all charges which are levied by it including charges recovered on behalf of third-party service providers on actual basis in the APR and provide all receipts and related documents to borrower for each payment from time to time; (e) NBFCs should not charge any fees or charges not mentioned in the KFS at any stage during the term of the loan, without explicit consent of the borrower. Further, it has been specified that credit card receivables are exempted from the provisions of the aforesaid circular.

Circular on Fair Practice Code for Lenders – Charging of Interest dated April 29, 2024

The RBI has observed certain unfair practices followed by regulated entities including NBFCs in relation to charging of interest rates. In view of the same, NBFCs have been directed to review their practices regarding mode of disbursal of loans, application of interest and other charges and take corrective action, including system level changes, as may be necessary, to address the issues highlighted above. NBFCs are also being encouraged to use online account transfers in lieu of cheques being issued in a few cases for loan disbursal.

Guidance Note on Operational Risk Management and Operational Resilience dated April 30, 2024

In order to promote and further improve the effectiveness of operational risk management of the regulated entities ("**REs**"), and enhance their operational resilience given the interconnections and interdependencies, within the financial system, the RBI has issued a guidance note on operational risk management and operational resilience on April 30, 2024 ("**Guidance Note**"). This Guidance Note updates the "Guidance Note on Management of Operational Risk" dated October 14, 2005 which was not applicable on NBFCs however, the updated Guidance Note has been made applicable on NBFCs as well. The Guidance Note has adopted a principle-based and proportionate approach to ensure smooth implementation across REs of various sizes, nature, complexity, geographic location and risk profile of their businesses. The Guidance Note has been built on three pillars i.e. (i) prepare and protect, (ii) build resilience and (iii) learn and adapt.

Pillar 1 consists of 3 lines of defence of management of operational risk: (i) Business unit management which is responsible for identifying and managing the risks inherent in the products, services, activities, processes and systems for which it is accountable. REs are required to develop a policy defining roles and responsibilities of relevant business units; (ii) organisational operational risk management function including compliance function whereunder RE should, among other things, develop and maintain operational management and measurement policies, standards, guidelines and should have a reporting structure independent of the risk-generating business units (iii) audit function which should provide an independent assurance to the board regarding the appropriateness of RE's operational risk management function and such independent review is carried out by RE's internal or external audit and / or qualified independent third parties.

The Guidance Note further provides for several principals for each pillar which requires REs to formulate and establish various mechanisms, criteria, committee, frameworks, systems, policies, code of conducts including, but not limited to, the following: (a) an operational risk management framework should be fully integrated into the overall risk management processes of the RE and should be comprehensively documented in board approved policies; (b) Board approved policy on management of service providers for managing risks associated with reliance on third parties whether related or unrelated to RE; (c) forward-looking business continuity plan with scenario analyses associated with relevant impact assessments and recovery procedures; (d) a robust information and communication technology risk management programme including cyber security, etc.

Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) dated July 15, 2024

The said master direction has been issued in supersession of Master Direction – Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016 dated September 29, 2016 with a view to providing a framework for prevention, early detection and timely reporting of incidents of fraud to law enforcement agencies, RBI and National Housing Bank. These directions are applicable with immediate effect (except as specified below) to all NBFCs (including housing finance companies) in the upper layer, middle layer and in the base layer (with asset size of INR 5000 million and above). The said master directions provides for provisions relating to governance structure for fraud risk management, requirement of framework for early warning signals for detection of frauds, role of internal and external audits for detection of fraudulent activities, applicable penal measures for the persons / entities classified and reported as fraud, reporting of cases of frauds to law enforcement agencies and RBI and such other provisions in relation to the fraud monitoring and reporting in NBFCs.

Further, the said master direction require the NBFCs to formulate and establish various mechanisms, policies, frameworks etc. for fraud monitoring which includes: (i) constitution of a special committee comprising of at least two independent directors and chief executive officer to oversee the effectiveness of fraud risk management, monitor fraud cases and suggest mitigating measures; (ii) constitution of transparent mechanism to ensure that whistle blower complaints on possible fraud cases / suspicious activities in account(s) are examined and concluded appropriately under the whistle blower policy; (iii) set up of organisational structure for institutionalisation of fraud risk management within overall risk management functions / department; (iv) establishment of a framework for early warning signs to detect potential frauds in credit facilities, loan accounts, and other financial transactions (to be complied within 6 months of the date of issuance of these master directions). Further, the Master Direction provides for detailed compliances for the reporting of fraudulent cases / accounts including but not limited to (a) establishment of suitable nodal point(s) / designate officer(s) for reporting incidents of fraud to and coordination with law enforcement agencies (b) furnishing fraud monitoring returns (FMR) in individual fraud cases; (c) separate reporting of frauds perpetrated in their group entities; (d) criteria for the closure of fraud cases and maintenance of record of such closed cases for auditors examinations; (e) reporting of theft, burglary, dacoity, and robbery cases within 7 days of their occurrence and submission of return on the same to RBI on quarterly basis.

Master Direction on Treatment of Wilful Defaulters and Large Defaulters dated July 30, 2024.

The said master direction aims to ensure a transparent and non-discriminatory process for classifying a borrower as wilful defaulters by the lenders and establish a system to disseminate credit information about wilful defaulters for cautioning other lenders. The said direction shall be effective from October 30, 2024 and is applicable to: (a) 'lenders' which is defined as All India Financial Institutions, a bank, or NBFC which has granted a credit facility to the borrower; (b) asset reconstruction companies, and CICs (required to comply only reporting requirements contained in Chapter III of the said master directions). Further, irrespective of whether the entities fall within the definition of 'lender' (as provided above), the restrictions on further financial accommodation to wilful defaulters and the provisions regarding large defaulters contained in these directions shall apply to all entities regulated by the RBI.

The directions provides for detailed process of identifying and classifying wilful defaulters, specific measures against wilful defaulters, requirement for transparent mechanism for the entire process of identification of wilful defaulters, role of internal audit. Among other things, the directions also outlines (a) the procedures for reporting and dissemination of credit information on wilful defaulters and large defaulters to CICs, (b) treatment of compromise settlement with respect to wilful defaulters, (c) treatment of defaulted loans sold to other lenders and asset reconstruction companies, (d) treatment of accounts where resolution is done under Insolvency and Bankruptcy Code, 2016 / resolution framework guidelines issued by the RBI, (e) preventive measures to be undertaken by lenders along with role of statutory auditors and third parties in preventing wilful defaults and identifying them at an early stage.

RBI notification on frequency of reporting of credit information by Credit Institutions ("CIs") to Credit Information Companies ("CICs") dated August 8, 2024.

The said notification amends the existing notification bearing no. RBI/2014-2015/405 DBR.No.CID.BC.60/20.16.056/2014-15 dated January 15, 2015 in relation to the frequency and timeliness of credit information reporting by CIs to CICs to reflect more current information enabling lenders to make informed credit decisions. Accordingly, the CIs are now required to update the credit information collected/maintained by them on a fortnightly basis, (i.e. as on 15th and the last day of each month), or at even shorter intervals as mutually agreed between the CIs and the CICs. The fortnightly submission of credit information by CIs to CICs shall be ensured within 7 calendar days of the relevant reporting fortnight. Further, CICs are required to ingest credit information data received from CIs within 5 calendar days now which was earlier 7 calendar days. CICs are directed to provide a list of CIs which are not adhering to the fortnightly data submission timelines to RBI at half yearly intervals for information and monitoring purposes.

These instructions will come into effect from January 1, 2025. However, CIs and CICs are encouraged to implement the new reporting schedule as soon as feasible but not later than January 1, 2025.

RBI notification on review of regulatory framework for HFCs and harmonisation of regulations applicable to HFCs and NBFCs dated August 12, 2024

The said notification under Part B Section III (Guidelines regarding Acceptance of Public Deposits) amends the Master Direction – Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 which shall be effective from January 1, 2025.

The following amendments have been proposed in the various provision of the said master direction which includes (i) NBFCs are advised to devise a proper system of acknowledging the receipt of duly completed form of nomination, cancellation and/or variation of the nomination, (ii) In order to meet certain expenses of an emergent nature such as medical issues or natural calamities / disaster as notified by the concerned government/ authority, subject to the satisfaction of the NBFC concerned about such circumstances, NBFCs (excluding problematic ones) may allow premature payment of tiny deposits and other public deposits at the request of depositors before the expiry of three months from the date of acceptance of such deposits. While in case of other public deposits premature payment of up to 50% of the principal sum of deposit or INR 0.5 million, whichever is lower, is allowed in cases of critical illness, 100% of the principal sum of deposit may be prematurely paid; (iii) Further, period of intimation in relation to details of maturity of the deposit to the depositor has been reduced from 2 months to 14 days; (iv) NBFCs are required to maintain a centralized computer database of particulars/ details of the deposits as required under the paragraph 29 of the said master direction provided the authenticated particulars of public deposits are sent to the respective branches, updating the information on quarterly basis, every year irrespective of the fact that the branch does not open deposit accounts; and (v) the provisions of paragraph 33(5) of the said directions are withdrawn since approved securities are now being maintained in dematerialization form. Further, it is advised that audit committee of applicable NBFCs must ensure that an Information System Audit is conducted as per the periodicity prescribed in Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated November 07, 2023, as amended from time to time.

Statement on Developmental and Regulatory Policies dated February 08, 2024

The RBI through its 'Statement on Developmental and Regulatory Policies February 08, 2024' has set out various developmental and regulatory policy measures relating to (i) financial markets, (ii) regulations, and (iii) payment systems and fintech. Certain measures that may be of note as proposed by RBI are as follows: (a) to review the regulatory framework for electronic trading platforms (ETPs) and issue revised framework considering increased integration of the offshore forex market with offshore markets and notable developments in technology landscape; (b) to allow resident entities to hedge the price of gold in the over the counter segment in the International Financial Services Centre; (c) to streamline the onboarding process, including mandatory due diligence, for Aadhaar Enabled Payment System (AePS) touchpoint operators, to be followed by banks; (d) to adopt a principle-based 'Framework for authentication of digital payment transactions' to facilitate use of alternative authentication mechanism for digital security; (e) to introduce programmability and offline functionality in central bank digital currency pilot to enable additional uses and enabling transactions in areas with poor or limited internet connectivity.

Statement on Developmental and Regulatory Policies dated April 05, 2024

The RBI through its 'Statement on Developmental and Regulatory Policies April 05, 2024' has set out various developmental and regulatory policy measures relating to (i) financial markets, (ii) regulations, and (iii) payment systems and fintech. Certain measures that may be of note as proposed by RBI are as follows: (a) to permit eligible foreign investors in the International Financial Services Centre (IFSC) to also invest in sovereign green bonds; (b) in furtherance of retail direct scheme whereunder individuals invest in government securities through primary auctions and the NDS-OM platform, a mobile application of the retail direct portal is being developed which will enable investors to buy and sell instruments on the go; (c) to make certain modifications to the liquidity coverage ratio framework towards facilitating better management of liquidity risk faced by banks; (d) to allow small finance banks to deal in permissible rupee interest derivative products in terms of Rupee Interest Rate Derivatives (Reserve Bank) Directions, 2019; (e) to facilitate cash deposit facility through use of UPI; (f) to permit linking of PPIs through third-party UPI applications which will enable the PPI holders to make UPI payments like bank account holders; (g) to make central bank digital currency (CBDC) -retail accessible to a broader segment of users in a sustained manner, by enabling non-bank payment system operators to offer CBDC wallets.

Minutes of the Monetary Policy Committee Meeting, August 06 to 08, 2024

On the basis of an assessment of the current and evolving macroeconomic situation, the MPC at its meeting on August 8, 2024 decided to keep the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 6.50%. Consequently, the standing deposit facility (SDF) rate remained unchanged at 6.25% and the marginal standing facility (MSF) rate and the bank rate at 6.75%. The MPC also decided to remain focused on withdrawal of accommodation to ensure that inflation progressively aligns to the target, while supporting growth. These decisions are in consonance with the objective of achieving the medium-term target for consumer price index (CPI) inflation of 4% within a band of +/- 2%, while supporting growth.

Statement on Developmental and Regulatory Policies dated June 07, 2024

The RBI through its 'Statement on Developmental and Regulatory Policies June 07, 2024' has set out various developmental and regulatory policy measures relating to (i) regulations, and (ii) payment systems and fintech. Certain measures that may be of note as proposed by RBI are as follows: (a) to revise the definition of bulk deposits as 'single rupee term deposits of INR 30 million and above' for SCBs (excluding RRBs) and SFBs and to define the bulk deposit limit for local area banks as 'single rupee term deposits of INR 10 million and above' as applicable in case of RRBs; (b) to rationalise existing guidelines on export and import of goods and services to simplifying operational procedures for all stakeholders; (c) to set up a digital payments intelligence platform which will harness advanced technologies to mitigate payment fraud risks; (d) to introduce an automatic replenishment facility for payments such as replenishment of balances in Fastag, NCMC, etc. which are recurring in nature but without any fixed periodicity, into the e-mandate framework and exempt requirement of pre-debit notification for such payments made from customer's account; (e) to bring UPI Lite within the ambit of the e-mandate framework by introducing an auto-replenishment facility for loading the UPI Lite wallet by the customer, if the balance goes below a threshold amount set by him/her; (f) to organize third edition of global hackathon aimed at enhancing safety and security of digital transactions with focus on detecting, preventing and combating financial frauds.

Statement on Developmental and Regulatory Policies dated August 8, 2024

The RBI through its 'Statement on Developmental and Regulatory Policies August 08, 2024' has set out various developmental and regulatory policy measures relating to (i) regulations, and (ii) payment systems and fintech. Certain measures that may be of note as proposed by RBI are as follows: (a) to create a public repository of digital lending apps deployed by the regulated entities in order to aid customers in verifying the claim of digital lending app's; (b) to enhance the limit for tax payments through UPI from INR 0.1 million to INR 0.5 million per transaction; (c) to introduce 'delegated payments' in UPI which would allow the primary user to set up a UPI transaction limit for secondary user on the primary user's bank account; (d) to improve the efficiency of cheque clearing and reduce settlement risk for participants, it is proposed to transition Cheque Truncation System (CTS) from the current approach of batch processing to continuous clearing with 'on-realisation-settlement' consequently the clearing cycle will reduce from the present T+1 days to a few hours.

Direct Listing of Equity Shares in Permissible Jurisdictions

The Central Government has recently allowed direct listing of equity shares by public Indian companies on international exchanges by amending the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 ("**FEMA Rules**"). Schedule XI of the FEMA Rules imposes certain conditions on public Indian companies for issue or offer of equity shares of existing shareholders including, but not limited to, compliance with prohibited activities and sectoral caps prescribed under the FEMA Rules and obtaining prior government approval, wherever applicable. Schedule XI further provides for the definition of permissible holder, eligibility of public Indian company or existing shareholders of public Indian company to issue / offer equity shares, obligations of public company, voting rights of permissible holder and pricing of equity shares.

Earlier, through the Companies (Amendment) Act, 2020, enabling provisions were included in the Companies Act, 2013, to allow direct listing of prescribed class(es) of securities of prescribed class(es) of public companies incorporated in India on permitted stock exchanges in permissible foreign jurisdictions or other prescribed jurisdictions. The enabling provisions of the Companies (Amendment) Act, 2020 were, accordingly, brought into force with effect from 30th October, 2023. In furtherance of the same, the ministry of corporate affairs has published Companies (Listing of equity shares in permissible jurisdictions) Rules, 2024 which shall be applicable on unlisted public companies and listed public companies. The said rules provides for eligibility criteria for issuing equity shares on international exchanges and compliance requirement for unlisted public companies which intends to be listed on permitted stock exchanges in permissible jurisdictions. As of now, India International Exchange and NSE International Exchange have been recognised as the permitted stock exchanges and International Financial Services Centre in India as permitted jurisdiction under the aforesaid rules.

International Financial Services Centre Authority (Listing) Regulations, 2024

The International Financial Services Centre Authority ("**IFSCA**") is a statutory authority established under the International Financial Services Centre Authority Act, 2019 ("**IFSCA Act**") for the development and regulation of financial products, financial services and financial institutions situated at the International Financial Services Centres ("**IFSC**") set up under section 18 of the Special Economic Zones Act, 2005. IFSCA in 2024, issued the said regulations that are applicable to the following issuances in an IFSC:

(a) an initial public offer of specified securities by an unlisted entity;

(b) a follow-on public offer of specified securities by a listed entity;

(c) an initial public offer of specified securities by a Special Purpose Acquisition Company;

(d) a rights issue or a preferential issue or a qualified institutions placement of specified securities by a listed entity;

(e) issuance and listing of depository receipts by an entity;

(f) issue and listing of debt securities by an entity;

(g) secondary listing of securities by an entity; and

(h) listing of commercial paper or certificates of deposit or other financial products as permitted by the IFSCA.

These regulations provide a comprehensive regulatory framework for issuance of securities in IFSCs in suppression of the provisions relating to issuance and listing of securities specified under the International Financial Services Centre Authority (Issuance and Listing of Securities) Regulations, 2021.

TAXATION

Details of the relevant taxation aspects have been set out in the Chapter "Taxation" contained in the Original Offering Circular. Set out below are some key changes to the same pursuant to the Finance Act, 2024.

Taxation of interest and withholding tax

In case of other rupee denominated Notes, the Finance Act, 2024 has reduced the tax on foreign companies with regard to other rupee denominated Notes to 35% (plus applicable surcharge and health and education cess).

Taxation of gains arising on disposition

Any gains arising to a non-resident investor from disposition of the Notes held (or deemed to be held) as a capital asset will generally be chargeable to income tax in India if the Notes are regarded as property situated in India. A non-resident investor generally will not be chargeable to income tax in India from a disposition of the Notes held as a capital asset provided the Notes are regarded as being situated outside India. The issue as to where the Notes should properly be regarded as being situated is not free from doubt. The ultimate decision, however, will depend on the view taken by the Indian tax authorities on the position with respect to the situs of the Notes. There is a possibility that the Indian tax authorities may treat the Notes as being located in India as the Issuer is incorporated in and resident in India.

If the Notes are regarded as situated in India by the Indian tax authorities, upon disposition of a Note:

(i) Prior to the Finance Act, 2024 and as set out in the Original Offering Circular, a Non-resident Investor who has held the Notes for a period of more than 36 months preceding the date of their dispositions, was liable to pay capital gains tax at rates ranging up to 10% or 20% of the capital gains (plus applicable surcharge and health and education cess). Pursuant to the Finance Act, 2024, long-term capital gains tax of 12.5% (plus applicable surcharge and health and education cess), subject to and in accordance with the provisions of the Income Tax Act, is applicable for non-residents if the Notes are held for a period of more than 24 months and if the Notes are transferred on or after July 23, 2024. These rates are subject to any lower rate provided for by an applicable Tax Treaty;

(ii) Prior to the Finance Act, 2024 and as set out in the Original Offering Circular, a Non-resident Investor who had held the Notes for 36 months or less was liable to pay capital gains tax at rates ranging up to 40% of the capital gains (plus applicable surcharge and health and education cess). Pursuant to the Finance Act, 2024, capital gains tax of up to 35% (plus applicable surcharge and cess), depending on the legal status of the Non-resident Investor, and his taxable income in India, is applicable for non-residents if the Notes are held for a period of 24 months or less and if the Notes are transferred on or after July 23, 2024. These rates are subject to any lower rate provided for by an applicable Tax Treaty;

(iii) Section 47(viiaa) of the Income Tax provides an exemption from capital gains tax on transfer, made outside India of a Rupee denominated Note of an Indian company, by a non-resident to another non-resident;

(iv) Section 47(viiab) of the IT Act provides an exemption from capital gains tax on any transfer of a Note, if the Note is transferred on a recognized stock exchange located in an IFSC and where the consideration for such transaction is paid or payable in foreign currency;

(v) Section 47(viiac) of the Income Tax provides an exemption from capital gains tax on any transfer of a Note upon relocation of a fund established or incorporated outside India to a fund established or incorporated in India and which is located in an IFSC;

(vi) at the time of redemption of any Rupee denominated Notes, any gains arising on account of appreciation of the Rupee against a foreign currency shall be ignored for the computation of full value of consideration. Accordingly, such gains arising to the original non-resident investor on account of the appreciation of the Rupee against a foreign currency at the time of redemption of the Notes held by such non-resident investor, shall not be taxable as capital gains; and

(vii) Any income arising to a non-resident investor from a transfer of the Notes held as stock-in-trade will be considered as business income. Business income will be subject to income tax in India only to the extent it is attributable to a "business connection in India" or, where a Tax Treaty applies, to a "permanent establishment" of the non-resident investor in India. Pursuant to the Finance Act, 2024 the tax on foreign companies is reduced to 35% (plus applicable surcharge and health and education cess). These rates are subject to any lower rate provided for by an applicable Tax Treaty.

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INDEX TO FINANCIAL STATEMENTS

Sundaram & Srinivasan
Chartered Accountants
23 C P Ramaswamy Road
Alwarpet,
Chennai 600018

KKC & Associates LLP
Chartered Accountants
Level-19, Sunshine Tower,
Senapati Bapat Marg,
Elphinstone Road,
Mumbai, Maharashtra 400013

Independent Auditor's review report on unaudited standalone financial results for the quarter ended 30 June 2024 of Shriram Finance Limited (formerly "Shriram Transport Finance Company Limited") under Regulation 33 and Regulation 52(4) read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To
The Board of Directors of
Shriram Finance Limited (formerly "Shriram Transport Finance Company Limited")

Introduction

1. We have reviewed the accompanying statement of unaudited standalone financial results of Shriram Finance Limited (formerly "Shriram Transport Finance Company Limited") ('the Company') for the quarter ended 30 June 2024 ('the Statement'), being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52(4) read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors of the Company, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard ('Ind AS') 34 'Interim Financial Reporting' specified in section 133 of the Companies Act, 2013, read with relevant rules issued thereunder the circulars, guidelines and directions issued by Reserve Bank of India ('RBI') from time to time ('RBI guidelines') and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52(4) read with Regulation 63 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

Scope of Review

3. We conducted our review 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 primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Conclusion

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in the aforesaid Ind AS and other accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52(4) read with Regulation 63 of the Listing Regulations, 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 Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

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

MENAKSHISUNDARAM
Digitally signed by MENAKSHISUNDARAM
Date: 2024.07.26 12:11:30 +05'30'

P Menakshi Sundaram
Partner
ICAI Membership Number: 217914
UDIN: 24217914BKBOWU9342
Place: Chennai
Date: 26 July 2024

For **KKC & Associates LLP**
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number:105146W/W100621

DEVANG KIRIT DOSHI
Digitally signed by DEVANG KIRIT DOSHI
Date: 2024.07.26 12:30:50 +05'30'

Devang Doshi
Partner
ICAI Membership No: 140056
UDIN: 24140056BKFFPO9560
Place: Mumbai
Date: 26 July 2024

SHRIRAM FINANCE LIMITED (formerly Shriram Transport Finance Company Limited)
CIN: L65191TN1979PLC007874
Regd. Office: Sri Towers, 14A, South Phase, Industrial Estate, Guindy, Chennai – 600032, Tamil Nadu.
Tel. No: +91 44 4852 4666, Fax: +91 44 4852 5666. Website-www.shriramfinance.in, Email-secretarial@shriramfinance.in

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2024

(Rs. in crores)

Sr. No.	Particulars	Quarter Ended			Year Ended
		30.06.2024 (Unaudited)	31.03.2024 (Audited)*	30.06.2023 (Unaudited)	31.03.2024 (Audited)
	Revenue from operations				
(i)	Interest income	9,362.79	9,077.27	7,687.95	33,599.66
(ii)	Dividend income	-	-	-	1.45
(iii)	Rental income	-	-	0.06	0.13
(iv)	Fees and commission income	103.77	167.43	66.77	457.38
(v)	Net gain on fair value changes	-	17.12	71.24	95.65
(vi)	Net gain on derecognition of financial instruments under amortised cost category	43.27	57.84	76.85	324.65
(vii)	Other operating income	95.15	164.05	99.96	485.49
(I)	**Total revenue from operations**	**9,604.98**	**9,483.71**	**8,002.83**	**34,964.41**
(II)	Other income	4.73	14.14	5.18	33.20
(III)	**Total income (I+II)**	**9,609.71**	**9,497.85**	**8,008.01**	**34,997.61**
	Expenses				
(i)	Finance costs	4,128.91	3,989.83	3,487.54	14,806.12
(ii)	Fees and commission expenses	101.33	126.02	84.28	428.69
(iii)	Net loss on fair value changes	12.64	-	-	-
(iv)	Impairment on financial instruments	1,187.55	1,261.48	878.61	4,518.34
(v)	Employee benefit expenses	868.35	824.91	790.39	3,215.59
(vi)	Depreciation, amortization and impairment	153.48	153.47	131.87	568.83
(vii)	Other expenses	490.86	498.02	387.70	1,776.40
(IV)	**Total expenses**	**6,943.12**	**6,853.73**	**5,760.39**	**25,313.97**
(V)	**Profit before exceptional items and tax (III - IV)**	**2,666.59**	**2,644.12**	**2,247.62**	**9,683.64**
(VI)	**Exceptional Items**	-	-	-	-
(VII)	**Profit before tax (V +VI)**	**2,666.59**	**2,644.12**	**2,247.62**	**9,683.64**
(VIII)	**Tax Expense:**				
(1)	Current tax	995.29	1,001.68	718.07	3,400.06
(2)	Deferred tax	(309.29)	(303.43)	(145.89)	(906.90)
(IX)	**Profit for the period (VII -VIII)**	**1,980.59**	**1,945.87**	**1,675.44**	**7,190.48**
(X)	**Other comprehensive income**				
(A) (i)	Items that will not be reclassified to profit or loss				
	Remeasurement gain/ (loss) on defined benefit plan	(0.96)	(28.41)	(13.20)	(78.09)
	Gain/ (loss) on fair valuation of quoted investments in equity shares	3.07	0.40	14.17	16.49
(ii)	Income tax relating to items that will not be reclassified to profit or loss	(0.53)	7.05	(0.24)	15.50
	Subtotal (A)	**1.58**	**(20.96)**	**0.73**	**(46.10)**
(B) (i)	Items that will be reclassified to profit or loss				
	Cash flow hedge reserve	8.53	(50.77)	(103.56)	(56.12)
(ii)	Income tax relating to items that will be reclassified to profit or loss	(2.15)	12.77	26.06	14.12
	Subtotal (B)	**6.38**	**(38.00)**	**(77.50)**	**(42.00)**
	Other comprehensive income for the period (A+B)	**7.96**	**(58.96)**	**(76.77)**	**(88.10)**
(XI)	**Total comprehensive income for the period (IX+X)**	**1,988.55**	**1,886.91**	**1,598.67**	**7,102.38**
(XII)	**Paid-up equity share capital (Face value Rs. 10/- per share)**	**375.91**	**375.79**	**374.84**	**375.79**
(XIII)	**Other equity**				**48,192.60**
(XIV)	**Earnings per equity share (Not annualised for the interim periods)**				
	Basic (Rs.)	52.70	51.79	44.73	191.63
	Diluted (Rs.)	52.60	51.69	44.52	191.02

SHRIRAM FINANCE LIMITED (formerly Shriram Transport Finance Company Limited)
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Notes:

1 The above results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors in their respective meetings held on July 26, 2024.

2 The standalone financial results of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI), Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and other recognised accounting practices generally accepted in India.

These standalone financial results are available on the website of the Company (www.shriramfinance.in) and on the website of BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (www.nseindia.com).

3 The standalone financial results for the quarter ended June 30, 2024 have been reviewed by the Statutory Auditors.

4 *The figures for the fourth quarter of the previous financial year are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of third quarter of the previous financial year which was subject to limited review by the statutory auditors.

5 The Board of Directors of the Company in its meeting held on May 13, 2024 had approved the proposal for disinvestment of the Company's entire stake in Shriram Housing Finance Limited, a debt-listed non-material subsidiary of the Company and in this regard, the Company has entered into the share purchase agreement, inter-alia, with Mango Crest Investment Ltd (an affiliate of Warburg Pincus). The transaction is subject to requisite regulatory approvals.

6 The Board of Directors of the Company in its meeting held on April 26, 2024 had approved acquisition of 100% equity stake in Shriram Overseas Investments Private Limited from Shriram Investments Holdings Private Limited, subject to approval of Reserve Bank of India (RBI). The Company has made necessary application in this regard and the approval from RBI is awaited.

7 During the quarter ended June 30, 2024, the Company allotted 118,798 equity shares of face value of Rs. 10/- each fully paid up at an exercise price of Rs. 193.55 per equity share (including premium of Rs. 183.55 per equity share) under the Shriram Finance Limited Employee Stock Option Scheme 2023 (No. 1) on various dates.

8 **Disclosure pertaining to RBI Master Direction - RBI/DOR/2021-22/86DoR.STR.REC.51/21.04.048/ 2021-22 Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021.**

a Details of transfer through assignment in respect of loans not in default during the period ended June 30, 2024:

Particulars	**June 30, 2024**
Count of loans accounts assigned	6,570
Amount of loan accounts assigned (Rs. in crores)	522.65
Weighted average maturity (in months)	41
Weighted average holding period (in months)	8
Retention of beneficial economic interest (%)	10.00%
Coverage of tangible security	100.00%
Rating wise distribution of rated loans	Not rated

Notes:

b The Company has not acquired any loans not in default through assignment during the period ended June 30, 2024.

c The Company has not transferred any stressed loans during the period ended June 30, 2024.

d The Company has not acquired any stressed loans during the period ended June 30, 2024.

9 The Board of Directors in its meeting held on April 26, 2024 had recommended a final dividend of Rs.15/- per equity share of face value of Rs. 10/- each fully paid up i.e. 150%, for the financial year 2023-24, subject to declaration by the members in the ensuing 45th Annual General Meeting (45th AGM) of the Company scheduled to be held on July 30, 2024. This will be in addition to two interim dividends of Rs. 20/- per equity share and Rs. 10/- per equity share (300%) for the financial year 2023-24 declared by the Board of Directors in their respective meetings held on October 26, 2023 and January 25, 2024. With this, if final dividend is declared, the total dividend for the financial year 2023-24 would be Rs. 45/- per equity share (i.e. 450%). Pursuant to Regulation 42 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to the confirmation by the Stock Exchanges, the book closure period for the purpose of payment of the final dividend and 45th AGM is from July 24, 2024 to July 30, 2024 (both days inclusive). The final dividend would be paid to eligible members on or before August 28, 2024 subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders.

10 Information as required by Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached in Annexure 1.

11 The Company's secured non-convertible debentures of Rs. 32,124.13 crores as on June 30, 2024 are secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and mortgage of immovable property and with a cover of 100% and above as per the terms of issue.

12 As on June 30, 2024 the security cover available in respect of secured non-convertible debt securities is 1.09 times. The security cover certificate as per Regulation 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as Annexure 2.

13 The Company is primarily engaged in the business of financing and there are no separate reportable segments identified as per Ind AS 108 - Operating segments.

14 The figures for the previous periods/ year have been regrouped/ rearranged wherever necessary to conform to the current period presentation. There are no significant regroupings/ reclassification for the quarter under report.

For Shriram Finance Limited
(formerly Shriram Transport Finance Company

Y. S. Chakravarti
Managing Director & CEO
DIN: 00052308

SHRIRAM FINANCE LIMITED

Place: Mumbai
Date: July 26, 2024

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No: 4, Old No. 23, CPR ROAD, CHENNAI 600 018.

KKC & associates llp Chartered Accountants

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Information as required by Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Annexure 1

Sr. No.	Particulars	Standalone			
		Quarter Ended			Year Ended
		30.06.2024 (Unaudited)	31.03.2024 (Audited)*	30.06.2023 (Unaudited)	31.03.2024 (Audited)
1	Debt-Equity Ratio (times) [1]	3.79	3.83	3.60	3.83
2	Debt Service Coverage Ratio [2]	NA	NA	NA	NA
3	Interest Service Coverage Ratio [2]	NA	NA	NA	NA
4	Outstanding Redeemable Preference Shares (Quantity)	Nil	Nil	Nil	Nil
5	Outstanding Redeemable Preference Shares (Value) (Rs. in crores)	Nil	Nil	Nil	Nil
6	Capital Redemption Reserve (Rs. in crores)	53.88	53.88	53.88	53.88
7	Debenture Redemption Reserve (Rs. in crores)	134.25	134.25	419.13	134.25
8	Networth [3] (Rs. in crores)	50,455.00	48,463.82	44,821.61	48,463.82
9	Net Profit After Tax (Rs. in crores)	1,980.59	1,945.87	1,675.44	7,190.48
10	Earnings Per Equity Share (Not annualised for the interim periods)				
	Basic (Rs.)	52.70	51.79	44.73	191.63
	Diluted (Rs.)	52.60	51.69	44.52	191.02
11	Current Ratio [2]	NA	NA	NA	NA
12	Long Term Debt to Working Capital [2]	NA	NA	NA	NA
13	Bad Debts to Accounts Receivable Ratio [2]	NA	NA	NA	NA
14	Current Liability Ratio [2]	NA	NA	NA	NA
15	Total Debts [4] to Total Assets	0.78	0.78	0.77	0.78
16	Debtors Turnover [2]	NA	NA	NA	NA
17	Inventory Turnover [2]	NA	NA	NA	NA
18	Operating Margin (%) [2]	NA	NA	NA	NA
19	Net Profit Margin (%) [5]	20.61%	20.49%	20.92%	20.55%
20	Sector Specific Equivalent Ratios				
	Capital Adequacy Ratio (%) [6]	20.29%	20.30%	22.40%	20.30%
	Gross NPA Ratio (%) [7]	5.39%	5.45%	6.03%	5.45%
	Net NPA Ratio (%) [8]	2.71%	2.70%	2.96%	2.70%
	NPA Provision Coverage Ratio (%) [9]	51.15%	51.79%	52.55%	51.79%
	Liquidity Coverage Ratio (%) [10]	225.19%	195.55%	202.84%	195.55%

Note

1. Debt-equity ratio = (Debt securities + Borrowings (other than debt securities) + Deposit + Subordinated liabilities)/ (Equity Share Capital + Other equity).
2. The Company is registered under the Reserve Bank of India Act, 1934 as Non-Banking Financial Company, hence these ratios are generally not applicable as per proviso to Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. Networth is calculated as defined in section 2(57) of Companies Act 2013.
4. Total debts to total assets = (Debt securities + Borrowings (other than debt securities) + Deposit + Subordinated liabilities)/ Total assets.
5. Net profit margin = Net profit after tax/ Total Income.
6. Capital adequacy ratio = Total Capital funds/ Risk weighted assets, calculated as per applicable RBI guidelines.
7. Gross NPA ratio (%) = Gross stage 3 loans/Gross Loans.
8. Net NPA ratio (%) = Net stage 3 loans/(Gross loans - ECL on stage 3 loans) where Net stage 3 loans = Gross stage 3 loans - ECL on stage 3 loans.
9. NPA Provision coverage ratio (%) = ECL on stage 3 loans/ Gross stage 3 loans.
10. Liquidity Coverage Ratio (LCR) is calculated as per circular no. RBI/2019-20/88DDR.NBFC.(PD) CC. No. 102/03.10.001/2019-20 dated November 04, 2019 issued by the Reserve Bank of India.
11. NPA = Non-performing Assets.

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No: 4, Old No: 23, CPR ROAD, CHENNAI 600 018.

KKC & ASSOCIATES LLP Chartered Accountants

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Regd. Office: Sri Towers, 14A, South Phase, Industrial Estate, Guindy, Chennai – 600 032, Tamil Nadu.
Tel. No: +91 44 4852 4666, Fax: +91 44 4852 5666. Website-www.shriramfinance.in, email-secretarial@shriramfinance.in

Annexure 2

Standalone Security Cover certificate as per Regulation 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(Rs. in crores)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Pari- Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to I)	Related to only those items covered by this certificate				
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari-passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Other assets on which there is pari-passu charge (excluding items Covered in column F)		Debt amount considered more than once (due to exclusive plus pari-passu charge		Market Value for Assets charged on Exclusive basis	Carrying/ book value for exclusive charge assets where market value is not ascertainable or applicable	Market Value for pari-passu charge Assets	Carrying value/ book value for pari-passu charge assets where market value is not ascertainable or applicable	Total Value (K + L + M + N)
												Relating to Column F		
		Book Value	Book Value	Yes/ No	Book Value	Book Value								
ASSETS														
Property, Plant and Equipment	Freehold Land and Building	0.16	-	-	-	-	862.18	-	**862.34**	1.05	-	-	-	**1.05**
Capital Work-in-Progress		-	-	-	-	-	-	-	-	-	-	-	-	-
Right of Use Assets		-	-	-	-	-	-	-	-	-	-	-	-	-
Goodwill		-	-	-	-	-	1,406.73	-	**1,406.73**	-	-	-	-	-
Other Intangible Assets		-	-	-	-	-	969.66	-	**969.66**	-	-	-	-	-
Intangible Assets under Development		-	-	-	-	-	-	-	-	-	-	-	-	-
Investments		-	-	-	-	-	9,053.11	-	**9,053.11**	-	-	-	-	-
Loans	Loans / advances given (net of provisions, NPAs and sell down portfolio)	35,021.62	115,536.19	-	-	-	65,264.19	-	**215,822.00**	-	35,021.62	-	-	**35,021.62**
Inventories		-	-	-	-	-	-	-	-	-	-	-	-	-
Trade Receivables		-	-	-	-	-	26.62	-	**26.62**	-	-	-	-	-
Cash and Cash Equivalents		-	-	-	-	-	4,243.94	-	**4,243.94**	-	-	-	-	-
Bank Balances other than Cash and Cash Equivalents		-	-	-	-	-	6,585.47	-	**6,585.47**	-	-	-	-	-
Others		-	-	-	-	-	7,413.43	-	**7,413.43**	-	-	-	-	-
Total		**35,021.78**	**115,536.19**	**-**	**-**	**-**	**95,825.33**	**-**	**246,383.30**	**1.05**	**35,021.62**	**-**	**-**	**35,022.67**

SUNDARAM & SRINIVASAN CHARTERED ACCOUNTANTS New No: 4, Old No. 23, CPR ROAD, CHENNAI 600 018.

KKC & ASSOCIATES LLP Chartered Accountants

SHRIRAM FINANCE LIMITED

Annexure 2

Standalone Security Cover certificate as per Regulation 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(Rs. in crores)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Pari- Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to I)	Related to only those items covered by this certificate				
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari-passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Other assets on which there is pari-passu charge (excluding items Covered in column F)		Debt amount considered more than once (due to exclusive plus pari-passu charge		Market Value for Assets charged on Exclusive basis	Carrying/ book value for exclusive charge assets where market value is not ascertainable or applicable	Market Value for pari-passu charge Assets	Carrying value/ book value for pari-passu charge assets where market value is not ascertainable or applicable	Total Value (K + L + M + N)
												Relating to Column F		
		Book Value	Book Value	Yes/ No	Book Value	Book Value								
LIABILITIES														-
Debt securities to which this certificate pertains		32,124.13	-	Yes	-	-	-	-	32,124.13	-	-	-	-	-
Other debt sharing pari-passu charge with above debt			-	-	-	-	-	-	-	-	-	-	-	-
Other Debt			11,147.73	-	-	-	3,382.78	-	14,530.51	-	-	-	-	-
Subordinated debt			-	-	-	-	2,627.17	-	2,627.17	-	-	-	-	-
Borrowings			94,969.70	-	-	-	-	-	94,969.70	-	-	-	-	-
Bank			-	-	-	-	-	-	-	-	-	-	-	-
Debt Securities			-	-	-	-	-	-	-	-	-	-	-	-
Deposits			-	-	-	-	47,494.01	-	47,494.01	-	-	-	-	-
Trade payables			-	-	-	-	209.41	-	209.41	-	-	-	-	-
Lease Liabilities			-	-	-	-	-	-	-	-	-	-	-	-
Provisions			-	-	-	-	318.94	-	318.94	-	-	-	-	-
Others			-	-	-	-	3,549.86	-	3,549.86	-	-	-	-	-
Total		32,124.13	106,117.43	-	-	-	57,582.17	-	195,823.73	-	-	-	-	-
Cover on Book Value														1.09
Cover on Market Value														
		Exclusive Security Cover Ratio	1.09		Pari-Passu Security Cover Ratio	-								

Notes:

1. We confirm that the Company has complied with the covenants mentioned in the disclosure documents of the Secured redeemable non-convertible debentures for the period ended June 30, 2024.
2. The market value of Rs. 0.02 crore of the Freehold Land is on the basis of certified valuation done on May 23, 2022.
3. The market value of Rs. 1.02 crore of the Building is on the basis of certified valuation done on April 21, 2023.

To
The Members of
Shriram Finance Limited (formerly known as Shriram Transport Finance Company Limited)

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

1. We have audited the accompanying Standalone Financial Statements of Shriram Finance Limited (formerly known as Shriram Transport Finance Company Limited) ('the Company'), which comprise the Standalone Balance Sheet as at 31 March 2024, and the Standalone Statement of Profit And Loss (including Other Comprehensive Income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year ended on that date, and notes to the Standalone Financial Statements, including a summary of material accounting policies information and other explanatory information ('the Standalone Financial Statements').

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the State of Affairs of the Company as at 31 March 2024, and its Profit and Other Comprehensive Income/loss, Changes in Equity and its Cash Flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

Key Audit Matters

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

5. We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Financial statement.

<table>
<tr><th>Key Audit Matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>
Impairment Loss Allowance of loans and advances

(Reference to Note 12 read with Material Accounting Policies Note 6.1(ix).

<table>
<tr><td></td><td>(in INR Crores)</td></tr>
<tr><td>Gross Advances</td><td>221,667.66</td></tr>
<tr><td>Provisions</td><td>13,738.25</td></tr>
<tr><td>Net Advances</td><td>207,929.41</td></tr>
</table>
Significant estimates and judgment involved Key Audit Matter

Reserve Bank of India has issued Master circular and other clarifications on Income Recognition and Asset Classification and Provisioning pertaining to Advances ("IRAC"). These guidelines prescribe the prudential norms for identifying and classifying of advances as Stage 3 / NPAs.

The Company has applied significant judgement to determine the identification and classification of such assets as Stage 3 / NPAs by applying quantitative as well as qualitative factors. The risk of identification of such assets as Stage 3 / NPAs is affected by factors like stress and liquidity concerns of such assets.

Impairment loss allowance of loans and advances ("Impairment loss allowance") is a Key Audit Matter as the Company has significant credit risk exposure considering the large loan portfolio across a wide geographical range. The value of loans and advances on the balance sheet is significant and there is a high degree of complexity and judgment involved in estimating individual and collective credit impairment provisions, write-offs against these loans and to additionally determine the asset quality and provision of the Company. The Company's model to calculate Expected Credit Loss ("ECL") is inherently complex and judgment is applied in determining the correct construction of the three-stage impairment model ("ECL Model") including the selection and input of forward-looking information. ECL provision calculation require the use of large volumes of data. The completeness and reliability of data can significantly impact accuracy of the modelled impairment provisions. The accuracy of data flows and the implementation of related controls are critical for the integrity of the estimated impairment provisions.
</td><td>
Audit Procedures included but were not limited to the following:

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

We also assessed whether the impairment methodology used by the Company is in accordance with the assumptions and methodology approved by the Board of Directors of the Company which is based on and in compliance with Ind AS 109 "Financial Instruments".

Accordingly, we assessed the approach of the Company regarding definition of Default, Probability of Default (PD), Loss Given Default (LGD) and incorporation of forward-looking information for the calculation of ECL. For loans and advances which are assessed for impairment on a portfolio basis, we performed particularly the following procedures:

We read the Company's policies for identification, classification and assessing compliance for Stage 3 / NPAs customers in line with the IRAC norms;
We understood the design, reliability and operating effectiveness of key data inputs and related management controls;
We performed substantial audit procedure relating to identification and classification of Stage 3 / NPAs by the company.
We tested the identification / grouping of the loan accounts mapped with the customer code as identified by the management;
We performed analytical procedures to identify possible cases of evergreening of loans and tested these on sample basis.
We checked the stage classification as at the balance sheet date as per the definition of Default of the Company and Reserve Bank of India circulars issued from time to time;
We validated the ECL Model and its calculation by involving our Information Technology Expert;
We have checked on sample basis that the stage classification for the borrowers has been given in accordance with the Resolution Framework issued by Reserve Bank of India (the 'RBI') and the Board approved policy for ECL provisioning and stage classification with respect to such accounts;
We have verified whether the ECL provision is made in accordance with the Board Approved Policy in this regard;
We have also calculated the ECL provision manually for selected samples;
We have assessed the assumptions made by the Company in making accelerated provision considering forward looking information.

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.
</td></tr>
</table>

Other Information

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the Standalone Financial Statements and our auditors' report thereon.

7. Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

8. 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.

9. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required

to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

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

10. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the State of Affairs, profit and Other Comprehensive Income/loss, Changes in Equity and Cash Flows of the Company in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection of the appropriate accounting software for ensuring compliance with applicable laws and regulations including those related to retention of audit logs; 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.

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

12. 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

13. 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.

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

    14.1. Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    14.2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.

    14.3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

    14.4. Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

14.5. Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

15. 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.

16. 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.

17. 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

18. As required by the Companies (Auditor's Report) Order, 2020 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

19. As required by Section 143(3) of the Act, we report that:

19.1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

19.2. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

19.3. The standalone balance sheet, the standalone statement of profit and loss including Other Comprehensive Income, the Statement of Changes in Equity and the Standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account.

19.4. In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act read with the relevant rules thereunder.

19.5. On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

19.6. With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.

19.7. In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

20. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

20.1. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its Standalone Financial Statements – Refer Note 48 to the Standalone Financial Statements;

20.2. The Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 10 to the Standalone Financial Statements;

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

20.4. The Management has represented, to best of their knowledge and belief, that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

20.5. The Management has represented, to best of their knowledge and belief, that no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

20.6. Based on such audit procedures, that have been considered reasonable and appropriate in the circumstances, performed by us, nothing has come to our notice that has caused us to believe that the representation under para 20.4 and 20.5 contain any material misstatement.

20.7. In our opinion and according to the information and explanations given to us,

a) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.

b) As stated in Note 29 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

20.8. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31 March 2024.

For **Sundaram & Srinivasan**
Chartered Accountants

Firm Registration Number - 004207S

P Menakshi Sundaram
Partner
ICAI Membership Number: 217914
UDIN: 24217914BKBOSW7699
Place: Mumbai
Date: 26 April 2024

For **KKC & Associates LLP**
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number: 105146W/W100621

Devang Doshi
Partner
ICAI Membership Number: 140056
UDIN: 24140056BKFFOT4366
Place: Mumbai
Date: 26 April 2024

Annexure 'A' to the Independent Auditor's Report on the Standalone Financial Statements of Shriram Finance Limited (formerly Shriram Transport Finance Company Limited) for the year ended 31 March 2024

(Referred to in paragraph 18 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment ('PPE') and relevant details of right-of-use assets.

The Company is maintaining proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its PPE by which all PPE are verified in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain PPE were physically verified by the Management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company. Consequent to effect of scheme of amalgamation (w.e.f 1 April 2022) involving amalgamation of Shriram Capital Limited (after de-merger of few undertakings from the said Shriram Capital Limited) and Shriram City Union Finance Limited with the Company and change in the name of the company from Shriram Transport Finance Company Limited to Shriram Finance Limited, the Company is in process of applying for the name change in respect of its immovable properties. Following are the properties acquired through the scheme of amalgamation and are not held in the name of the Company.

Description of property	Gross carrying value (in Rs.)	Held in name of	Whether promoter, director or their relative or employee	Period held (in years)	Reason for not being held in name of company
Akash Deep Plaza-Golmuri	1,136,000	Shriram City Union Finance Ltd.	No	16.26	These assets were acquired on merger
Land At Levinjipuram Village (Panagudi) 15 Cents	14,957	Shriram City Union Finance Ltd.	No	12.70	These assets were acquired on merger
Land At Levinjipuram Village (Panagudi) 16 Cents	15,941	Shriram City Union Finance Ltd.	No	12.70	These assets were acquired on merger
Land In Tanukarkulam Village-Survey No.179(1F)	8,750	Shriram City Union Finance Ltd.	No	11.01	These assets were acquired on merger
Land At Levinjipuram Village (Panagudi) 15 Cents	14,957	Shriram City Union Finance Ltd.	No	12.70	These assets were acquired on merger
Land at Pattukottai Taluka,Thanjaur District,	1,76,278	Shriram City Union Finance Ltd.	No	14.51	These assets were acquired on merger

(d) In our opinion and according to the information and explanations given to us, the Company has not revalued its PPE (including Right of Use assets) or intangible assets or both during the year.

(e) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Refer note 83 to the Standalone Financial Statements.

ii. (a) The Company does not have any inventory, hence physical verification of inventory and reporting under paragraph 3(ii)(a) of the Order is not applicable.

(b) In our opinion and according to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of rupees five crore, in aggregate, from banks or financial institutions which are secured on the basis of security of Loans. The quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of accounts of the Company.

iii. (a) The Company's principal business is to give loans. Accordingly, the provision of clause 3(iii)(a) of the Order is not applicable to it.

(b) The Company, is a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934. In our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the Company's interest.

(c) The Company, being a NBFC, registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its customers as stipulated. In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and in cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer notes 12 to the Standalone Financial Statements for summarised details of such loans/advances which are not repaid by borrowers as per stipulations. According to the information and explanation made available to us, reasonable steps are taken by the Company for recovery thereof.

(d) The Company, being a NBFC, registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors and reports total amount overdue including principal and/or payment of interest by its customers for more than 90 days. In cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer notes 12 to the Standalone Financial Statements for summarised details of such loans/advances which are not repaid by borrowers as per stipulations. According to the information and explanation made available to us, reasonable steps are taken by the Company for recovery thereof.

(e) Since the Company's principal business is to give loans, the provision of clause 3(iii)(e) of the Order is not applicable to it.

(f) Based on our audit procedure and according to the information and explanation made available to us, The Company has not granted any loans or advances in the nature of loans to Promoters/Related Parties (as defined in section 2(76) of the Act) which are either repayable on demand or without specifying any terms or period of repayment.

iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees in contravention of the provisions of sections 185 and 186(1) of the Act, the other provision of the section 186 of the Act are not applicable to the Company.

v. In our opinion and according to the information and explanations given to us, the Company being a NBFC registered with the Reserve Bank of India, the provisions of sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted are not applicable to the Company. We are informed by the Management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.

vi. The Company is not required to maintain cost records under Section 148(1) of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 and hence reporting under paragraph 3(vi) of the Order is not applicable to the Company.

vii. (a) In our opinion and according to the information and explanations given to us, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues have generally been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, Goods and Services Tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company did not have dues which have not been deposited as on March 31, 2024, except for the following:

Name of the Statute	Nature of the Dues	Amount (Rs. in crore)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act,1961	Income Tax demands	0.01	A.Y.2022-23	CIT (Appeals)
Income Tax Act,1961	Income Tax demands	0.04	A.Y.2020-21	CIT (Appeals)
Income Tax Act,1961	Income Tax demands	0.12	A.Y.2018-19	CIT (Appeals)
Income Tax Act,1961	Income Tax demands	13.63	A.Y. 2017-18	CIT (Appeals)
Income Tax Act,1961	Income Tax demands	0.45	A.Y. 2014-15	Assessing Officer
Income Tax Act,1961	Income Tax demands	0.73	A.Y. 2014-15	CIT (Appeals)
Income Tax Act,1961	Income Tax demands	1.20	A.Y. 2013-14	Assessing Officer
Income Tax Act,1961	Income Tax demands	0.00	A.Y. 2012-13	Madras High Court
Income Tax Act,1961	Income Tax demands	1.09	A.Y. 2012-13	Assessing Officer
Income Tax Act,1961	Income Tax demands	5.88	A.Y. 2011-12	Assessing Officer
Income Tax Act,1961	Income Tax demands	4.89	A.Y. 2010-11	Assessing Officer
Income Tax Act,1961	Income Tax demands	3.86	A.Y. 2009-10	Assessing Officer
Income Tax Act,1961	Income Tax demands	0.18	A.Y. 2008-09	Assessing Officer
Income Tax Act,1961	Income Tax demands	0.22	A.Y. 2007-08	Assessing Officer
Income Tax Act,1961	Income Tax demands	0.00	A.Y. 2006-07	Assessing Officer
Income Tax Act,1961	Income Tax demands##	2.51	A.Y.2021-22	CIT (Appeals)

Name of the Statute	Nature of the Dues	Amount (Rs. in crore)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act,1961	Income Tax demands##	0.02	A.Y.2020-21	CIT (Appeals)
Income Tax Act,1961	Income Tax demands##	0.01	A.Y.2018-19	CIT (Appeals)
Income Tax Act,1961	Income Tax demands##	0.16	A.Y.2015-16	CIT (Appeals)
Income Tax Act,1961	Income Tax demands##	0.81	A.Y. 2014-15	Assessing Officer
Income Tax Act,1961	Income Tax demands##	1.23	A.Y.1997-98	Assessing Officer
Finance Act, 1994 (Service tax)	Service tax on interest on hypothecation loans	1,758.66	F.Y. 2005-06 to April 01, 2017 to June 30, 2017	Mumbai High Court
Finance Act, 1994 (Service tax)	Service tax demand on securitisation collection commission	192.88	F.Y. 2008-09 to 2014-2015	CESTAT (Custom, Excise and Service Tax Appellate Tribunal, Mumbai)
Finance Act, 1994 (Service tax)	Service tax on hire purchase and lease transaction	208.79	1st March 2006 to 31st March 2010	Supreme Court
Finance Act, 1994 (Service tax)	ST on Collection of receivables in respect of Securitisation/ Direct Assignment ##	36.30	1st April 2009 to 30th September 2014	CESTAT (Customs, Excise and Service Tax Appellate Tribunal, Chennai)
Finance Act, 1994 (Service tax)	Service Tax on Additional Finance Charge ##	40.57	1st October 2012 to 30th June 2017	CESTAT (Customs, Excise and Service Tax Appellate Tribunal, Chennai)
Maharashtra Value Added Tax	Value added tax	0.00#	F.Y. 2005-06	Maharashtra Sales Tax Tribunal – Pune
Andhra Pradesh Value Added Tax	Value added tax	0.00**	F.Y. 2010-11 to 2012-13	High court of Telangana – Hyderabad
Andhra Pradesh Value Added Tax	Value added tax	0.00**	F.Y 2009-10 to 2010-11 and 1st April 2011 to 31st August 2012	High court of Telangana – Hyderabad
Andhra Pradesh Value Added Tax	Value added tax	3.48	F.Y. 2005-06 to 2008-09	High court of Andhra Pradesh – Vijaywada
Orissa Value Added Tax	Value added tax	0.09	F.Y. 2008-09 to 2012-13	DCCT – Bhubaneshwar
Telangana Value Added Tax	Value added tax	0.00**	F.Y. 2013-14 to 2016-17 and April 17 to June 17	High Court of Telangana
Tamil Nadu Value Added Tax	Value added tax	3.73	F.Y. 2014-15 to 2016-17 and April 17 to June 17	The Company is in the process of filing an appeal with Madras High Court.
Tamil Nadu Value Added Tax	Value added tax	2.90	F.Y. 2006-07 to 2013-14	Supreme Court – Delhi
Tamil Nadu Value Added Tax	Value added tax##	0.00$	F.Y. 2014-15 to 2016-17 and April 17 to June 17	Appellate Tribunal, Chennai
Tamil Nadu Value Added Tax	Value added tax##	0.00$	F.Y. 2007-08 to 2013-14	Supreme Court – Delhi

Name of the Statute	Nature of the Dues	Amount (Rs. in crore)	Period to which the amount relates	Forum where dispute is pending
Kerala Value Added Tax	Value added tax##	0.05	F.Y. 2007-08	Dy. Commissioner (Appeals) , Kerala
Telangana GST	Goods and Service Tax	1.21	F.Y. 2017-18	Assistant Commissioner - Central Tax, Telangana
Delhi GST	Goods and Service Tax	2.89	F.Y. 2017-18	Assistant Commissioner - State Tax, Delhi
Rajasthan GST	Goods and Service Tax	0.88	F.Y. 2017-18	Joint Commissioner Jaipur - Rajasthan
Chhattisgargh GST	Goods and Service Tax ##	0.02	F.Y. 2017-18	Deputy Commissioner - State Tax ,Chhattisgargh
Bihar GST	Goods and Service Tax ##	0.26	F.Y. 2017-18	Deputy Commissioner - State Tax , Bihar
Delhi GST	Goods and Service Tax ##	1.55	F.Y. 2017-18	Assistant Commissioner - State Tax , Delhi
Indian Stamp Act	Stamp duty	6.69	FY 2023-24	Principal Revenue Controlling Officer and Registrar, Chennai

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

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

$ Amounts where entire Disputed Tax amount is deposited is presented as Rs 0.00 crores

** Cases which are entered into Amnesty Scheme and awaiting for closure Orders are presented as Rs 0.00 crores as the entire Disputed Tax dues is settled.

Case added of Erstwhile Shriram City Union Finance Limited.

viii. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, we confirm that we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a) In our opinion, the Company has not defaulted in repayment of loans or other borrowings to financial institutions, banks, government and dues to debenture holders or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority or any other lender.

(c) In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained, other than temporary parking in Cash credit account for a few days during the year, pending utilization towards the purpose for which the same are obtained.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary or associate. The Company does not have any joint venture.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary or associate companies. The Company does not have any joint venture.

x. (a) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not raised any moneys by way of further public offer during the current financial year. In our opinion, monies raised by the Company by way of debt instruments and term loans were applied for the purposes for which those were obtained, though idle/ surplus funds which were not required for immediate utilization were gainfully invested in liquid assets payable on demand.

(b) In our opinion and according to the information and explanations given to us the Company has not made any preferential allotment / private placement of shares / fully / partly / optionally convertible debentures during the year.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the year, other than the instances of fraud noticed and reported by the management in terms of the regulatory provisions applicable to the Company amounting to Rs. 0.97 Crores comprising of 2 instances.

(b) No report under sub-section (12) of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the Management, there are no whistle blower complaints received by the Company during the year.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date, for the period under audit.

xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

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

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid CoR from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a CIC ('Core Investment Company') as defined in the regulations made by Reserve Bank of India.

(d) The Group has Four CIC as part of the Group.

xvii. The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable / paragraph 3(xviii) of the Order is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) According to the information and explanations given to us and based on our examination of the records of the Company, it is not required to transfer any unspent amount pertaining to the year under report to a Fund specified in Schedule VII to the Companies Act, 2013 in compliance with second proviso to sub-section (5) of section 135 of the said Act.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, there is no amount which is remaining unspent under sub-section (5) of Section 135 of the Act pursuant to any ongoing projects.

For **Sundaram & Srinivasan**
Chartered Accountants

Firm Registration Number - 004207S

P Menakshi Sundaram
Partner
ICAI Membership Number: 217914
UDIN: 24217914BKBOSW7699
Place: Mumbai
Date: 26 April 2024

For **KKC & Associates LLP**
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number: 105146W/W100621

Devang Doshi
Partner
ICAI Membership Number: 140056
UDIN: 24140056BKFFOT4366
Place: Mumbai
Date: 26 April 2024

Annexure 'B' to the Independent Auditors' report on the Standalone Financial Statements of Shriram Finance Limited (formerly known as Shriram Transport Finance Company Limited) for the year ended 31 March 2024

(Referred to in paragraph '19.6' under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to the aforesaid Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act').

Opinion

1. We have audited the internal financial controls with reference to the Standalone Financial Statements of Shriram Finance Limited (formerly known as Shriram Transport Finance Company Limited) ('the Company') as at 31 March 2024 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

2. In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to the Standalone Financial Statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('the Guidance Note').

Management's responsibility for Internal Financial Controls

3. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

4. Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('SA '), prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Standalone Financial Statements. Those SAs and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Standalone Financial Statements were established and maintained and whether such controls operated effectively in all material respects.

5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to the Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to the Standalone Financial Statements.

Meaning of Internal Financial Controls with reference to the Standalone Financial Statements

7. A Company's internal financial controls with reference to the Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting

principles. A Company's internal financial controls with reference to the Standalone Financial Statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to the Standalone Financial Statements

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

For **Sundaram & Srinivasan**
Chartered Accountants

Firm Registration Number - 004207S

P Menakshi Sundaram
Partner
ICAI Membership Number: 217914
UDIN: 24217914BKBOSW7699
Place: Mumbai
Date: 26 April 2024

For **KKC & Associates LLP**
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number: 105146W/W100621

Devang Doshi
Partner
ICAI Membership Number: 140056
UDIN: 24140056BKFFOT4366
Place: Mumbai
Date: 26 April 2024

STANDALONE BALANCE SHEET
AS AT MARCH 31, 2024

(Rs. in crores)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	8	6,013.37	9,505.30
(b) Bank balance other than (a) above	9	4,799.27	6,312.11
(c) Derivative financial instruments	10	330.48	668.81
(d) Receivables	11		
(I) Trade receivables		51.63	17.00
(II) Other receivables		332.96	260.12
(e) Loans	12	207,929.41	171,984.58
(f) Investments	13	10,656.64	8,565.06
(g) Other financial assets	14	68.24	72.70
Total financial assets		**230,182.00**	**197,385.68**
(2) Non-financial assets			
(a) Current tax assets (net)	15	572.51	716.97
(b) Deferred tax assets (net)	42	2,884.03	1,743.92
(c) Investment property	16	0.98	2.62
(d) Property, plant and equipment	17	845.77	699.70
(e) Intangible assets under development	18A	-	66.08
(f) Goodwill	18B	1,406.73	1,406.73
(g) Other intangible assets	18C	1,033.93	1,217.65
(h) Other non-financial assets	19	350.06	424.51
Total non-financial assets		**7,094.01**	**6,278.18**
Total assets		**237,276.01**	**203,663.86**
LIABILITIES AND EQUITY			
Liabilities			
(1) Financial liabilities			
(a) Payables	20		
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		0.02	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		211.76	293.24
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		2.25	0.36
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		3.16	1.09
(b) Debt securities	21	44,948.61	43,652.59
(c) Borrowings (other than debt securities)	22	92,148.80	73,590.02
(d) Deposits	23	44,443.66	36,139.83
(e) Subordinated liabilities	24	4,300.07	4,523.85
(f) Other financial liabilities	25	1,847.99	1,584.12
Total financial liabilities		**187,906.32**	**159,785.10**
(2) Non-financial liabilities			
(a) Current tax liabilities (net)	26	237.79	160.89
(b) Provisions	27	296.21	211.48
(c) Other non-financial liabilities	28	267.30	199.75
Total non-financial liabilities		**801.30**	**572.12**
Total liabilities		**188,707.62**	**160,357.22**
(3) Equity			
(a) Equity share capital	29	375.79	374.43
(b) Other equity	30	48,192.60	42,932.21
Total equity		**48,568.39**	**43,306.64**
Total liabilities and equity		**237,276.01**	**203,663.86**

See accompanying notes forming an integral part of the Standalone Financial Statements.

As per our report of even date
For KKC & Associates LLP
(formerly Khimji Kunverji & Co LLP)
Chartered Accountants
ICAI Firm Registration No.: 105146W/W100621

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

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

Devang Doshi
Partner
Membership No.: 140056
Mumbai
April 26, 2024

P Menakshi Sundaram
Partner
Membership No.: 217914
Mumbai
April 26, 2024

Jugal Kishore Mohapatra
Chairman
DIN: 03190289
Mumbai
April 26, 2024

Y. S. Chakravarti
Managing Director & CEO
DIN: 00052308
Mumbai
April 26, 2024

Parag Sharma
Joint Managing Director & CFO
DIN: 02916744
Mumbai
April 26, 2024

U Balasundararao
Company Secretary
Mumbai
April 26, 2024

(Rs. in crores)

Particulars		Note No.	Year ended March 31, 2024	Year ended March 31, 2023
	Revenue from operations			
	(i) Interest income	31	33,599.66	28,607.36
	(ii) Dividend income		1.45	6.52
	(iii) Rental income		0.13	0.17
	(iv) Fees and commission income	32	457.38	242.61
	(v) Net gain on fair value changes	33	95.65	340.07
	(vi) Net gain on derecognition of financial instruments under amortised cost category		324.65	224.46
	(vii) Other operating income	34	485.49	350.97
(I)	**Total Revenue from operations**		**34,964.41**	**29,772.16**
(II)	**Other Income**	35	33.20	30.73
(III)	**Total Income (I + II)**		**34,997.61**	**29,802.89**
	Expenses			
	(i) Finance cost	36	14,806.12	12,545.76
	(ii) Fees and commission expenses	37	422.77	304.44
	(iii) Impairment on financial instruments	38	4,518.34	4,159.17
	(iv) Employee benefits expenses	39	3,215.59	2,506.11
	(v) Depreciation, amortisation and impairment (Refer note 16, 17 and 18)	40	568.83	524.18
	(vi) Other expenses	41	1,782.32	1,578.34
(IV)	**Total Expenses**		**25,313.97**	**21,618.00**
(V)	**Profit before exceptional items and tax (III - IV)**		**9,683.64**	**8,184.89**
(VI)	**Exceptional items**		-	-
(VII)	**Profit before tax (V+ VI)**		**9,683.64**	**8,184.89**
(VIII)	**Tax expense:**	42		
	(1) Current tax		3,400.06	2,886.51
	(2) Deferred tax		(906.90)	(680.96)
(IX)	**Profit for the year from continuing operations (VII - VIII)**		**7,190.48**	**5,979.34**
(X)	**Profit for the year**		**7,190.48**	**5,979.34**
(XI)	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	Remeasurement gain/(loss) on defined benefit plan		(78.09)	(8.02)
	Gain / (loss) on Fair valuation of quoted investments in equity shares		16.49	(11.80)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		15.50	4.99
	Subtotal (A)		**(46.10)**	**(14.83)**
	B (i) Items that will be reclassified to profit or loss			
	Cash flow hedge reserve			
	Gain/(loss) on effective portion of hedging instruments in a cash flow hedge		(56.12)	(14.68)
	(ii) Income tax relating to items that will be reclassified to profit or loss		14.12	3.69
	Subtotal (B)		**(42.00)**	**(10.99)**
	Other comprehensive income (A + B)		**(88.10)**	**(25.82)**
(XII)	**Total Comprehensive income for the year (X + XI)**		**7,102.38**	**5,953.52**
(XIII)	**Earnings per equity share (face value Rs. 10/- per equity share)**	43		
	(i) Basic (Rs.)		191.63	159.69
	(ii) Diluted (Rs.)		191.02	158.99

See accompanying notes forming an integral part of the Standalone Financial Statements.

As per our report of even date
For KKC & Associates LLP
(formerly Khimji Kunverji & Co LLP)
Chartered Accountants
ICAI Firm Registration No.: 105146W/W100621

Devang Doshi
Partner

Membership No.: 140056
Mumbai
April 26, 2024

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

P Menakshi Sundaram
Partner

Membership No.: 217914
Mumbai
April 26, 2024

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

Jugal Kishore Mohapatra
Chairman
DIN: 03190289
Mumbai
April 26, 2024

Y. S. Chakravarti
Managing Director & CEO
DIN: 00052308
Mumbai
April 26, 2024

Parag Sharma
Joint Managing Director & CFO
DIN: 02916744
Mumbai
April 26, 2024

U Balasundararao
Company Secretary
Mumbai
April 26, 2024

A. Equity Share Capital

(1) Current Reporting Period

(Rs. in crores)

Balance at the beginning of the current reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
As at April 01, 2023				As at March 31, 2024
374.43	-	374.43	1.36	375.79

(2) Previous Reporting Period

(Rs. in crores)

Balance at the beginning of the previous reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
As at April 01, 2022			(Refer note 51)	As at March 31, 2023
270.52	-	270.52	103.91	374.43

B. Other Equity

(1) Current Reporting Period

(Rs. in crores)

Particulars	Share Application Money Pending Allotment	Reserves And Surplus									Retained Earnings	Other Comprehensive Income		Money Received Against Share Warrants	Total
		Capital Reserve	Securities Premium	Other Reserves											
				Statutory Reserve u/s 45-IC of the RBI Act, 1934	Debenture Redemption Reserve #	Capital Redemption Reserve	General Reserve	Remeasurement Gain/ (Loss) On Defined Benefit Plan	Share Options Outstanding	Amalgamation Adjustment Reserves		Gain/(loss) on fair valuation of investments in equity shares	Effective Portion of Cash Flow Hedges		
Balance at the beginning of the current reporting period (As at April 01, 2023)	-	**104.57**	**17,351.98**	**7,610.66**	**419.13**	**53.88**	**3,532.05**	**(18.08)**	**194.84**	**(1,706.81)**	**15,623.21**	**(8.83)**	**(224.39)**	-	**42,932.21**
Changes in Accounting policy/ Prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effects of business combination (Refer note 51)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	**104.57**	**17,351.98**	**7,610.66**	**419.13**	**53.88**	**3,532.05**	**(18.08)**	**194.84**	**(1,706.81)**	**15,623.21**	**(8.83)**	**(224.39)**	-	**42,932.21**
Profit for the year	-	-	-	-	-	-	-	-	-	-	7,190.48	-	-	-	**7,190.48**
Other Comprehensive Income for the year	-	-	-	-	-	-	-	(58.44)	-	-	-	12.34	(42.00)	-	**(88.10)**
Total Comprehensive Income for the year	-	-	-	-	-	-	-	**(58.44)**	-	-	**7,190.48**	**12.34**	**(42.00)**	-	**7,102.38**
Dividends (Interim)	-	-	-	-	-	-	-	-	-	-	(1,126.55)	-	-	-	**(1,126.55)**
Dividends (Final for the year ended March 31, 2023)	-	-	-	-	-	-	-	-	-	-	(749.67)	-	-	-	**(749.67)**
Transferred to/ (from) (Refer note 30)	-	-	-	(268.71)	(284.88)	-	719.05	-	-	1,706.81	(1,872.27)	-	-	-	-

(Rs. in crores)

Particulars	Share Application Money Pending Allotment	Reserves And Surplus									Retained Earnings	Other Comprehensive Income		Money Received Against Share Warrants	Total
		Capital Reserve	Securities Premium	Other Reserves								Gain/(loss) on fair valuation of investments in equity shares	Effective Portion of Cash Flow Hedges		
				Statutory Reserve u/s 45-IC of the RBI Act, 1934	Debenture Redemption Reserve #	Capital Redemption Reserve	General Reserve	Remeasurement Gain/ (Loss) On Defined Benefit Plan	Share Options Outstanding	Amalgamation Adjustment Reserves					
Any Other Change:															
Securities Premium proceeds received on issue of Equity Shares (Refer note 29 and 30)	-	-	158.67	-	-	-	-	-	-	-	-	-	-	-	**158.67**
Share Issue Expenses (Refer note 29 and 30)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Money received against Share Warrants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred to/ (from) (Refer note 30) on account of share forfeiture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenses on Employee Stock Option Plan	-	-	-	-	-	-	-	-	9.17	-	-	-	-	-	**9.17**
Exercise of Employee Stock Option Plan	-	-	-	-	-	-	-	-	(133.61)	-	-	-	-	-	**(133.61)**
Balance at the end of the current reporting period (As at March 31, 2024)	**-**	**104.57**	**17,510.65**	**7,341.95**	**134.25**	**53.88**	**4,251.10**	**(76.52)**	**70.40**	**-**	**19,065.20**	**3.51**	**(266.39)**	**-**	**48,192.60**

(2) **Previous Reporting Period**

(Rs. in crores)

Particulars	Share Application Money Pending Allotment	Reserves And Surplus									Retained Earnings	Other Comprehensive Income		Money Received Against Share Warrants	Total
		Capital Reserve	Securities Premium	Other Reserves								Gain/(loss) on fair valuation of investments in equity shares	Effective Portion of Cash Flow Hedges		
				Statutory Reserve u/s 45-IC of the RBI Act, 1934	Debenture Redemption Reserve #	Capital Redemption Reserve	General Reserve	Remeasurement Gain/ (Loss) On Defined Benefit Plan	Share Options Outstanding	Amalgamation Adjustment Reserves					
Balance at the beginning of the previous reporting period (As at April 01, 2022)	**-**	**27.64**	**5,662.38**	**4,707.98**	**307.28**	**53.88**	**2,934.07**	**(12.08)**	**-**	**-**	**12,193.92**	**-**	**(213.40)**	**-**	**25,661.67**
Changes in Accounting policy/ Prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effects of business combination (Refer note 51)	-	76.93	-	1,706.81	-	-	-	-	-	(1,706.81)	-	-	-	-	**76.93**
Restated balance at the beginning of the previous reporting period	**-**	**104.57**	**5,662.38**	**6,414.79**	**307.28**	**53.88**	**2,934.07**	**(12.08)**	**-**	**(1,706.81)**	**12,193.92**	**-**	**(213.40)**	**-**	**25,738.60**
Profit for the year	-	-	-	-	-	-	-	-	-	-	5,979.34	-	-	-	**5,979.34**
Other Comprehensive Income for the year	-	-	-	-	-	-	-	(6.00)	-	-	-	(8.83)	(10.99)	-	**(25.82)**
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(6.00)**	**-**	**-**	**5,979.34**	**(8.83)**	**(10.99)**	**-**	**5,953.52**
Dividends (Interim)	-	-	-	-	-	-	-	-	-	-	(561.64)	-	-	-	**(561.64)**
Dividends (Final for the year ended March 31, 2022)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred to/ (from) (Refer note 30)	-	-	-	1,195.87	111.85	-	597.94	-	83.65	-	(1,988.41)	-	-	-	**0.90**

(Rs. in crores)

Particulars	Share Application Money Pending Allotment	Reserves And Surplus									Retained Earnings	Other Comprehensive Income		Money Received Against Share Warrants	Total
		Capital Reserve	Securities Premium	Other Reserves											
				Statutory Reserve u/s 45-IC of the RBI Act, 1934	Debenture Redemption Reserve #	Capital Redemption Reserve	General Reserve	Remeasurement Gain/ (Loss) On Defined Benefit Plan	Share Options Outstanding	Amalgamation Adjustment Reserves		Gain/(loss) on fair valuation of investments in equity shares	Effective Portion of Cash Flow Hedges		
Any Other Change:															
Securities Premium proceeds received on issue of Equity Shares (Refer note 29 and 30)	-	-	11,689.60	-	-	-	-	-	-	-	-	-	-	-	**11,689.60**
Share issue expenses (Refer note 29 and 30)	-	-	-	-	-	-	-	-	164.56	-	-	-	-	-	**164.56**
Money received against Share Warrants	-	-	-	-	-	-	-	-	(53.33)	-	-	-	-	-	**(53.33)**
Transferred to/ (from) (Refer note 30) on account of share forfeiture	-	-	-	-	-	-	0.04	-	(0.04)	-	-	-	-	-	-
Expenses on Employee Stock Option Plan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exercise of Employee Stock Option Plan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the previous reporting period (As at March 31, 2023)	**-**	**104.57**	**17,351.98**	**7,610.66**	**419.13**	**53.88**	**3,532.05**	**(18.08)**	**194.84**	**(1,706.81)**	**15,623.21**	**(8.83)**	**(224.39)**	**-**	**42,932.21**

 # Refer note 30 - Other equity

See accompanying notes forming an integral part of the Standalone Financial Statements.

As per our report of even date
For KKC & Associates LLP
(formerly Khimji Kunverji & Co LLP)
Chartered Accountants
ICAI Firm Registration No.: 105146W/W100621

Devang Doshi
Partner

Membership No.: 140056
Mumbai
April 26, 2024

For Sundaram & Srinivasan

Chartered Accountants
ICAI Firm Registration No.: 004207S

P Menakshi Sundaram
Partner

Membership No.: 217914
Mumbai
April 26, 2024

For and on behalf of the Board of Directors of

Shriram Finance Limited
(formerly Shriram Transport Finance Company Limited)

Jugal Kishore Mohapatra
Chairman

DIN: 03190289
Mumbai
April 26, 2024

Y. S. Chakravarti
Managing Director
& CEO
DIN: 00052308
Mumbai
April 26, 2024

Parag Sharma
Joint Managing Director & CFO
DIN: 02916744
Mumbai
April 26, 2024

U Balasundararao
Company Secretary

Mumbai
April 26, 2024

(Rs. in crores)

Particulars		Year ended March 31, 2024	Year ended March 31, 2023
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax	9,683.64	8,184.89
	Adjustments for:		
	Depreciation, amortisation and impairment	568.83	524.18
	Interest on income tax refund	(8.22)	(14.66)
	Share based payments to employees	9.17	164.56
	Interest income on loans	(32,502.25)	(27,504.20)
	Finance costs	14,806.12	12,545.76
	Loss/(profit) on sale of property plant and equipment (net)	(1.26)	1.00
	Fair value adjustments to investments	0.78	1.85
	Impairment on loans	4,484.74	4,128.79
	Impairment on investments	35.67	4.70
	Impairment on undrawn loan commitment	(5.13)	(0.40)
	Impairment on other assets	3.06	26.08
	Net (gain)/loss on fair value changes on investment	(144.76)	(373.62)
	Net (gain)/loss on fair value changes on direct assignment	49.11	33.55
	Net gain on derecognition of financial instruments under amortised cost category	(324.65)	(224.46)
	Cash inflow from interest on loans	31,112.11	26,319.90
	Cash outflow towards finance costs	(12,992.23)	(11,207.40)
	Operating profit before working capital changes	**14,774.73**	**12,610.52**
	Movements in working capital:		
	Decrease/(increase) in loans	(39,039.43)	(27,674.73)
	Decrease/(increase) in investments	(1,966.78)	1,333.02
	Decrease/(increase) in receivables	168.04	173.38
	Decrease/(increase) in bank deposits	1,512.84	776.09
	Decrease/(increase) in other financial assets	1.40	(20.12)
	Decrease/(increase) in other non-financial assets	73.21	101.69
	Increase/(decrease) in payables	(81.46)	66.16
	Increase/(decrease) in other financial liabilities	199.11	(38.96)
	Increase/(decrease) in non-financial liabilities	67.55	0.14
	Increase/(decrease) in other provision	19.99	55.99
	Cash used in operations	**(24,270.80)**	**(12,616.82)**
	Direct taxes paid (net of refunds)	(3,382.28)	(3,224.51)
	Net cash flows from/(used in) operating activities (A)	**(27,653.08)**	**(15,841.33)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment	(165.94)	(109.95)
	Proceeds from sale of property, plant and equipment	5.67	1.64
	Purchase of intangible assets under development	-	(66.08)
	Purchase of other intangible assets	(79.66)	(7.57)
	Proceeds from sale of other intangible assets	-	1.90
	Proceeds from sale of investment property	1.60	-
	Net cash generated from/(used in) investing activities (B)	**(238.33)**	**(180.06)**

(Rs. in crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital (including share premium and net of share issue expenses)	26.42	12.16
Proceeds/(repayment) on settlement of derivative contracts	338.33	(467.41)
Increase/(decrease) in fixed deposits (net)	7,747.81	6,778.56
Amount received from debt securities	23,056.10	9,194.70
Repayment of debt securities	(22,177.06)	(13,992.22)
Proceeds/(repayment) of subordinated debts	(261.67)	(136.34)
Amount received from borrowings other than debt securities	75,405.54	61,633.95
Repayment of borrowings other than debt securities	(57,652.57)	(52,625.02)
Payment of lease liabilities	(208.35)	(188.73)
Dividend paid	(1,875.07)	(562.80)
Net cash generated from/(used in) financing activities (C)	**24,399.48**	**9,646.84**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(3,491.93)	(6,374.55)
Cash and cash equivalents at the beginning of the year	9,505.30	10,662.44
Cash and bank balances taken over on account of amalgamation	-	5,217.41
Cash and cash equivalents at the end of the year	**6,013.37**	**9,505.30**

(Rs. in crores)

Components of cash and cash equivalents	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents at the end of the year		
i) Cash on hand	182.95	153.43
ii) Cheques on hand	2.45	4.87
iii) Balances with banks (of the nature of cash and cash equivalents)	2,860.19	3,923.23
iv) Call money (CBLO)	-	499.72
v) Bank deposit with original maturity upto three months or less	2,967.78	4,924.05
Total	**6,013.37**	**9,505.30**

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

As per our report of even date
For KKC & Associates LLP
(formerly Khimji Kunverji & Co LLP)
Chartered Accountants
ICAI Firm Registration No.: 105146W/W100621

Devang Doshi
Partner

Membership No.: 140056
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For and on behalf of the Board of Directors of
Shriram Finance Limited
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Jugal Kishore Mohapatra
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DIN: 00052308
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April 26, 2024

Parag Sharma
Joint Managing Director & CFO
DIN: 02916744
Mumbai
April 26, 2024

U Balasundararao
Company Secretary

Mumbai
April 26, 2024

1. CORPORATE INFORMATION

Shriram Finance Limited (formerly known as Shriram Transport Finance Company Limited) ('the Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its equity shares and non-convertible debentures are listed on BSE Limited and National Stock Exchange of India Limited.

The Company is registered with the Reserve Bank of India (RBI), Ministry of Corporate Affairs (MCA), Insurance Regulatory and Development Authority of India (IRDA) and Association of Mutual Funds in India (AMFI). The registration details are as follows:

RBI	: 07-00459
Corporate Identity Number (CIN)	: L65191TN1979PLC007874
IRDA	: CA0197
AMFI	: 269340

Shriram Capital Private Limited (formerly known as Shriram Financial Ventures (Chennai) Private Limited) and Shriram Ownership Trust are the Promoters of the Company. The Company is a Deposit Accepting Non-Banking Finance Company ('NBFC'), NBFC- Investment and Credit Company (NBFC-ICC) holding a Certificate of Registration from the RBI dated April 17, 2007 which was endorsed in the new name on January 31, 2023. The RBI, under Scale Based Regulations (SBR) had categorised the Company in Upper Layer (NBFC-UL) vide its circular dated September 30, 2022.

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

The Company is primarily engaged in the business of financing commercial vehicles, passenger vehicles, construction equipment, farm equipment, micro, small and medium enterprises, two-wheelers, gold and personal loans.

Pursuant to the Hon'ble National Company Law Tribunal, Chennai Bench ("NCLT") approval of the Composite Scheme of Arrangement and Amalgamation, Shriram Capital Limited (SCL) with its remaining undertaking and Shriram City Union Finance Limited (SCUF) with its entire undertaking amalgamated with the Company.

The financial statements of the Company for the year ended March 31, 2024 were approved for issue in accordance with the resolution of the Board of Directors on April 26, 2024.

2. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under the Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Companies Act, 2013. 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, except for the assets and liabilities acquired under business combination are measured at fair value. The financial statements have been prepared as per the guidelines issued by the RBI as applicable to a NBFCs and other accounting principles generally accepted in India. Any applicable guidance / clarifications / directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

The Regulatory disclosures as required by Master Direction - Reserve Bank of India (Non-Banking Financial Company-Scale based regulation) Directions, 2023 and Deposit taking Company (Reserve Bank) Directions, 2016 issued by RBI are prepared as per the Ind AS financial statements.

The financial statements have been prepared on going concern basis in accordance with the Ind AS 1. The Management is of the view that the Company shall be able to continue its business for the near future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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

The financial statements are presented in Indian Rupees in crores (INR crores or Rs. in crores) which is also the functional currency of the Company and all values are rounded to the nearest crore, except when otherwise indicated.

3. PRESENTATION OF FINANCIAL STATEMENT

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to Non-banking Finance Companies (NBFCs), as notified by the MCA. The Statement of Cash Flows is presented as per the requirements of Ind AS 7 - Statement of Cash Flows. The Company classifies its assets and liabilities as financial and non-financial and presents them in the order of liquidity. An analysis regarding expected recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in notes to the financial statements. Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

i. The normal course of business

ii. The event of default

iii. The event of insolvency or bankruptcy of the Company and/or its counterparties

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

4. STATEMENT OF COMPLIANCE

These standalone or separate financial statements of the Company have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under Section 133 of the Companies Act, 2013 and the other relevant provisions of the Act.

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

5. RECENT ACCOUNTING DEVELOPMENTS

Ministry of Corporate Affairs (MCA), vide notification dated March 31, 2023, has made the following amendments to Ind AS which are effective April 01, 2023:

a. Amendments to Ind AS 1, Presentation of Financial Statements where the companies are now required to disclose material accounting policies rather than their significant accounting policies.

b. Amendments to Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors where the definition of 'change in account estimates' has been replaced by revised definition of 'accounting estimate'.

c. Amendments to Ind AS 12, Income Taxes where the scope of Initial Recognition Exemption (IRE) has been narrowed down.

6. MATERIAL ACCOUNTING POLICIES

The material accounting policies related to preparation of the standalone financial statements are given below:

6.1 Financial instruments

(i) Classification of financial instruments

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

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

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

Business model assessment

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

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

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.

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

The Solely Payments of Principal and Interest (SPPI) test

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

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

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

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

(ii) Financial assets measured at amortised cost

Debt instruments

These financial assets comprise bank balances, loans, trade receivables, investments and other financial assets.

Debt instruments are measured at amortised cost where they have:

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

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

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost. However, trade receivables that do not contain a significant financing component are initially measured at transaction price.

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

Debt instruments

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

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

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

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

Equity instruments

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Company in a business combination to which Ind AS 103 'Business Combination' applies, are measured at fair value through other comprehensive income, where an irrevocable election has been made by management and when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation. Such classification is determined on an instrument-by-instrument basis. Amounts presented in other comprehensive income are not subsequently transferred to the Statement of Profit and Loss. Dividends on such investments are recognised in the Statement of Profit and Loss.

The Company has accounted for its investment in subsidiary at fair value at the time of acquisition due to business combination. The investment is subsequently measured at cost.

(iv) Financial assets measured at fair value through profit or loss

Items at fair value through profit or loss comprise:

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

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

Financial instruments held for trading

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

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

Equity Investments

Investment in Associate is carried at cost in the Separate Financial Statements as permitted under Ind AS 27. The Company has accounted for its investment in subsidiary at fair value at the time of acquisition due to business combination. The investment is subsequently measured at cost. All other equity investments are measured at fair value through profit or loss.

Financial liability designated at fair value through profit or loss

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

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

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

(v) Derivatives

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

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.

The Company enters into derivative transactions with various counterparties to hedge its foreign currency risks and interest rate risks. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Company undertakes derivative transactions for hedging on-balance sheet liabilities.

Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The notional amount and fair value of such derivatives are disclosed separately. Changes in the fair value of derivatives are included in net gain on fair value changes.

Hedge accounting

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

Hedges that meet the criteria for hedge accounting and qualify as cash flow hedges are accounted as follows:

Cash flow hedge

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

(vi) Debt securities and other borrowed funds

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

(vii) 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 2022-23 and until the year ended March 31, 2024.

(viii) Recognition and Derecognition of financial assets and liabilities

Recognition

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

b) Investments are initially recognised on the settlement date.

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

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

Derecognition of financial assets 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 able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

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

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the Statement of Profit and Loss. Accordingly, gain or loss on sale or derecognition of assigned portfolio are recorded upfront in the Statement of Profit and Loss as per Ind AS 109. Also, the Company recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset. As per the guidelines of RBI, the Company is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ('MRR'). Therefore, it continues to recognise the portion retained by it as MRR.

b) Financial liabilities

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

(ix) Impairment of financial assets

Overview of the ECL principles

The Company records allowance for expected credit losses for all loans and other financial assets not held at fair value through profit or loss (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 grouped its loan portfolio into commercial vehicles, construction equipments, farm equipments, MSME, gold loan, personal loans and passenger vehicles.

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

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

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

Stage 2
All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. 30 Days Past Due is considered as significant increase in credit risk.

Stage 3
All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event (for e.g. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

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

In line with Reserve Bank of India Master Circular on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances and Clarifications dated November 12, 2021, borrower accounts shall be flagged as overdue as part of the day-end processes for the due date, irrespective of the time of running such processes. Similarly, classification of borrower accounts as Non-Performing Asset / Stage 3 shall be done as part of day-end process for the relevant date i.e. more than 90 days overdue and NPA/Stage 3 classification date shall be the calendar date for which the day end process is run. In other words, the date of Non-Performing Asset / Stage 3 shall reflect the asset classification status of an account at the day-end of that calendar date.

Upgradation of accounts classified as Stage 3/Non-performing assets (NPA) - The Company upgrades loan accounts classified as Stage 3/ NPA to 'standard' asset category only if the entire arrears of interest, principal and other amount are paid by the borrower and there is no change in the accounting policy followed by the company in this regard. With regard to upgradation of accounts classified as NPA due to restructuring, the instructions as specified for such cases as per the said RBI guidelines shall continue to be applicable.

Credit-impaired financial assets

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

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

a) Significant financial difficulty of the borrower or issuer;

b) A breach of contract such as a default or past due event;

c) The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;

d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

e) The disappearance of an active market for a security because of financial difficulties.

ECL on Investment in Government securities

The Company has invested in Government of India loans. Investment in Government securities are classified under stage 1. No ECL has been applied on these investments as there is no history of delay in servicing of interest/ repayments. The Company does not expect any delay in interest/redemption servicing in future.

ECL on Loans secured by the Company's fixed deposit

No ECL has been applied on loans given against the Company's fixed deposit as they are fully secured by the Company's fixed deposits.

ECL on Fixed Deposits with Banks

No ECL is applied on fixed deposit held with banks as there is no history of default. However, in case of any downgrade in the credit rating of the banks where fixed deposit is held, the Company would provide for ECL computed in an appropriate methodology.

Simplified approach for trade/ other receivables and contract assets

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade/ other receivables that do not contain a significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. It recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. At every reporting date, the historical observed default rates are updated for changes in the forward-looking estimates. For trade receivables that contain a significant financing component a general approach is followed.

ECL on Debt instruments measured at fair value through OCI

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

Undrawn loan commitments

When estimating ECL for undrawn loan commitments, a credit conversion factor of 100% is applied for expected drawdown. The Company discloses ECL allowance on undrawn loan commitments under the head 'Provisions' under non-financial liabilities.

The mechanics of ECL

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

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

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The concept of PD is further explained in note 54.

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 54.

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 54.

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and the market it operates in. Macro-economic regression models are built to identify the key macro-economic factors (independent variables) that drive the default rates. The best possible single variable linear regression model is identified basis the R-square and the economic intuition of the relationship between the independent variable and the default rates.

The Company considers various external factors such as GDP growth, inflation, weighted average lending rate of Scheduled Commercial Banks etc., as macro-economic factors affecting the Company's ECL estimates and the most relevant macro-economic factor affecting the particular loan product is factored in while arriving at the PD of that product. The Company formulated three different macro-economic stress scenarios under the premise of mild stress, medium stress and severe stress condition. The medium stress scenario largely reflected the current economic conditions, and accordingly was used for ECL modelling.

On a periodic basis, the Company monitors the situation and economic factors affecting the operations of the company and assesses the requirement of any modification to ECL model.

Collateral Valuation

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

Collateral repossessed

In its normal course of business whenever default occurs, the Company may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/ obligors. The Company generally does not use the assets repossessed for the internal operations. The underlying loans in respect of which collaterals have been repossessed and not sold for more than 6 months are considered as Stage 3 assets and fully provided for net of estimated realizable value or written off. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet as it does not meet the recognition criteria in other standards and consequently the Company also does not derecognise the underlying financial asset immediately on repossession. The change in accounting policy is effective from financial year 2021-22.

Restructured loans

The Company is permitted to restructure customer accounts. Restructuring would normally involve modification of terms of the advances/ securities, which would generally include, among others, alteration of payment period/ payable amount/ the amount of installments/ rate of interest/ sanction of additional credit facility/ release of additional funds for a customer account. The Company considers the modification of the loan only before the loans gets credit impaired. In case of restructuring, the accounts classified as 'standard' shall be immediately downgraded as non-performing assets/ Stage 3 unless and other wise explicitly stated in the Circulars and Directions issued by Reserve Bank of India from time to time. Once an asset has been classified as restructured, it will remain restructured for a period of one year from the date on which it has been restructured until the customer account demonstrates satisfactory performance during the specified period.

For upgradation of accounts classified as Non-Performing Assets due to restructuring, the instructions as specified for such cases as per the said RBI guidelines shall continue to be applicable.

Loan accounts which have been restructured or modified in accordance with RBI Notifications - RBI/2020-21/16 DOR. No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020- Resolution Framework for COVID-19 related Stress and RBI/2021-22/31/DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021- Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses and RBI/2020-21/17 DOR. No.BP.BC/4/21.04.048/2020-21- dated August 06, 2020 - Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances and RBI/2021-22/32 DOR. STR.REC.12/21.04.048/2021-22 dated May 5, 2021 Resolution Framework 2.0 – Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs) have been classified as Stage 2 due to significant increase in credit risk.

(x) Write-offs

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss. Write off in case of standard accounts is done by way of waiver of last one or two instalments in case the borrower pays all the EMIs as per the due dates mentioned in the agreement.

(xi) Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Company measures certain categories of financial instruments (as explained in note 6.1(iii) to 6.1(v)) 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 financial instruments where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments - Those financial instruments 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 financial instruments that include one or more unobservable input that is significant to the measurement as whole.

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

Difference between transaction price and fair value at initial recognition

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

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

6.2 Revenue from operations

(i) Interest Income

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

The EIR in case of a financial asset is computed

a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows.

c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

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

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

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

Interest spread under par structure of direct assignment of loan receivables is recognised upfront. On derecognition of the loan receivables in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognised upfront in the Statement of Profit and Loss.

(ii) Dividend Income

Dividend income is recognised when the right to receive the payment is established.

(iii) Rental Income

Rental income arising from operating leases is recognised on a straight-line basis over the lease term. In cases where the increase is in line with expected general inflation, rental income is recognised as per the contractual terms.

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

(iv) Fees & Commission Income

Fees and commissions are recognised when the Company satisfies the performance obligation, at the amount of transaction price (net of variable consideration) allocated to that performance obligation based on a five-step model as set out below, unless included in the effective interest calculation:

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

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

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

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

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

(v) Net gain/ loss on fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss (refer note 33), 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 or equity instruments measured at FVOCI is recognised in net gain / loss on fair value changes. As at the reporting date, the Company does not have any debt instruments measured at FVOCI.

(vi) Recoveries of financial assets written off

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

(vii) Net gain/ loss on derecognition of financial instruments under amortised cost category

In case where transfer of a part of financial assets qualifies for de-recognition, any difference between the proceeds received on such sale and the carrying value of the transferred asset is recognised as gain or loss on derecognition of such financial asset previously carried under amortisation cost category is presented separately under the respective head in the Statement of Profit and Loss. The resulting interest only strip initially is recognised at FVTPL under interest income.

6.3 Expenses

(i) Finance costs

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

The EIR in case of a financial liability is computed

a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows.

c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest expense with the corresponding adjustment to the carrying amount of the financial 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. These include fees and commissions payable to advisers and other expenses such as external legal costs, rating fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

(ii) Retirement and other employee benefits

Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

Post-employment employee benefits

a) Defined contribution schemes

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

b) Defined benefit schemes

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

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

The Company fully contributes all ascertained liabilities to the Trustees - Shriram Transport Finance Company Limited Employees' Group Gratuity Assurance Scheme and Shriram City Union Finance Limited Employees' Group Gratuity Assurance Scheme. The merger of the two trusts and subsequent change of name of the trusts to Shriram Finance Limited Employees Group Gratuity Assurance Scheme has received in principle approval from the Income Tax Department and the company is in process of completing the required formalities. Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Companies.

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

Other long-term employee benefits

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

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

Employee Stock Options

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

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

That cost is recognised, together with a corresponding increase in Share Option Outstanding Reserves in equity, over the period in which the performance and/ or service conditions are fulfilled in employee benefits expense/ vesting period. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

The Statement of Profit and Loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. No expense is recognised for awards that do not ultimately vest.

(iii) Leases

The Company as a lessee

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 01, 2019 (transition date). The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. For arrangements entered into prior to April 01, 2019, the Company has determined whether the arrangement contains a lease on the basis of facts and circumstances existing on the date of transition.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate at the transition date in case of leases existing as on the date of transition date and in case of leases entered after transition date, incremental borrowing rate as on the date of lease commencement date. In case of existing leases, the said date would be the date of transition. It is remeasured when there is a change in future lease payments arising from a change in a rate, if the Company changes its assessment of whether it will exercise an extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in Statement of Profit and Loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term. The Company's lease asset class consist of leases for office premises.

In case of a sub-lease, the Company accounts for its head lease and sub-lease separately.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Rental income arising from operating leases is recognised on a straight-line basis over the lease term. In cases where the increase is in line with expected general inflation, rental income is recognised as per the contractual terms.

(iv) Other income and expenses

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

(v) Impairment of non-financial assets, wherever applicable

The Company assesses at each balance sheet date whether there is any indication that a non-financial asset may be impaired due to events or changes in circumstances indicating that their carrying amounts may not be realised. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the revised recoverable amount, subject to maximum of the depreciated historical cost.

(vi) Taxes

Current Tax

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

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

Deferred tax

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

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

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

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

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

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

ii. When receivables and payables are stated with the amount of tax included.

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

(vii) Dividends on ordinary shares

The Company recognises a liability to make cash distributions to equity shareholders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Companies Act, 2013 final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when it is approved by the Board of Directors of the Company. A corresponding amount is recognised directly in equity.

6.4 Foreign currency translation

(i) Functional and presentational currency

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

(ii) Transactions and balances

Initial recognition

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

Conversion

Monetary assets and liabilities denominated in foreign currency, which are outstanding as at the reporting date, are translated at the reporting date at the closing exchange rate and the resultant exchange differences are recognised in the Statement of Profit and Loss.

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

6.5 Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand, cheques on hand, balances with banks (of the nature of cash and cash equivalents). CBLO and short- term deposits, as defined above.

6.6 Property, plant and equipment

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

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, if it is probable that future economic benefit will flow to the Company from that expenditure and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation

Depreciation is calculated using the straight–line method to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013 except for Leasehold improvements which are amortised on a straight-line basis over the period of lease or estimated period of useful life of such improvement, subject to a maximum period of 60 months. Leasehold improvements include all expenditure incurred on the leasehold premises that have future economic benefits. Land is not depreciated.

The estimated useful lives are as follows:

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

Exceptions to useful lives specified in Schedule II to the Companies Act, 2013 -Vehicles provided to employees as part of Cost-To-Company (CTC) scheme are depreciated using estimated useful life of 8 years without residual value.

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

Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income/ expense in the Statement of Profit and Loss in the year the asset is derecognised.

Depreciation on assets acquired/ sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from/ upto the date of acquisition/ sale.

The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

6.7 Intangible assets

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

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

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

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

The Company's intangible assets consist of computer software and distribution network with definite life and goodwill with indefinite life.

Goodwill is not subject to amortisation and is tested annually for impairment. Goodwill is carried at cost less accumulated impairment losses. The Company has determined the useful life of the intangible asset in the nature of branch network acquired through the scheme of amalgamation and started amortising the same over its useful life.

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

6.8 Investment Property

Properties, held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs.

Depreciation is recognised using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013 or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the Statement of Profit and Loss in the same period.

6.9 Ind AS 101 - First-time Adoption of Indian Accounting Standards

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment, intangible assets and investment property as at March 31, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment, intangible assets and investment property as on April 01, 2017.

6.10 Provisions

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

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the Statement of Profit and Loss net of any reimbursement. As at reporting date, the Company does not have any such provisions where the effect of time value of money is material.

6.11 Contingent Liabilities

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

6.12 Contingent Asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised nor disclosed in the financial statements. They are disclosed only when an inflow of economic benefits is probable. Contingent assets are reviewed at each Balance Sheet date.

6.13 Earning Per Share

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

6.14 Cash flow Statement

Cash flows are reported under the 'Indirect method' as set out in Ind AS 7 on 'Statement of Cash Flows, whereby net profit after tax is adjusted for the effects of transactions of non-cash nature, tax and any deferrals or accruals of past or future cash receipts or payments. The cash flows are prepared for the operating, investing and financing activities of the Company.

6.15 Business Combination

The Company applies the acquisition method of accounting for business combinations where common control does not exist. The consideration transferred by the Company for the acquisition of business comprises of fair value of the assets transferred, liabilities incurred, and the equity interests issued by the Company as at the acquisition date i.e. the date on which it obtains the control of the acquiree. The acquisition related costs are recognised in the statement of profit and loss as incurred, except to the extent related to the issue of debt or equity securities.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values on the acquisition date.

Intangible assets acquired in a business combination and recognised separately from Goodwill are initially recognised at their fair value at the acquisition date. Subsequent to initial recognition, intangible assets as well as Goodwill acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, respectively.

Goodwill is initially measured at cost, being the excess of the consideration transferred over the fair value of the net identifiable assets acquired. After initial recognition, Goodwill is tested annually for impairment and any impairment loss for Goodwill is recognised in the statement of profit and loss.

Distribution network is the value of the transferor company's branch network. Valuation of Distribution Network is as per With & Without Method. If the consideration transferred is less than the fair value of net identifiable assets acquired, the difference is recognised as capital reserve in other equity.

Further details and impact of this merger on financial statements of the Company is disclosed in note 51.

7. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

7.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

7.2 Defined employee benefit assets and liabilities

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

7.3 Fair value measurement

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

7.4 Impairment of loans portfolio

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

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary. The impairment loss on loans and advances is disclosed in more detail in note 6.1(ix) Overview of ECL principles.

7.5 Contingent liabilities and provisions other than impairment on loan portfolio

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

7.6 Effective Interest Rate (EIR) method

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

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

7.7 Estimating the incremental borrowing rate

The Company uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to for its incremental borrowings.

7.8 Other estimates

These include contingent liabilities, useful lives of tangible and intangible assets etc. The Company has determined the useful life of the intangible asset in the nature of branch network acquired through the scheme of amalgamation and started amortising the same over its useful life by making a suitable change in the accounting estimate.

(Rs. in crores)

	Particulars	As at March 31, 2024	As at March 31, 2023
8	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	182.95	153.43
	Balances with banks (of the nature of cash and cash equivalents)	2,860.19	3,923.23
	Cheques on hand	2.45	4.87
	Others		
	- Call money (CBLO)	-	499.72
	- Bank deposit with original maturity upto three months or less	2,967.78	4,924.05
	Total	**6,013.37**	**9,505.30**

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

There is no restriction with regard to cash and cash equivalents as at the end of the financial years March 31, 2024 and March 31, 2023.

(Rs. in crores)

	Particulars	As at March 31, 2024	As at March 31, 2023
9	**BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS**		
	Earmarked balances with banks for		
	- Unclaimed dividend accounts	10.60	8.63
	Bank deposit with original maturity for more than three months	0.35	478.95
	Balances with banks to the extent held as credit enhancement or security against the borrowings, guarantees, other commitments*	4,788.32	5,824.53
	Total	**4,799.27**	**6,312.11**

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

*Includes deposits Rs. 4,285.88 crores (March 31, 2023: Rs. 4,857.80 crores) pledged with banks as margin for credit enhancement, Rs. 1.51 crores (March 31, 2023: Rs. 4.01 crores) as margin for guarantees and Rs. 500.93 crores (March 31, 2023: Rs. 962.72 crores) pledged as lien against borrowings.

10 DERIVATIVE FINANCIAL INSTRUMENTS

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges. The Company had adopted hedge accounting.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts. The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

(Rs. in crores)

Particulars	As at March 31, 2024				As at March 31, 2023			
	Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities
Part I								
(i) **Currency derivatives:**								
Spots and forwards	19,162.15	(413.73)	-	-	16,864.26	(193.57)	-	-
Currency swaps	6,514.26	162.27	-	-	2,715.93	121.65	-	-
Cross currency interest rate swaps	981.02	269.89	-	-	3,229.67	588.33	-	-
Sub total (i)	**26,657.43**	**18.43**	-	-	**22,809.86**	**516.41**	-	-

10 DERIVATIVE FINANCIAL INSTRUMENTS (Contd.)

(Rs. in crores)

Particulars	As at March 31, 2024				As at March 31, 2023			
	Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities
(ii) Interest rate derivatives:								
Interest rate swaps	24,867.11	286.78	-	-	17,230.41	116.65	-	-
Interest rate caps	700.00	25.27	-	-	-	35.75	-	-
Sub total (ii)	**25,567.11**	**312.05**	-	-	**17,230.41**	**152.40**	-	-
Total Derivative financial instruments(i)+(ii)	**52,224.54**	**330.48**	-	-	**40,040.27**	**668.81**	-	-
Part II								
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:								
(i) Cash flow hedging:								
Currency derivatives	26,657.43	18.43	-	-	22,809.86	516.41	-	-
Interest rate derivatives	25,567.11	312.05	-	-	17,230.41	152.40	-	-
Total Derivative financial instruments	**52,224.54**	**330.48**	-	-	**40,040.27**	**668.81**	-	-

Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. The Company's risk management strategy and how it is applied to manage risk are explained in note 54.

Derivatives designated as hedging instruments

The Company designates its derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates. At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other. There is an economic relationship between the hedged item and the hedging instrument as the terms of the cross currency swap contract match that of the foreign currency borrowing (notional amount, interest payment dates, principal repayment date etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the hedging instruments is identical to the hedged risk components. To test the hedge effectiveness, the Company uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised in the statement of profit and loss.

Derivatives not designated as hedging instruments

There are no undesignated derivatives.

10 DERIVATIVE FINANCIAL INSTRUMENTS (Contd.)

Notes:

1) The interest rate risk and exchange rate risk on the borrowings of the Company are managed using various derivative instruments which are entered into from time to time. The risk management strategy and the use of derivatives are explained in note 54 and note 93.

2) The Company has designated the interest rate derivatives which were entered to mitigate interest rate risks on its external commercial bond and external commercial borrowings, as hedging instruments.

The impact of the hedging instrument on the Balance Sheet is as follows:

(Rs. in crores)

Hedged Instrument	As at March 31, 2024				As at March 31, 2023			
	Notional Amount	Carrying Amount	Line item in the Balance sheet	Change in fair value used for measuring ineffectiveness for the year	Notional Amount	Carrying Amount	Line item in the Balance sheet	Change in fair value used for measuring ineffectiveness for the year
Currency derivatives/ Interest rate derivatives	52,224.54	330.48	Derivative Financial Instruments	(56.12)	40,040.27	668.81	Derivative Financial Instruments	(14.68)

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

(Rs. in crores)

Hedged Item	As at March 31, 2024		As at March 31, 2023	
	Change in value used for measuring ineffectiveness	Cash flow hedge reserve as on March 31, 2024	Change in value used for measuring ineffectiveness	Cash flow hedge reserve as on March 31, 2023
External commercial bond, external commercial borrowings, term loan from banks and non-convertible debentures	56.12	(266.39)	14.68	(224.39)

The effect of cash flow hedge in the statement of profit and loss and other comprehensive income is as follows:

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Hedged Item	External commercial bond, external commercial borrowings, term loan from banks and non-convertible debentures	External commercial bond and external commercial borrowings
Total hedging gain/ (loss) recognised in OCI	(56.12)	(14.68)
Ineffectiveness recognised in the statement of profit and loss	-	-
Line item in the statement of profit and loss that include the hedge ineffectiveness	NA	NA
Amount reclassified from cash flow hedge reserve to the statement of profit and loss	-	-
Line item in the statement of profit and loss that includes the reclassification adjustment	NA	NA

11 RECEIVABLES

(I) Trade receivables

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	51.63	17.00
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Gross carrying amount	**51.63**	**17.00**
Less: Allowances for impairment loss on trade receivables considered good - unsecured	-	-
Less: Allowances for impairment loss on trade receivables which have significant increase in credit risk	-	-
Less: Allowances for impairment loss on credit impaired trade receivables	-	-
Net carrying amount	**51.63**	**17.00**

The Company's impairment assessment and measurement approach for trade receivables is mentioned at Note 6.1.(ix). of material accounting policies.

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

There are no dues from Directors or other officers of the Company or any firm or private company in which any Director is a partner, a Director or a member.

Trade receivables ageing

As at March 31, 2024

(Rs. in crores)

Particulars	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables								
Considered good	-	-	51.63	-	-	-	-	**51.63**
Which have significant increase in credit risk	-	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables								
Considered good	-	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-	-
Gross carrying amount	**-**	**-**	**51.63**	**-**	**-**	**-**	**-**	**51.63**

As at March 31, 2023

(Rs. in crores)

Particulars	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables								
Considered good	-	-	17.00	-	-	-	-	**17.00**
Which have significant increase in credit risk	-	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-	-

11 RECEIVABLES (Contd.)

As at March 31, 2023

(Rs. in crores)

Particulars	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Disputed Trade receivables								
Considered good	-	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-	-
Gross carrying amount	-	-	**17.00**	-	-	-	-	**17.00**

(II) Other receivables

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Other receivables considered good - secured	-	-
Other receivables considered good - unsecured*	294.35	204.86
Other receivables which have significant increase in credit risk	37.56	49.56
Other receivables - credit impaired	24.71	30.18
Gross carrying amount	**356.62**	**284.60**
Less: Allowances for impairment loss on other receivables considered good - unsecured	9.98	6.35
Less: Allowances for impairment loss on other receivables which have significant increase in credit risk	2.97	4.17
Less: Allowances for impairment loss on credit impaired other receivables	10.71	13.96
Net carrying amount	**332.96**	**260.12**

*Includes receivable from subsidiary Rs. Nil crores (March 31, 2023: Rs. 0.01 crores).

The Company's impairment assessment and measurement approach for trade receivables is mentioned at Note 6.1.(ix) of material accounting policies.

There are no dues from Directors or other officers of the Company or any firm or private company in which any Director is a partner, a Director or a member.

Other receivables ageing

As at March 31, 2024

(Rs. in crores)

Particulars	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed other receivables								
Considered good	-	294.02	0.33	-	-	-	-	**294.35**
Which have significant increase in credit risk	-	37.56	-	-	-	-	-	**37.56**
Credit impaired	-	21.99	0.29	2.43	-	-	-	**24.71**

11 RECEIVABLES (Contd.)

As at March 31, 2024

(Rs. in crores)

Particulars	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Disputed other receivables								
Considered good	-	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-	-
Gross carrying amount	**-**	**353.57**	**0.62**	**2.43**	**-**	**-**	**-**	**356.62**

As at March 31, 2023

(Rs. in crores)

Particulars	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed other receivables								
Considered good	192.78	-	12.08	-	-	-	-	**204.86**
Which have significant increase in credit risk	49.56	-	-	-	-	-	-	**49.56**
Credit impaired	26.79	-	0.43	2.96	-	-	-	**30.18**
Disputed other receivables								
Considered good	-	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-	-
Gross carrying amount	**269.13**	**-**	**12.51**	**2.96**	**-**	**-**	**-**	**284.60**

Reconciliation of impairment loss allowance on other receivables:

(Rs. in crores)

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as per April 01, 2022	**2.61**
Add: Addition during the year	21.88
Less: Reduction during the year	0.01
Impairment allowance as per March 31, 2023	**24.48**
Add: Addition during the year	2.75
Less: Reduction during the year	3.57
Impairment allowance as per March 31, 2024	**23.66**

(Rs. in crores)

	Particulars	As at March 31, 2024	As at March 31, 2023
12	**LOANS**		
	Loans (at amortised cost)		
	(A)		
	i) Term loans	204,033.67	171,702.30
	ii) Others @	17,633.99	11,636.12
	Total (A) - Gross	**221,667.66**	**183,338.42**
	Less : Impairment loss allowance	13,738.25	11,353.84
	Total (A) - Net	**207,929.41**	**171,984.58**
	(B)		
	i) Secured by tangible assets	203,987.68	171,671.86
	ii) Secured by deposits	45.99	30.44
	iii) Unsecured	17,633.99	11,636.12
	Total (B) - Gross	**221,667.66**	**183,338.42**
	Less : Impairment loss allowance	13,738.25	11,353.84
	Total (B) - Net	**207,929.41**	**171,984.58**
	(C)		
	Loans outside India	-	-
	Loans in India		
	i) Public sector	-	-
	ii) Others		
	Retail	219,462.04	182,341.86
	Corporates	2,205.62	996.56
	Total (C) - Gross	**221,667.66**	**183,338.42**
	Less : Impairment loss allowance	13,738.25	11,353.84
	Total (C) - Net	**207,929.41**	**171,984.58**

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

@ includes unsecured working capital loans, loans to employees, trade advances, personal loans, loans to MSME and part disbursement to customers.

Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in note 54.02 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in note 54.02.02.07.

(Rs. in crores)

Particulars	As at March 31, 2024				As at March 31, 2023			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Internal rating grade								
Performing								
High grade	151,330.90	-	-	**151,330.90**	126,447.61	-	-	**126,447.61**
Standard grade	43,248.93	-	-	**43,248.93**	29,172.33	-	-	**29,172.33**
Sub-standard grade	-	11,585.15	-	**11,585.15**	-	12,363.44	-	**12,363.44**
Past due but not impaired	-	3,421.53	-	**3,421.53**	-	3,972.86	-	**3,972.86**
Non- performing	-	-	12,081.15	**12,081.15**	-	-	11,382.18	**11,382.18**
Total	**194,579.83**	**15,006.68**	**12,081.15**	**221,667.66**	**155,619.94**	**16,336.30**	**11,382.18**	**183,338.42**

12 LOANS (Contd.)

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

(Rs. in crores)

Particulars	Year ended March 31, 2024				Year ended March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - Opening balance	**155,619.94**	**16,336.30**	**11,382.18**	**183,338.42**	**103,492.98**	**13,318.50**	**8,887.55**	**125,699.03**
Portfolio additions on account of business combination	-	-	-	-	26,100.37	3,652.01	836.81	**30,589.19**
Restated balance	**155,619.94**	**16,336.30**	**11,382.18**	**183,338.42**	**129,593.35**	**16,970.51**	**9,724.36**	**156,288.22**
New assets originated or purchased	133,587.23	6,761.67	1,835.41	**142,184.32**	101,779.74	8,131.66	1,937.11	**111,848.51**
Assets derecognised or repaid (excluding write offs and includes interest accruals adjusted)	(85,561.58)	(10,427.52)	(4,926.45)	**(100,915.54)**	(69,111.38)	(8,996.14)	(4,076.44)	**(82,183.96)**
Transfers to stage 1	12,938.72	(10,426.63)	(2,512.09)	-	11,892.10	(9,874.75)	(2,017.35)	-
Transfers to stage 2	(14,815.58)	15,296.85	(481.27)	-	(11,838.57)	12,704.98	(866.41)	-
Transfers to stage 3	(6,167.48)	(2,324.64)	8,492.12	-	(5,847.04)	(2,472.24)	8,319.28	-
Amounts written off	(1,021.43)	(209.35)	(1,708.75)	**(2,939.53)**	(848.26)	(127.72)	(1,638.37)	**(2,614.35)**
Gross carrying amount - Closing balance	**194,579.83**	**15,006.68**	**12,081.15**	**221,667.66**	**155,619.94**	**16,336.30**	**11,382.18**	**183,338.42**

Reconciliation of ECL balance is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2024				Year ended March 31, 2023			
	General approach				General approach			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - Opening balance	**4,541.30**	**1,105.27**	**5,707.27**	**11,353.84**	**3,381.35**	**1,211.03**	**4,441.50**	**9,033.88**
New assets originated or purchased	4,237.94	524.62	624.39	**5,386.95**	2,719.46	641.75	729.33	**4,090.54**
Transfers to stage 1	1,999.19	(934.51)	(1,064.68)	-	1,743.97	(875.77)	(868.20)	-
Transfers to stage 2	(494.81)	695.92	(201.11)	-	(385.25)	755.51	(370.26)	-
Transfers to stage 3	(208.69)	(205.93)	414.62	-	(200.23)	(212.90)	413.13	-
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery	(3,337.12)	11.88	2,613.93	**(711.31)**	(2,435.63)	(242.02)	2,781.60	**103.95**
Provision no longer required	(363.79)	(89.73)	(1,837.71)	**(2,291.22)**	(282.37)	(172.33)	(1,419.83)	**(1,874.53)**
ECL allowance - Closing balance	**6,374.03**	**1,107.51**	**6,256.71**	**13,738.25**	**4,541.30**	**1,105.27**	**5,707.27**	**11,353.84**

The contractual amount outstanding on loans that have been written off during the financial year, but were still subject to enforcement activity was Rs. 1,485.28 crores (Rs. 1,463.57 crores for March 31, 2023).

13 INVESTMENTS

(Rs. in crores)

Particulars	As at March 31, 2024					As at March 31, 2023				
	Amortised Cost	At Fair Value		Others (at cost)	Total	Amortised Cost	At Fair Value		Others (at cost)	Total
		Through OCI	Through Profit or Loss				Through OCI	Through Profit or Loss		
Quoted										
i) Investments in mutual funds	-	-	300.38	-	**300.38**	-	-	512.31	-	**512.31**
ii) Investments in government securities (Refer note 65)	6,468.36	-	-	-	**6,468.36**	5,219.92	-	-	-	**5,219.92**
iii) Investments in equity instruments	-	79.84	-	-	**79.84**	-	63.35	-	-	**63.35**
Unquoted										
i) Investments in equity instruments	-	-	25.82	-	**25.82**	-	-	25.40	-	**25.40**
ii) Investment in subsidiary (Refer note 44)	-	-	-	1,562.24	**1,562.24**	-	-	-	1,562.24	**1,562.24**
iii) Investments in associate (Refer note 44)	-	-	-	13.37	**13.37**	-	-	-	13.37	**13.37**
iv) Investments in pass through certificates	2,281.56	-	-	-	**2,281.56**	1,207.71	-	-	-	**1,207.71**
v) Others										
Venture Capital Fund	-	-	1.52	-	**1.52**	-	-	1.53	-	**1.53**
Total Gross (A)	**8,749.92**	**79.84**	**327.72**	**1,575.61**	**10,733.09**	**6,427.63**	**63.35**	**539.24**	**1,575.61**	**8,605.83**
i) Investments outside India	-	79.84	-	-	**79.84**	-	63.35	-	-	**63.35**
ii) Investments in India	8,749.92	-	327.72	1,575.61	**10,653.25**	6,427.63	-	539.24	1,575.61	**8,542.48**
Total Gross (B)	**8,749.92**	**79.84**	**327.72**	**1,575.61**	**10,733.09**	**6,427.63**	**63.35**	**539.24**	**1,575.61**	**8,605.83**
Less : Allowance for impairment loss (C)	76.45	-	-	-	**76.45**	40.77	-	-	-	**40.77**
Total - Net D = (A) - (C)	**8,673.47**	**79.84**	**327.72**	**1,575.61**	**10,656.64**	**6,386.86**	**63.35**	**539.24**	**1,575.61**	**8,565.06**

More information regarding the valuation methodologies can be found in note 53.09.

There are no investments designated at FVTPL.

The dividends of Rs. 1.45 crores (March 31, 2023: Rs. 6.52 crores) received from investments in shares are recorded as dividend income.

13 INVESTMENTS (Contd.)

Investments carried at amortised cost

The table below shows the credit quality and the maximum exposure to credit risk per based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system for investments carried at amortised cost are explained in note 54.02.

(Rs. in crores)

Particulars	As at March 31, 2024				As at March 31, 2023			
	Stage 1 individual	Stage 2 individual	Stage 3	Total	Stage 1 individual	Stage 2 individual	Stage 3	Total
Internal rating grade								
Performing								
High grade	8,749.92	-	-	**8,749.92**	6,427.63	-	-	**6,427.63**
Total	**8,749.92**	**-**	**-**	**8,749.92**	**6,427.63**	**-**	**-**	**6,427.63**

An analysis of changes in gross carrying amount and the corresponding ECLs on investments carried at amortised cost which are subject to ECL is as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2024				Year ended March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount – opening balance	**6,427.63**	-	-	**6,427.63**	**4,461.06**	-	-	**4,461.06**
Effects of business combination (Refer note 51)	-	-	-	-	772.58	-	-	**772.58**
New assets originated or purchased	3,739.21	-	-	**3,739.21**	2,505.54	-	-	**2,505.54**
Assets derecognised or matured (excluding write-offs)	(1,416.92)	-	-	**(1,416.92)**	(1,311.55)	-	-	**(1,311.55)**
Closing balance	**8,749.92**	**-**	**-**	**8,749.92**	**6,427.63**	**-**	**-**	**6,427.63**

Reconciliation of ECL balance is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2024				Year ended March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance in ECL	**40.77**	-	-	**40.77**	**36.00**	-	-	**36.00**
Effects of business combination (Refer note 51)	-	-	-	-	0.07	-	-	**0.07**
Changes to models and inputs used for ECL calculations	35.68	-	-	**35.68**	4.70	-	-	**4.70**
Closing balance in ECL	**76.45**	**-**	**-**	**76.45**	**40.77**	**-**	**-**	**40.77**

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
14 OTHER FINANCIAL ASSETS		
Security deposits (at amortised cost)		
Gross	73.37	76.78
Less: Impairment loss allowance	5.13	4.08
Net	**68.24**	**72.70**

14 OTHER FINANCIAL ASSETS (Contd.)

Reconciliation of ECL balance in relation to security deposits is given below:

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
ECL allowance - opening balance	**4.08**	**0.39**
Add: Addition during the year	1.29	3.69
Less: Reduction during the year	0.24	-
ECL allowance - closing balance	**5.13**	**4.08**

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
15 CURRENT TAX ASSETS (NET)		
Advance income tax [net of provision for income tax Rs. 10,940.12 crores (March 31, 2023: Rs. 7,559.44 crores)]	572.51	716.97
Total	**572.51**	**716.97**

(Rs. in crores)

Particulars	Freehold land	Building	Total
16 INVESTMENT PROPERTY			
Gross block*			
As at April 01, 2022	**0.70**	**1.45**	**2.15**
Additions	-	-	-
Transfer from property, plant and equipment	-	0.77	**0.77**
Disposals	-	-	-
As at March 31, 2023	**0.70**	**2.22**	**2.92**
Additions	-	-	-
Disposals	0.70	1.20	**1.90**
As at March 31, 2024	**-**	**1.02**	**1.02**
Accumulated depreciation and impairment losses			
As at April 01, 2022	-	**0.18**	**0.18**
Charge for the year	-	0.05	**0.05**
Transfer from property, plant and equipment	-	0.07	**0.07**
Disposals	-	-	-
As at March 31, 2023	-	**0.30**	**0.30**
Charge for the year	-	0.04	**0.04**
Disposals	-	0.30	**0.30**
As at March 31, 2024	-	**0.04**	**0.04**
Net carrying amount as at March 31, 2023	**0.70**	**1.92**	**2.62**
Net carrying amount as at March 31, 2024	**-**	**0.98**	**0.98**

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

16 INVESTMENT PROPERTY (Contd.)

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

(Rs. in crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Rental income from investment property	0.13	0.17
Direct operating expenses arising from investment property that generated rental income during the year	0.02	0.02
Direct operating expenses arising from investment property that did not generate rental income during the year	0.03	0.00
Profit from investment property before depreciation	**0.08**	**0.15**
Depreciation charge for the year	0.04	0.05
Profit from investment property after depreciation	**0.04**	**0.10**

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

(ii) Contractual obligations

The Company has no contractual obligations to purchase, construct or develop investment property. However, the responsibility for its repairs, maintenance or enhancements is with the Company.

(iii) Fair value

The fair value of the investment property as at March 31, 2024 is Rs. 4.11 crores (March 31, 2023 is Rs. 6.47 crores).

(iv) Pledged details

Carrying value of investment property pledged as collateral for liabilities as at March 31, 2024 is Rs. Nil (March 31, 2023 is Rs. 0.91 crores).

(v) Estimation of fair value

The fair values of investment property is determined by guidance value given by the local government of the area where the investment properties are located.

(vi) Leasing arrangements

Investment properties are leased out to tenants. Agreements provide for cancellation by either party or contain clause for escalation and renewal of agreements. The non-cancellable operating lease agreement is for a period of 108 months.

17 PROPERTY, PLANT AND EQUIPMENT

(Rs. in crores)

Particulars	Freehold land	Building	Plant and equipment	Computers	Office equipment	Furniture and fixtures	Vehicles	Leasehold improvement	Right-of-use Asset(Lease premises)	Total
Gross block*										
As at April 01, 2022	**0.59**	**2.39**	**11.46**	**57.85**	**32.60**	**32.29**	**0.06**	**113.63**	**570.74**	**821.61**
Effects of business combination (Refer note 51)	0.02	0.13	31.94	80.30	39.13	30.82	0.67	146.55	289.50	**619.06**
Restated as at April 01, 2022	**0.61**	**2.52**	**43.40**	**138.15**	**71.73**	**63.11**	**0.73**	**260.18**	**860.24**	**1,440.67**
Additions	-	-	2.91	42.00	10.24	16.50	0.53	33.10	175.01	**280.29**
Transferred to investment property	-	(0.77)	-	-	-	-	-	-	-	**(0.77)**
Disposals	-	-	2.62	17.05	3.63	2.37	0.38	9.32	11.10	**46.47**
As at March 31, 2023	**0.61**	**1.75**	**43.69**	**163.10**	**78.34**	**77.24**	**0.88**	**283.96**	**1,024.15**	**1,673.72**
Additions	-	-	3.05	57.61	18.89	18.80	1.03	71.76	247.87	**419.01**
Transferred to Other intangible assets	-	-	3.42	(4.52)	0.01	-	-	-	-	**(1.09)**
Disposals	-	0.27	4.23	15.84	7.91	5.21	0.04	10.73	29.21	**73.44**
As at March 31, 2024	**0.61**	**1.48**	**45.93**	**200.35**	**89.33**	**90.83**	**1.87**	**344.99**	**1,242.81**	**2,018.20**
Accumulated depreciation and impairment losses										
As at April 01, 2022	-	**0.07**	**4.83**	**27.88**	**18.69**	**11.31**	**(0.11)**	**77.64**	**268.22**	**408.53**
Effects of business combination (Refer note 51)	-	0.04	17.71	65.19	32.65	19.71	0.27	129.83	114.64	**380.04**
Restated as at April 01, 2022	-	**0.11**	**22.54**	**93.07**	**51.34**	**31.02**	**0.16**	**207.47**	**382.86**	**788.57**
Charge for the year	-	0.02	3.86	21.39	9.00	5.86	0.16	26.89	151.11	**218.29**
Transferred to investment property	-	(0.07)	-	-	-	-	-	-	-	**(0.07)**
Disposals	-	-	2.33	15.77	3.36	1.69	0.31	9.28	0.03	**32.77**
As at March 31, 2023	-	**0.06**	**24.07**	**98.69**	**56.98**	**35.19**	**0.01**	**225.08**	**533.94**	**974.02**
Charge for the year	-	0.03	3.46	30.71	8.10	7.21	0.17	29.96	159.63	**239.27**
Transferred to Other intangible assets	-	-	3.15	(4.20)	0.01	-	-	-	-	**(1.04)**
Disposals	-	0.04	3.55	14.14	7.50	3.94	0.04	10.61	-	**39.82**
As at March 31, 2024	-	**0.05**	**27.13**	**111.06**	**57.59**	**38.46**	**0.14**	**244.43**	**693.57**	**1,172.43**
Net carrying amount as at March 31, 2023	**0.61**	**1.69**	**19.62**	**64.41**	**21.36**	**42.05**	**0.87**	**58.88**	**490.21**	**699.70**
Net carrying amount as at March 31, 2024	**0.61**	**1.43**	**18.80**	**89.29**	**31.74**	**52.37**	**1.73**	**100.56**	**549.24**	**845.77**

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

Carrying value of property, plant and equipment pledged as collateral for liabilities as at March 31, 2024 is Rs. 0.17 crores (March 31, 2023 is Rs. 0.35 crores).

The Company has not revalued any of its property, plant and equipment during the year ended March 31, 2024 and year ended March 31, 2023. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/ reversals is Rs. Nil.

18 INTANGIBLE ASSETS UNDER DEVELOPMENT, GOODWILL AND OTHER INTANGIBLE ASSETS

(A) Intangible assets under development

(Rs. in crores)

Particulars	Amount
Gross block	
As at April 01, 2022	-
Additions	66.08
Disposals	-
As at March 31, 2023	**66.08**
Additions	-
Disposals	-
Transferred to Other intangible assets	(66.08)
As at March 31, 2024	-
Accumulated amortisation and impairment losses	
As at April 01, 2022	-
Charge for the year	-
Disposals	-
As at March 31, 2023	-
Charge for the year	-
Disposals	-
As at March 31, 2024	-
Net carrying amount as at March 31, 2023	**66.08**
Net carrying amount as at March 31, 2024	-

Intangible assets under development aging

As at March 31, 2024

Intangible assets under development were Rs. Nil for the financial year ended March 31, 2024.

As at March 31, 2023

(Rs. in crores)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	66.08	-	-	-	**66.08**
Projects temporarily suspended	-	-	-	-	-

18 INTANGIBLE ASSETS UNDER DEVELOPMENT, GOODWILL AND OTHER INTANGIBLE ASSETS # (Contd.)

(B) Goodwill

(Rs. in crores)

Particulars	Amount
Gross block	
As at April 01, 2022	-
Effects of business combination (Refer note 51)	1,408.63
Restated as at April 01, 2022	**1,408.63**
Additions	-
Effects of business combination (Refer note 51)	(1.90)
Disposals	-
As at March 31, 2023	**1,406.73**
Additions	-
Disposals	-
As at March 31, 2024	**1,406.73**
Accumulated amortisation and impairment losses	
As at April 01, 2022	-
Effects of business combination (Refer note 51)	-
Restated as at April 01, 2022	-
Charge for the year	-
Disposals	-
As at March 31, 2023	-
Charge for the year	-
Disposals	-
As at March 31, 2024	-
Net carrying amount as at March 31, 2023	**1,406.73**
Net carrying amount as at March 31, 2024	**1,406.73**

(C) Other intangible assets

(Rs. in crores)

Particulars	Computer Software (A)	Distribution Network (B)	Total (C) = (A)+(B)
Gross block*			
As at April 01, 2022	**7.27**	-	**7.27**
Effects of business combination (Refer note 51)	43.39	1,511.00	**1,554.39**
Restated as at April 01, 2022	**50.66**	**1,511.00**	**1,561.66**
Additions	5.67	-	**5.67**
Effects of business combination (Refer note 51)	-	1.90	**1.90**
Disposals	0.00	-	**0.00**
As at March 31, 2023	**56.33**	**1,512.90**	**1,569.23**
Additions	79.66	-	**79.66**
Disposals	1.09	-	**1.09**
Transfer from Property, plant and equipment	1.10	-	**1.10**
Transfer from Intangible assets under development	66.08		**66.08**
As at March 31, 2024	**202.08**	**1,512.90**	**1,714.98**

18 INTANGIBLE ASSETS UNDER DEVELOPMENT, GOODWILL AND OTHER INTANGIBLE ASSETS # (Contd.)

(C) Other intangible assets

(Rs. in crores)

Particulars	Computer Software (A)	Distribution Network (B)	Total (C) = (A)+(B)
Accumulated amortisation and impairment losses			
As at April 01, 2022	**4.23**	-	**4.23**
Effects of business combination (Refer note 51)	41.50	-	**41.50**
Restated as at April 01, 2022	**45.73**	-	**45.73**
Charge for the year	3.27	302.58	**305.85**
Disposals	-	-	-
As at March 31, 2023	**49.00**	**302.58**	**351.58**
Charge for the year	26.94	302.58	**329.52**
Disposals	1.09	-	**1.09**
Transfer from Property, plant and equipment	1.04	-	**1.04**
As at March 31, 2024	**75.89**	**605.16**	**681.05**
Net carrying amount as at March 31, 2023	**7.33**	**1,210.32**	**1,217.65**
Net carrying amount as at March 31, 2024	**126.19**	**907.74**	**1,033.93**

Other than internally generated

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

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

The Company has not revalued any of its intangible assets during the financial year ended March 31, 2024 and March 31, 2023. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/ reversals is Rs. Nil.

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
19 OTHER NON-FINANCIAL ASSETS		
Goods and services tax credit (input) receivable	237.92	323.33
Prepaid expenses	18.11	21.22
Capital advances	7.40	8.64
Duties paid under protest	49.44	43.13
Other non-financial assets*	37.19	28.19
Total	**350.06**	**424.51**

*Other non-financial assets include advances to employees, vendors and towards rent.

20 PAYABLES

(I) Trade payables

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) total outstanding dues of micro enterprises and small enterprises (Refer note 55)	0.02	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises*	211.76	293.24
Total	**211.78**	**293.24**

*Includes payable to associate Rs. 3.24 crores (March 31, 2023: Rs. 1.06 crores).

20 PAYABLES (Contd.)

Trade payables ageing

As at March 31, 2024 (Rs. in crores)

Particulars	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	0.02	-	-	-	**0.02**
(ii) Others	44.37	28.02	137.01	0.61	0.69	1.06	**211.76**
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**44.37**	**28.02**	**137.03**	**0.61**	**0.69**	**1.06**	**211.78**

As at March 31, 2023 (Rs. in crores)

Particulars	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	78.60	-	211.15	0.96	1.23	1.30	**293.24**
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**78.60**	**-**	**211.15**	**0.96**	**1.23**	**1.30**	**293.24**

(II) Other payables (Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) total outstanding dues of micro enterprises and small enterprises (Refer note 55)	2.25	0.36
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	3.16	1.09
Total	**5.41**	**1.45**

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
21 DEBT SECURITIES		
At amortised cost		
Secured		
Redeemable non-convertible debentures		
- Public issue ¥	1,128.46	2,508.89
- Privately placed ¥ ¥	30,411.55	27,648.08
External commercial bond	10,948.31	12,513.28
Senior secured notes	-	894.73

21 DEBT SECURITIES (Contd.)

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured		
Redeemable non-convertible debentures		
- Privately placed	90.42	87.61
Commercial papers	2,369.87	-
Total	**44,948.61**	**43,652.59**
Debt securities in India	34,000.30	30,244.58
Debt securities outside India	10,948.31	13,408.01
Total	**44,948.61**	**43,652.59**

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

¥ includes Rs. 76.56 crores (March 31, 2023 Rs. 87.68 crores) issued to related parties.

¥¥ includes Rs. 511.02 crores (March 31, 2023 Rs. 370.13 crores) issued to related parties.

Term of repayment, nature of security, etc

A) Redeemable Non-Convertible Debenture (NCD) - Secured

1 Public issue of Non-Convertible Debentures (NCD) of Rs. 1,000/- each

Terms of repayment

As at March 31, 2024 (Rs. in crores)

Sl.	Particulars	Amount Utilised	Redeemable at par/ premium (from the date of the Balance Sheet) (Rate of interest <10%)						Total	Date of redemption	Amount redeemed
			Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years			
i.	(IPO 2018 - 1)	3,648.52	-	-	-	-	-	499.93	**499.93**	July 12, 2023	780.85
										July 12, 2021	2,285.45
										December 26, 2019	107.40
ii.	(IPO 2018 - 2)	606.79	-	-	-	-	-	72.16	**72.16**	November 02, 2021	284.39
										November 02, 2022	251.08
iii.	(IPO 2018 - 3)	537.31	-	-	-	-	-	60.40	**60.40**	February 06, 2022	247.04
										February 06, 2024	229.75
iv.	(IPO 2019 - 2)	193.67	72.98	-	26.70	-	-	-	**99.68**	January 28, 2023	100.65
	Total								**732.17**		

As at March 31, 2023 (Rs. in crores)

Sl.	Particulars	Amount Utilised	Redeemable at par/ premium (from the date of the Balance Sheet) (Rate of interest <10%)						Total	Date of redemption	Amount redeemed
			Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years			
i.	(IPO 2018 - 1)	3,648.52	865.47	-	-	-	-	498.94	**1,364.41**	July 12, 2021	2,285.45
										December 26, 2019	107.40
ii.	(IPO 2018 - 2)	606.79	275.95	-	-	-	-	71.99	**347.94**	November 02, 2021	284.39
iii.	(IPO 2018 - 3)	537.32	249.73	-	-	-	-	60.26	**309.99**	February 06, 2022	247.04

21 DEBT SECURITIES (Contd.)

As at March 31, 2023 (Rs. in crores)

Sl.	Particulars	Amount Utilised	Redeemable at par/ premium (from the date of the Balance Sheet) (Rate of interest <10%)						Total	Date of redemption	Amount redeemed
			Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years			
iv.	(IPO 2019 - 2)	193.67	-	70.71	-	26.57	-	-	**97.28**	January 28, 2023	100.65
	Total								**2,119.62**		

Nature of security

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

2 Public issue of Non-Convertible Debentures (NCD) of Rs. 1,000/- each

Terms of repayment

As at March 31, 2024 (Rs. in crores)

Sl.	Particulars	Rate of interest	Amount Utilised	Redeemable at par/ premium (from the date of the Balance Sheet)						Total	Date of redemption	Amount redeemed
				Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years			
i.	(IPO 2019 - 1)	< 10%	129.41	61.14	-	42.54	-	-	-	**103.68**	February 22, 2023	42.23
		>= 10% < 12%	210.53	49.88	-	27.49	-	-	-	**77.37**	February 22, 2022	53.11
											February 22, 2023	84.02
ii.	(IPO 2019 - April)	>= 10% < 12%	252.51	140.32	-	-	-	-	-	**140.32**	April 30, 2022	130.36
iii.	(IPO 2019 - September)	< 10%	48.35	11.12	-	-	-	-	-	**11.12**	September 25, 2022	37.29
		>= 10% < 12%	57.92	63.80	-	-	-	-	-	**63.80**	-	-
	Total									**396.29**		

As at March 31, 2023 (Rs. in crores)

Sl.	Particulars	Rate of interest	Amount Utilised	Redeemable at par/ premium (from the date of the Balance Sheet)						Total	Date of redemption	Amount redeemed
				Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years			
i.	(IPO 2019 - 1)	< 10%	129.41	-	58.47	-	40.45	-	-	**98.92**	February 22, 2023	42.23
		>= 10% < 12%	210.53	-	49.59	-	27.38	-	-	**76.97**	February 22, 2022	53.11
											February 22, 2023	84.02
ii.	(IPO 2019 - April)*	>= 10% < 12%	252.51	-	138.55	-	-	-	-	**138.55**	April 30, 2022	130.36
iii.	(IPO 2019 - September)*	< 10%	48.35	-	11.23	-	-	-	-	**11.23**	September 25, 2022	37.29
		>= 10% < 12%	57.92	-	63.59	-	-	-	-	**63.59**	-	-
	Total									**389.26**		

*Effects of business combination (Refer note 51)

21 DEBT SECURITIES (Contd.)

Nature of security

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

3 Privately placed Redeemable Non-Convertible Debenture of Rs. 1,000,000/- each

Terms of repayment

As at March 31, 2024 (Rs. in crores)

Particulars	Rate of interest	Redeemable at par/ premium (from the date of the Balance Sheet)						Total
		Upto 1 year ^ # $	1-2 years ^	2-3 years ^ $	3-4 years $	4-5 years	Over 5 years	
Privately placed Redeemable Non-Convertible Debenture of Rs. 1,000,000/- each	< 10% ^ $	2,955.49	1,435.21	445.87	-	-	11,767.44	**16,604.01**
	>= 10% < 12%^ #	3,145.26	-	-	-	-	161.51	**3,306.77**
Total		**6,100.75**	**1,435.21**	**445.87**	**-**	**-**	**11,928.95**	**19,910.78**

^ NCD amounting to Rs. 2,027.70 crores issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

includes NCD of Rs. 250 crores partly paid to the extent of Rs. 12.50 crores.

$ Out of above NCD having put/ call option are as under

Sr No.	Put/ Call Option Date	Rate of interest	Amount (Rs. in crores)
1	May 22, 2024	9.06%	200.00
2	September 12, 2025	8.93%	190.00
3	September 12, 2025	8.93%	300.00
4	September 12, 2025	9.09%	345.00
5	October 31, 2025	9.14%	50.00
6	November 01, 2026	8.96%	325.00
7	April 02, 2027	8.48%	100.00
Total			**1,510.00**

Terms of repayment

As at March 31, 2023 (Rs. in crores)

Particulars	Rate of interest	Redeemable at par/ premium (from the date of the Balance Sheet)						Total
		Upto 1 year ^ # $	1-2 years ^	2-3 years ^ $	3-4 years $	4-5 years	Over 5 years	
Privately placed Redeemable Non-Convertible Debenture of Rs. 1,000,000/- each	< 10% ^ $	7,944.80	3,863.34	813.59	445.54	-	11,899.74	**24,967.01**
	>= 10% < 12%^ #	206.11	1,615.46	-	-	-	-	**1,821.57**
Total		**8,150.91**	**5,478.80**	**813.59**	**445.54**	**-**	**11,899.74**	**26,788.58**

^ NCD amounting to Rs. 4,067.70 crores issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

includes NCD of Rs. 250.00 crores partly paid to the extent of Rs. 216.67 crores.

21 DEBT SECURITIES (Contd.)

$ Out of above NCD having put/ call option are as under

Sr No.	Put/ Call Option Date	Rate of interest	Amount (Rs. in crores)
1	August 12, 2023	7.95%	260.00
2	October 31, 2025	9.14%	50.00
3	April 02, 2027	8.48%	100.00
Total			**410.00**

Nature of security

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

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company.

4 Privately placed Redeemable Non-Convertible Debenture of Rs. 100,000/- each (Effects of business combination - Refer note 51)

Terms of repayment

As at March 31, 2024 (Rs. in crores)

Particulars	Rate of interest	Redeemable at par/ premium (from the date of the Balance Sheet)						Total
		Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	
Privately placed Redeemable Non-Convertible Debenture of Rs. 100,000/- each	< 10%	1,028.49	2,054.10	3,891.24	154.65	1,604.02	358.05	**9,090.55**
	>= 10% < 12%	340.55	-	259.74	-	809.93	-	**1,410.22**
Total		**1,369.04**	**2,054.10**	**4,150.98**	**154.65**	**2,413.95**	**358.05**	**10,500.77**

As at March 31, 2023 (Rs. in crores)

Particulars	Rate of interest	Redeemable at par/ premium (from the date of the Balance Sheet)						Total
		Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	
Privately placed Redeemable Non-Convertible Debenture of Rs. 100,000/- each	< 10%	-	-	399.35	124.16	-	-	**523.51**
	>= 10% < 12%	-	335.99	-	-	-	-	**335.99**
Total		-	**335.99**	**399.35**	**124.16**	-	-	**859.50**

Nature of security

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

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company.

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Public issue (1+2)	1,128.46	2,508.88
Privately placed (3+4)	30,411.55	27,648.08
Total Non-Convertible Debentures - Secured	**31,540.01**	**30,156.96**

21 DEBT SECURITIES (Contd.)

B) External Commercial Bond (ED) - Secured

i) Privately placed Redeemable External Commercial Bond

Terms of repayment

As at March 31, 2024 (Rs. in crores)

Particulars	Rate of interest	Redeemable at par/ premium (from the date of the Balance Sheet)						Total	Date of redemption	Amount redeemed
		Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years			
Privately placed Redeemable External Commercial Bond	**< 10%**	-	3,391.22	1,239.85	6,317.24	-	-	**10,948.31**	March 13, 2024	1,630.35
									March 13, 2024	3,672.50
									October 24, 2022	3,991.97
									February 28, 2022	2,849.90
	>= 10% < 12%	-	-	-	-	-	-	-	July 16, 2023	1,758.28
Total		**-**	**3,391.22**	**1,239.85**	**6,317.24**	**-**	**-**	**10,948.31**		**13,903.00**

As at March 31, 2023 (Rs. in crores)

Particulars	Rate of interest	Redeemable at par/ premium (from the date of the Balance Sheet)						Total	Date of redemption	Amount redeemed
		Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years			
Privately placed Redeemable External Commercial Bond	**< 10%**	6,030.31	-	3,305.98	1,219.57	-	-	**10,555.86**	October 24, 2022	3,991.97
									February 28, 2022	2,849.90
	>= 10% < 12%	1,957.42	-	-	-	-	-	**1,957.42**	-	-
Total		**7,987.73**	**-**	**3,305.98**	**1,219.57**	**-**	**-**	**12,513.28**		**6,841.87**

Issue details of External Commercial Bonds outstanding as at March 31, 2024

Date of Issue	Product	ROI	Amount		Program	Listed on	Due dates	Utilisation
			USD	Rs. in crores				
January 22, 2024	Senior Secured Notes	6.625%	750,000,000	6,238.50	USD 3,500,000,000 Global Medium Term Note (GMTN) Programme	Indian International Exchange ("INX") January 24, 2024	2027	The proceeds of the issue of the notes have been utilised in accordance with the Company's Social Finance Framework and as may be permitted by the RBI ECB guidelines for onward lending and other activities
March 29, 2023	Senior Secured Floating Rate Notes	6.370%	150,000,000	1,233.00		Indian International Exchange ("INX") March 29, 2023	2026	
January 18, 2022	Senior Secured Notes (Social Bonds)	4.150%	475,000,000	3,512.86		Singapore Stock Exchange (SGX-ST) on January 19, 2022	2025	
March 31, 2021	Senior Secured Notes (Social Bonds)	4.400%	225,000,000	1,630.35	USD 500,000,000 Global Medium Term Note (GMTN) Programme	Singapore Stock Exchange (SGX-ST) on April 01, 2021	2024	
January 13, 2021	Senior Secured Notes (Social Bonds)	4.400%	500,000,000	3,672.50	USD 3,000,000,000 Global Medium Term Note (GMTN) Programme	Singapore Stock Exchange (SGX-ST) on January 14, 2021		
January 16, 2020	Senior Secured Notes (Social Bonds)	5.100%	500,000,000	3,643.25		Singapore Stock Exchange (SGX-ST)	2023	

Nature of security

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

21 DEBT SECURITIES (Contd.)

C) Senior Secured Notes

i) Senior Secured Notes of Rs. 10,000,000/- each

Terms of repayment

(Rs. in crores)

Particulars	Amount Utilised	Rate of interest	Tenure (from the date of the Balance Sheet)						Total	Date of redemption	Amount redeemed
			Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years			
As at March 31, 2024	2,510.00	< 10%	-	-	-	-	-	-	-	June 08, 2023	840.00
										March 12, 2021	320.00
										February 18, 2020	1,350.00
As at March 31, 2023	2,510.00	< 10%	894.73	-	-	-	-	-	**894.73**	March 12, 2021	320.00
										February 18, 2020	1,350.00

Nature of security

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

D) Redeemable Non-Convertible Debenture (NCD) - Unsecured

i) Privately placed Redeemable Non-Convertible Debenture of Rs. 1,000,000/- each

Terms of repayment

(Rs. in crores)

Particulars		Rate of interest	Redeemable at par/ premium (from the date of the Balance Sheet)						Total
			Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	
Privately placed Redeemable Non-Convertible Debenture of Rs. 1,000,000/- each	**As at March 31, 2024**	**>= 12% < 14%**	90.42	-	-	-	-	-	90.42
	As at March 31, 2023	**>= 12% < 14%**	-	87.61	-	-	-	-	87.61

E) Commercial papers (CP) - Unsecured

Terms of repayment

(Rs. in crores)

Particulars	Rate of interest	As at March 31, 2024	As at March 31, 2023
Commercial papers	< 10%	2,369.87	-

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
22 BORROWINGS (OTHER THAN DEBT SECURITIES)		
At amortised cost		
Secured		
Term loan from banks - INR	35,232.49	31,900.26
Term loan from financial institutions/corporates - INR	10,405.19	9,296.56
External commercial borrowing - FCNR	14,467.05	9,828.01
Loans repayable on demand from banks (Cash credit from banks)	906.04	459.10
Bank overdrafts	1,999.87	-
Other loans - INR - Securitisation liabilities	29,138.16	22,106.09
Total	**92,148.80**	**73,590.02**
Borrowings in India	77,681.75	63,762.01
Borrowings outside India	14,467.05	9,828.01
Total	**92,148.80**	**73,590.02**

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

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

The borrowings have not been guaranteed by directors or others. The Company has not defaulted in repayment of principal and interest to its lenders.

The Company has utilised the funds raised from banks and financial institutions for the specific purpose for which they were borrowed.

The Company has borrowed funds from banks and financial institutions on the basis of security of current assets. It has filed quarterly returns or statements of current assets with banks and financial institutions and the said returns/statements are in agreement with books of accounts.

Term of repayment, nature of security, etc

A) Term loans from banks - Secured (INR)

Terms of repayment #

As at March 31, 2024 (Rs. in crores)

Particulars	Repayment details	Rate of interest	Tenure (from the date of the Balance Sheet)						Total
			Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	
Term loans from banks - Secured (INR)	18 to 60 installments of monthly, quarterly frequency	8.60% to 10.32%	-	-	-	-	10,969.86	-	**10,969.86**
	14 to 60 installments of monthly, quarterly frequency	9.05% to 10.70%	-	-	-	6,709.12	-	-	**6,709.12**
	1 to 60 installments of bullet, monthly, quarterly, specific frequency	8.43% to 10.72%	-	-	7,060.36	-	-	-	**7,060.36**
	11 to 60 installments of monthly, quarterly, specific frequency	6.95% to 11.29%	-	4,059.60	-	-	-	-	**4,059.60**
	1 to 48 installments of bullet, monthly, quarterly frequency	6.50% to 13.12%	6,433.55	-	-	-	-	-	**6,433.55**
Total			**6,433.55**	**4,059.60**	**7,060.36**	**6,709.12**	**10,969.86**	-	**35,232.49**

As at March 31, 2023 (Rs. in crores)

Particulars	Repayment details	Rate of interest	Tenure (from the date of the Balance Sheet)						Total
			Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	
Term loans from banks - Secured (INR)	20 installments of quarterly frequency	9.75%	-	-	-	-	-	743.45	**743.45**
	19 to 60 installments of monthly and quarterly frequency	8.11% to 9.75%	-	-	-	-	5,982.37	-	**5,982.37**
	1 to 60 installments of bullet, monthly and quarterly frequency	7.50% to 11.15%	-	-	-	7,278.41	-	-	**7,278.41**
	11 to 60 installments of monthly, quarterly and specific frequency	8.43% to 10.72%	-	-	6,708.10	-	-	-	**6,708.10**
	1 to 48 installments of bullet, monthly and quarterly frequency	6.95% to 11.29%	-	4,494.15	-	-	-	-	**4,494.15**
	1 to 36 installments of bullet, monthly, quarterly and specific frequency	6.50% to 13.12%	6,693.78	-	-	-	-	-	**6,693.78**
Total			**6,693.78**	**4,494.15**	**6,708.10**	**7,278.41**	**5,982.37**	**743.45**	**31,900.26**

Loans are classified in respective time buckets based on option date.

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

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

B) Term loans from financial institutions/corporates - Secured (INR)

Terms of repayment #

As at March 31, 2024 (Rs. in crores)

Particulars	Repayment details	Rate of interest	Tenure (from the date of the Balance Sheet)						Total
			Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	
Term loans from financial institutions/ corporates - Secured (INR)	21 installments of quarterly frequency	8.61%	-	-	-	-	-	603.43	**603.43**
	18 to 21 installments of quarterly, specific frequency	8.30% to 8.60%	-	-	-	-	3,938.33	-	**3,938.33**
	21 installments of quarterly frequency	8.50%	-	-	-	844.83	-	-	**844.83**
	11 to 20 installments of quarterly frequency	7.34% to 9.25%	-	-	2,227.36	-	-	-	**2,227.36**
	11 to 20 installments of quarterly frequency	7.20% to 11.16%	-	2,012.22	-	-	-	-	**2,012.22**
	10 to 12 installments of quarterly, half yearly, specific frequency	7.52% to 12.86%	779.01	-	-	-	-	-	**779.01**
Total			**779.01**	**2,012.22**	**2,227.36**	**844.83**	**3,938.33**	**603.43**	**10,405.19**

As at March 31, 2023 (Rs. in crores)

Particulars	Repayment details	Rate of interest	Tenure (from the date of the Balance Sheet)						Total
			Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	
Term loans from financial institutions/ corporates - Secured (INR)	21 installments of quarterly frequency	8.30%	-	-	-	-	-	1,003.53	**1,003.53**
	21 installments of quarterly frequency	8.50%	-	-	-	-	1,053.28	-	**1,053.28**
	19 to 20 installments of quarterly frequency	7.34% to 9.25%	-	-	-	2,275.73	-	-	**2,275.73**
	11 to 20 installments of quarterly frequency	7.20% to 10.75%	-	-	3,113.73	-	-	-	**3,113.73**
	10 to 12 installments of quarterly, half-yearly and specific frequency	7.52% to 11.05%	-	1,753.13	-	-	-	-	**1,753.13**
	11 to 12 installments of quarterly and specific frequency	9.70% to 10.50%	97.16	-	-	-	-	-	**97.16**
Total			**97.16**	**1,753.13**	**3,113.73**	**2,275.73**	**1,053.28**	**1,003.53**	**9,296.56**

Loans are classified in respective time buckets based on option date.

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

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

C) External commercial borrowing

Terms of repayment

As at March 31, 2024

(Rs. in crores)

Particulars	Repayment details	Rate of interest	Tenure (from the date of the Balance Sheet)						Total
			Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	
External commercial borrowing	16 installments of specific frequency	9.20%	-	-	-	-	-	2,088.38	**2,088.38**
	9 to 11 installments of half-yearly and specific frequency and bullet payments	9.1% to 9.4%	-	-	-	1,947.93	-	-	**1,947.93**
	11 to 13 installments of half-yearly and specific frequency and bullet payments	8.63% to 10.86%	-	-	7,463.63	-	-	-	**7,463.63**
	Bullet frequency	8.84% to 10.29%	-	2,754.47	-	-	-	-	**2,754.47**
	Bullet frequency	8.12%	212.64	-	-	-	-	-	**212.64**
Total			**212.64**	**2,754.47**	**7,463.63**	**1,947.93**	**-**	**2,088.38**	**14,467.05**

As at March 31, 2023

(Rs. in crores)

Particulars	Repayment details	Rate of interest	Tenure (from the date of the Balance Sheet)						Total
			Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	
External commercial borrowing	16 installments of specific frequency	9.20%	-	-	-	-	-	2,053.32	**2,053.32**
	9 to 11 installments of half-yearly and specific frequency	9.10% to 9.40%	-	-	-	-	1,294.92	-	**1,294.92**
	11 to 13 installments of half-yearly and specific frequency	8.63% to 10.86%	-	-	-	729.55	-	-	**729.55**
	Bullet frequency	8.84% to 10.29%	-	-	2,655.29	-	-	-	**2,655.29**
	Bullet frequency	8.12%	-	208.71	-	-	-	-	**208.71**
	Bullet frequency	9.83% to 10.02%	2,886.22	-	-	-	-	-	**2,886.22**
Total			**2,886.22**	**208.71**	**2,655.29**	**729.55**	**1,294.92**	**2,053.32**	**9,828.01**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

D) Loans repayable on demand from banks (Cash credit from banks)

Terms of repayment

(Rs. in crores)

Particulars	Rate of interest	As at March 31, 2024	As at March 31, 2023
Loans repayable on demand from banks (Cash credit from banks)	6.10% to 10.80%	-	459.10
	7.45% to 10.95%	906.04	-

Nature of security

Secured by hypothecation of specific assets covered under hypothecation loan agreements.

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

E) Bank overdraft

Terms of repayment

(Rs. in crores)

Particulars	Rate of interest	As at March 31, 2024	As at March 31, 2023
Bank overdrafts	7.90%	1,999.87	-

Nature of security

Secured by hypothecation of specific assets covered under hypothecation loan agreements.

F) Other loans - INR - Securitisation liabilities

Terms of repayment

As at March 31, 2024 (Rs. in crores)

Particulars	Repayment details	Rate of interest	Tenure (from the date of the Balance Sheet)						Total
			Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	
Other loans - INR - Securitisation liabilities	1 to 72 months installments of monthly frequency	8.64% to 9.53%	-	-	-	-	-	3,465.78	**3,465.78**
	1 to 60 months installments of monthly frequency	7.74% to 9.12%	-	-	-	-	11,412.92	-	**11,412.92**
	1 to 71 months installments of monthly frequency	6.15% to 9.66%	-	-	-	6,897.06	-	-	**6,897.06**
	1 to 80 months installments of monthly frequency	5.91% to 11.63%	-	-	4,413.27	-	-	-	**4,413.27**
	1 to 87 months installments of monthly frequency	6.11% to 10.3%	-	2,785.52	-	-	-	-	**2,785.52**
	1 to 65 months installments of monthly frequency	5.71% to 9.52%	163.61	-	-	-	-	-	**163.61**
Total			**163.61**	**2,785.52**	**4,413.27**	**6,897.06**	**11,412.92**	**3,465.78**	**29,138.16**

As at March 31, 2023 (Rs. in crores)

Particulars	Repayment details	Rate of interest	Tenure (from the date of the Balance Sheet)						Total
			Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	
Other loans - INR - Securitisation liabilities	1 to 73 installments of monthly frequency	7.70% to 8.75%	-	-	-	-	-	2,648.48	**2,648.48**
	1 to 60 installments of monthly frequency	6.10% to 8.55%	-	-	-	-	7,660.57	-	**7,660.57**
	1 to 88 installments of monthly frequency	5.90% to 9.90%	-	-	-	6,533.04	-	-	**6,533.04**
	1 to 81 installments of monthly frequency	6.05% to 9.11%	-	-	4,315.75	-	-	-	**4,315.75**
	1 to 65 installments of monthly frequency	5.95% to 9.20%	-	456.02	-	-	-	-	**456.02**
	1 to 69 installments of monthly frequency	6.50% to 9.00%	492.23	-	-	-	-	-	**492.23**
Total			**492.23**	**456.02**	**4,315.75**	**6,533.04**	**7,660.57**	**2,648.48**	**22,106.09**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

(Rs. in crores)

	Particulars	As at March 31, 2024	As at March 31, 2023
23	**DEPOSITS**		
	At amortised cost		
	Unsecured		
	i. Public deposits (Refer note 65)*	42,802.28	34,671.99
	ii. From Banks	-	-
	iii. From Others		
	- Deposits from corporates **	1,641.38	1,467.84
	Total	**44,443.66**	**36,139.83**

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

* includes Rs. 4.73 crores (March 31, 2023 Rs. 3.47 crores) accepted from related parties including Director.

** includes Rs. 194.69 crores (March 31, 2023 Rs. 171.87 crores) accepted from related parties.

Term of repayment, nature of security, etc

A) Deposits from public - Unsecured - [Refer note 65]

Terms of repayment

(Rs. in crores)

Particulars	Rate of interest	Redeemable at par (from the date of the Balance Sheet)					Total deposits from public
		Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	
As at March 31, 2024	< 10%	10,584.95	10,937.10	9,569.50	6,691.62	5,019.11	**42,802.28**
As at March 31, 2023		8,612.75	8,259.06	9,646.19	3,540.37	4,613.62	**34,671.99**

B) Deposits from corporates - Unsecured

Terms of repayment

(Rs. in crores)

Particulars	Rate of interest	Redeemable at par (from the date of the Balance Sheet)					Total deposits from corporates
		Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	
As at March 31, 2024	< 10%	840.00	350.57	357.25	58.78	34.78	**1,641.38**
As at March 31, 2023		701.82	454.39	223.18	48.74	39.71	**1,467.84**

(Rs. in crores)

	Particulars	As at March 31, 2024	As at March 31, 2023
24	**SUBORDINATED LIABILITIES**		
	At amortised cost		
	Others		
	Unsecured		
	Subordinated debts - Debentures #	4,300.07	4,523.85
	Total	**4,300.07**	**4,523.85**
	Subordinated debts in India	4,300.07	4,523.85
	Subordinated debts outside India	-	-
	Total	**4,300.07**	**4,523.85**

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

includes Rs. 330.21 crores (March 31, 2023 Rs. 523.20 crores) issued to related parties.

24 SUBORDINATED LIABILITIES (Contd.)

Term of repayment, nature of security, etc

A) Subordinated liabilities - Unsecured - Debentures

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

Terms of repayment

As at March 31, 2024 (Rs. in crores)

Particulars	Rate of interest	Redeemable at par (from the date of the Balance Sheet)						Total
		Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	
Privately placed subordinated liabilities of Rs. 1,000,000/- each	<10%	41.13	39.97	137.92	1,396.89	-	-	**1,615.91**
	>=10% <12%	555.45	57.31	-	-	79.07	-	**691.83**
	>=12% <14%	1,773.36	-	-	-	-	-	**1,773.36**
Total		**2,369.94**	**97.28**	**137.92**	**1,396.89**	**79.07**	**-**	**4,081.10**

As at March 31, 2023 (Rs. in crores)

Particulars	Rate of interest	Redeemable at par (from the date of the Balance Sheet)						Total
		Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	
Privately placed subordinated liabilities of Rs. 1,000,000/- each	<10%	-	41.08	39.92	137.76	1,395.94	-	**1,614.70**
	>=10% <12%	333.26	548.28	57.11	-	-	79.00	**1,017.65**
	>=12% <14%	-	1,723.84	-	-	-		**1,723.84**
Total		**333.26**	**2,313.20**	**97.03**	**137.76**	**1,395.94**	**79.00**	**4,356.19**

ii) Privately placed subordinated liabilities of Rs. 10,000,000/- each

Terms of repayment

(Rs. in crores)

Particulars	Rate of interest	Redeemable at par (from the date of the Balance Sheet)						Total
		Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	
As at March 31, 2024	<10%	-	-	-	-	-	218.97	**218.97**
As at March 31, 2023		-	-	-	-	-	167.66	**167.66**

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Privately placed (i+ii)	4,300.07	4,523.85
Total subordinated liabilities	**4,300.07**	**4,523.85**

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
25 OTHER FINANCIAL LIABILITIES		
Investor education and protection fund shall be credited by the following amounts (as and when due)		
- Unclaimed dividend	10.60	9.45
- Unclaimed matured deposits and interest accrued thereon	146.96	134.20
- Unclaimed matured debentures and interest accrued thereon	7.37	12.92
- Unclaimed matured subordinated debts and interest accrued thereon	6.96	11.20
Temporary credit balance in bank accounts	142.91	56.99

25 OTHER FINANCIAL LIABILITIES (Contd.)

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Payable on account of assignment	232.85	177.22
Payable to dealers	23.11	36.02
Payable to employees	313.58	222.20
Retention money and other sundry liabilities	207.68	209.90
Lease Liability**	627.07	563.46
Other liabilities*	128.90	150.56
Total	**1,847.99**	**1,584.12**

*Other liabilities include amount payable to banks for credit card payments, settlement dues payable to resigned employees, security deposit received etc.

****Disclosures as required by Ind AS 116 'Leases' are stated below**

A) Lease liability movement

(Rs. in crores)

Particulars	Amount
As at April 01, 2022	**349.43**
Effects of business combination (Refer note 51)	191.76
Restated as at April 01, 2022	**541.19**
Add : Addition during the year	170.47
: Interest on lease liability	47.29
Less : Deletion during the year	182.65
: Lease rental payments	12.84
As at March 31, 2023	**563.46**
Add : Addition during the year	241.20
: Interest on lease liability	53.30
Less : Deletion during the year	35.91
: Lease rental payments	194.98
As at March 31, 2024	**627.07**

B) Maturity analysis of lease liability

(Rs. in crores)

Particulars	As at March 31, 2024	As at, March 31, 2023
Less than 1 year	133.40	130.19
1 to 2 years	107.43	110.76
2 to 3 years	94.24	80.84
3 to 4 years	81.15	23.70
4 to 5 years	64.08	65.16
More than 5 years	146.77	152.81
Total	**627.07**	**563.46**

25 OTHER FINANCIAL LIABILITIES (Contd.)

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

D)

(Rs. in crores)

Particulars	As at March 31, 2024	As at, March 31, 2023
Amounts recognised in the Statement of Profit and Loss		
Depreciation charge of right-of-use assets (included in depreciation, amortisation and impairment)	159.63	151.11
Interest expense (included in finance costs)	53.30	47.29
Expense relating to short-term leases (included in other expenses)	12.86	6.52
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other expenses)	4.39	3.71
Expense relating to variable lease payments not included in lease liabilities (included in other expenses)	-	-
The Company had remeasured lease liability in respect of certain leases during the year and income on such remeasurement of leases as per Ind AS 116 is included in other income	6.88	0.66
Income from subleasing right-of-use assets (included in other income)	4.52	5.18
Gains or losses arising from sale and leaseback transactions	-	-
The total cash outflow for leases during the year	**194.98**	**182.65**

E) The Company does not face a significant liquidity risk with regard to its lease liabilities as the assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

F) **This note provides information for leases where the Company is a lessor.**

The Company had given office premises under lease. The income from lease recognised in the Statement of Profit and Loss is Rs. 0.13 crores (March 31, 2023: Rs. 0.17 crores). Agreements provide for cancellation by either party or contain clause for escalation and renewal of agreements. There were no non-cancellable operating lease agreements as on March 31, 2024.

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
26 CURRENT TAX LIABILITIES (NET)		
For taxation [net of advance tax Rs. 5,673.54 crores (March 31, 2023: Rs. 5,512.85 crores)]	237.79	160.89
Total	**237.79**	**160.89**

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
27 PROVISIONS		
For employee benefits		
- Gratuity (Refer note 45)	33.91	2.57
- Compensated absences (leave encashment and availment)	168.73	100.81
For others		
- Expected credit loss towards undrawn loan commitments	4.38	9.51
- Taxes - contested	89.19	98.59
Total	**296.21**	**211.48**

27 PROVISIONS (Contd.)

Loan Commitments

Credit quality of exposure

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in note 54.02 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in note 54.02.02.07.

(Rs. in crores)

	As at March 31, 2024	As at March 31, 2023
Particulars	**Stage 1 Collective**	**Stage 1 Collective**
Internal rating grade		
Performing		
High grade	108.24	283.98
Total	**108.24**	**283.98**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to other undrawn loan commitments is, as follows:

Gross exposure reconciliation (Rs. in crores)

	Year ended March 31, 2024	Year ended March 31, 2023
	General approach	General approach
Particulars	**Stage 1**	**Stage 1**
Opening balance of outstanding exposure	**283.98**	**92.43**
Effects of business combination (Refer note 51)	-	64.02
Restated opening balance	**283.98**	**156.45**
New exposures	95.86	280.21
Exposures cancelled or disbursed (excluding write-offs)	(271.60)	(152.68)
Closing balance of outstanding exposure	**108.24**	**283.98**

Reconciliation of ECL balance in relation to other undrawn loan commitments is given below: (Rs. in crores)

	Year ended March 31, 2024	Year ended March 31, 2023
	General approach	General approach
Particulars	**Stage 1**	**Stage 1**
ECL allowance - opening balance	**9.51**	**6.70**
Effects of business combination (Refer note 51)	-	2.25
Restated opening balance	**9.51**	**8.95**
New exposures	3.55	9.40
Exposures cancelled or disbursed (excluding write-offs)	(8.68)	(8.84)
ECL allowance - closing balance	**4.38**	**9.51**

(Rs. in crores)

	Particulars	As at March 31, 2024	As at March 31, 2023
28	**OTHER NON-FINANCIAL LIABILITIES**		
	Statutory dues payable	247.87	162.39
	Advance from customers	19.43	37.36
	Total	**267.30**	**199.75**

(Rs. in crores)

	Particulars	As at March 31, 2024	As at March 31, 2023
29	**EQUITY SHARE CAPITAL**		
	Authorised:		
	2,975,500,000 (March 31, 2023: 2,975,500,000) equity shares of Rs.10/- each	2,975.50	2,975.50
	129,000,000 (March 31, 2023: 129,000,000) preference shares of Rs.100/- each	1,290.00	1,290.00
		4,265.50	**4,265.50**
	Issued share capital		
	375,792,810 (March 31, 2023: 374,427,276) equity shares of Rs. 10/- each	375.79	374.43
	Subscribed share capital		
	375,792,810 (March 31, 2023: 374,427,276) equity shares of Rs. 10/- each	375.79	374.43
	Paid up (fully paid up)		
	Equity shares		
	375,792,810 (March 31, 2023: 374,427,276) equity shares of Rs. 10/- each fully paid up	375.79	374.43
	Total Equity	**375.79**	**374.43**

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	Number of shares	(Rs. in crores)
As at April 01, 2022	**270,519,713**	**270.52**
Cancellation of SCL shares @	(70,437,147)	(70.44)
Fresh issue to shareholders of SCL @	105,113,114	105.11
Fresh issue to shareholders of SCUF @	69,231,596	69.23
Restated as at April 01, 2022	**374,427,276**	**374.43**
Issued during the year	-	-
As at March 31, 2023	**374,427,276**	**374.43**
Shares issued on exercise of ESOP	1,365,534	1.37
As at March 31, 2024	**375,792,810**	**375.79**

@ Refer note 51 - Business Combination

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The final dividend is subject to the approval of the shareholders in the ensuing annual general meeting.

The Company has allotted 1,365,534 equity shares of face value of Rs. 10/- each fully paid up at an exercise price of Rs. 193.55 per equity share (including premium of Rs.183.55 per equity share) under the Shriram Finance Limited Employee Stock Option Scheme 2023 (No.1) on various dates during the financial year ended March 31, 2024.

29 EQUITY SHARE CAPITAL (Contd.)

The Board of Directors in their meeting held on April 26,2024 has recommended a final dividend of Rs. 15/- per equity share of nominal face value of Rs. 10/- each fully paid up i.e. 150%, for the financial year 2023-24 subject to approval by Members in the ensuing 45th Annual General Meeting (45th AGM) of the Company. This is in addition to the interim dividend and second interim dividend of Rs. 20/- per equity share and Rs. 10/- per equity share of Rs. 10/- each fully paid-up (300%) for the financial year 2023-24 declared by the Company on October 26, 2023 and January 25, 2024 respectively. With this the total dividend for the financial year 2023-24 will be Rs. 45/- per share (i.e. 450%). Pursuant to Regulation 42 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to the confirmation by the Stock Exchanges, the book closure period for the purpose of payment of the final dividend and 45th AGM will be from July 24, 2024 to July 30, 2024 (both days inclusive). The final dividend will be paid to eligible Members on or before August 28, 2024 subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders.

The Board of Directors in their meeting held on January 25, 2024 declared second interim dividend of 100% i.e. Rs. 10/- per equity share of face value of Rs. 10/- each fully paid up for the financial year 2023-24 amounting to Rs. 3,756,523,400/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible members. The record date for payment of second interim dividend was February 06, 2024. The second interim dividend was paid to eligible members of the Company on February 17, 2024.

The Board of Directors in their meeting held on October 26, 2023 had declared an interim dividend of 200% i.e. Rs. 20/- per equity share of face value Rs. 10/- each fully paid up for the financial year 2023-24 amounting to Rs. 7,508,945,440/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible members. The record date for payment of interim dividend was November 06, 2023. The interim dividend was paid to eligible members of the Company on November 20, 2023.

The Board of Directors in their meeting held on April 27, 2023 had recommended a final dividend of Rs. 20/- per equity share of nominal face value of Rs.10/- each fully paid up i.e. 200%, for the financial year 2022-23 subject to approval by shareholders in the ensuing 44th Annual General Meeting (44th AGM) of the Company. The Company paid the final dividend amounting to Rs.7,496,735,680/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders on July 06, 2023. This was in addition to the interim dividend of Rs. 15/- per equity share of Rs. 10/- each fully paid-up i.e. 150% for the financial year 2022-23 declared by the Company on December 24, 2022, amounting to Rs. 5,616,409,140/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders. The interim dividend was paid to eligible shareholders on January 13, 2023. With this the total dividend for the financial year 2022-23 is Rs. 35/- per share i.e. 350%.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

The aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date were Nil (March 31, 2023: Nil). Refer note 51 - Business combination.

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

Details of shareholding	As at March 31, 2024		As at March 31, 2023	
Name of the shareholder	Number of shares	% holding	Number of shares	% holding
Equity shares of Rs. 10/- each				
Shriram Capital Private Limited (formerly known as Shriram Financial Ventures (Chennai) Private Limited)	67,145,784	17.87%	67,145,784	17.93%
Piramal Enterprises Limited	-	-	31,221,449	8.34%
Government of Singapore	22,926,619	6.10%	-	-
Shriram Value Services Limited	20,771,461	5.53%	¥	¥

¥ holding less than 5% equity shares

29 EQUITY SHARE CAPITAL (Contd.)

e. **Refer note 52 - Capital management for the Company's objectives, policies and processes for managing capital.**

f. **Proposed dividends on equity shares**

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Proposed dividend on equity shares for the year ended on March 31, 2024: Rs. 15/- per share (March 31, 2023: Rs. 20/- per share)	563.69	748.85
Total	**563.69**	**748.85**

g. **Shareholding of Promoters**

Promoter & Promoter Group	Relationship	Shares held at the end of the year		% Change during the year *
		No. of Shares	% of Total Shares	
As at March 31, 2024				
Shriram Capital Private Limited (formerly known as Shriram Financial Ventures (Chennai) Private Limited)	Promoter	67,145,784	17.87%	0.00%
Shriram Ownership Trust	Promoter	62,080	0.02%	-99.21%
Shriram Value Services Limited	Promoter group	20,771,461	5.53%	59.86%
Sanlam Life Insurance Limited	Promoter group	7,536,951	2.01%	0.00%
As at March 31, 2023				
Shriram Capital Private Limited (formerly known as Shriram Financial Ventures (Chennai) Private Limited)	Promoter	67,145,784	17.93%	0.00%
Shriram Ownership Trust	Promoter	7,840,080	2.09%	13677.25%
Shriram Value Services Limited	Promoter group	12,993,461	3.47%	1130.00%
Sanlam Life Insurance Limited	Promoter group	7,536,951	2.01%	0.00%

*percentage change is computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue.

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

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Second interim dividend for the year ended March 31, 2024 (Rs. per share)	10.00	-
First interim dividend for the year ended March 31, 2024 (Rs. per share)	20.00	-
Final dividend for the year ended March 31, 2023 (Rs. per share)	-	20.00
Interim dividend for the year ended March 31, 2023 (Rs. per share)	-	15.00

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
30 OTHER EQUITY		
Share application money pending allotment	-	-
Statutory reserve (Pursuant to Section 45-IC of The RBI Act, 1934)		
Opening balance	**7,610.66**	**4,707.98**
Add: Transfer from retained earnings	1,438.10	1,195.87
Add/(Less) : Amalgamation adjustment account	(1,706.81)	1,706.81
Closing balance	**7,341.95**	**7,610.66**

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
30 OTHER EQUITY (Contd.)		
Securities premium		
Opening balance	**17,351.98**	**5,662.38**
Add: Premium on shares issued during the year	158.67	11,689.60
Closing balance	**17,510.65**	**17,351.98**
Capital reserve		
Opening balance	**104.57**	**27.64**
Effects of business combination (Refer note 51)	-	76.93
Closing balance	**104.57**	**104.57**
Capital redemption reserve	**53.88**	**53.88**
Debenture redemption reserve		
Opening Balance	**419.13**	**307.28**
Add: Creation due to business combinations	-	55.07
Add: Transfer from retained earnings	53.32	93.23
Less: Transfer to retained earnings on account of redemption	(338.20)	(36.45)
Closing balance	**134.25**	**419.13**
General reserve		
Opening balance	**3,532.05**	**2,934.07**
Add: Transfer from retained earnings	719.05	597.94
Add: Amount transferred from share option outstanding on account of forfeiture of share options	-	0.04
Closing balance	**4,251.10**	**3,532.05**
Share option outstanding		
Opening balance	194.84	-
Add: Expenses on Employee Stock Option Plan (Refer note 50)	9.17	164.56
Less: Adjustment on exercise of Employee Stock Option Plan	(133.61)	(53.33)
Add: Transfer to general reserve on account of forfeiture of share options	-	(0.04)
Add: Effects of business combination (Refer note 51)	-	83.65
Closing balance	**70.40**	**194.84**
Amalgamation adjustment account		
Opening balance	**(1,706.81)**	-
Add/ (Less): Statutory reserve of transferor company	1,706.81	(1,706.81)
Closing balance	-	**(1,706.81)**
Other comprehensive income		
Remeasurement gain/(loss) on defined benefit plan (net of tax)		
Opening balance	**(18.08)**	**(12.08)**
Add: Addition during the year	(58.44)	(6.00)
Closing balance	**(76.52)**	**(18.08)**
Gain/ (loss) on fair valuation of quoted investments in equity shares		
Opening balance	**(8.83)**	-
Add: Addition during the year	12.34	(8.83)
Closing balance	**3.51**	**(8.83)**

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
30 OTHER EQUITY (Contd.)		
Effective portion of cash flow hedges		
Opening balance	**(224.39)**	**(213.40)**
Add: Addition during the year	(42.00)	(10.99)
Closing balance	**(266.39)**	**(224.39)**
Retained earnings		
Opening balance	**15,623.21**	**12,193.92**
Add: Profit for the year	7,190.48	5,979.34
Add /(Less): Appropriations		
Transfer to statutory reserve as per Section 45-IC of the RBI Act, 1934	(1,438.10)	(1,195.87)
Transfer to general reserve	(719.05)	(597.94)
Effects of business combination (Refer note 51)	-	(83.65)
Amount transferred from share option outstanding on account of forfeiture of share options	-	0.90
Transferred (to)/from debenture redemption reserve	284.88	(111.85)
Interim dividend [March 31, 2024: Rs. 30.00 per share (March 31, 2023: Rs. 15.00 per share)]	(1,126.55)	(561.64)
Final dividend (March 31, 2023: Rs. 20.00 per share)	(749.67)	-
Total appropriations	**(3,748.49)**	**(2,550.05)**
Closing balance	**19,065.20**	**15,623.21**
Total	**48,192.60**	**42,932.21**

Nature and purpose of reserves

a) **Share application money pending allotment:** The amount received on the application for equity shares of the Company on which allotment is not yet made, to the extent not refundable.

b) **Securities premium:** The amount received in excess of face value of the equity shares is recognised in securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

c) **Capital reserve:** Capital reserve is the excess of net assets taken over cost of consideration paid during amalgamation. (Refer note 51: Business combination)

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

e) **Debenture redemption reserve (DRR):**

(1) Pursuant to Section 71 of the Companies Act, 2013 and circular 04/2013, read with notification issued date June 19, 2016 issued by Ministry of Corporate Affairs, the Company is required to transfer 25% of the value of the outstanding debentures issued through public issue as per the present SEBI (Issue and Listing of Debt Securities) Regulation, 2008 to Debenture redemption reserve (DRR) and no DRR is required in case of privately placed debenture. Also the Company is required before 30th day of April of each year to deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debenture issued through public issue maturing within one year from the balance sheet date.

30 OTHER EQUITY (Contd.)

(2) As per the notification G.S.R. 574(E) dated August 16, 2019, the Ministry of Corporate Affairs has amended the Companies (Share Capital & Debentures) Rules, DRR need not be created for debentures issued by a Non-Banking Finance Company subsequent to the notification date. The Company has not created DRR on public issue of non-convertible debentures issued after the date of said notification.

(3) In respect of the debentures issued through public issue, the Company has created DRR of Rs. 53.32 crores (March 31, 2023: Rs. 93.23 crores). The Company subsequent to the year end has deposited a sum of Rs. 338.20 crores (March 31, 2023: Rs. 204.00 crores) in the form of fixed deposits with scheduled banks, representing 15% of the debenture issued through public issue, which are due for redemption within one year from the balance sheet date.

(4) On redemption of the debentures for which the DRR is created, the amounts no longer necessary to be retained in this account need to be transferred to the retained earnings.

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

g) **Statutory reserve:** Every year the Company transfers a sum of not less than twenty per cent of net profit of that year as disclosed in the statement of profit and loss to its Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934.

The conditions and restrictions for distribution attached to statutory reserves as specified in Section 45-IC(1) in The Reserve Bank of India Act, 1934:

(1) Every non-banking financial company (NBFC) shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

(2) No appropriation of any sum from the reserve fund shall be made by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty-one days from the date of such withdrawal:

Provided that the RBI may, in any particular case and for sufficient cause being shown, extend the period of twenty-one days by such further period as it thinks fit or condone any delay in making such report.

(4) Notwithstanding anything contained in sub-section (1), the Central Government may, on the recommendation of the RBI and having regard to the adequacy of the paid-up capital and reserves of a NBFC in relation to its deposit liabilities, declare by order in writing that the provisions of sub-section (1) shall not be applicable to the NBFC for such period as may be specified in the order:

Provided that no such order shall be made unless the amount in the reserve fund under sub-section (1) together with the amount in the share premium account is not less than the paid-up capital of the NBFC.

h) **Amalgamation adjustment account:** Upon amalgamation of the erstwhile Shriram City Union Finance ("SCUF") the transferor company, with Shriram Transport Finance Limited ("STFC") the transferee company, renamed as Shriram Finance Limited ("SFL"), the statutory reserves (i.e. Reserve under Section 45-IC of the Reserve Bank of India Act, 1934) of Rs. 1,706.81 crores of the Transferor Companies as on April 01, 2022 ("the Appointed Date") were recorded in the books of Shriram Finance Limited with a corresponding debit to Amalgamation Adjustment Account. When the identity of the statutory reserves is no longer required to be maintained, both the statutory reserves and the aforesaid account will be reversed (Refer note 51: Business combination). The Company had sought clarification vide its Letter dated February 21, 2023 in respect of accounting treatment for statutory reserve of SCUF in the books of SFL as

30 OTHER EQUITY (Contd.)

the creation and utilisation of Statutory Reserve is governed by RBI Act, 1934. Pending clarification from RBI, the Company had accounted Statutory Reserve as mentioned above for the financial year March 31, 2023. RBI vide its letter no. DoR. ACC. No. S5899/21.04.018 /2023-24 dated January 12, 2024, had advised the Company to comply with the Scheme approved by NCLT in respect of accounting treatment for Statutory Reserve. Accordingly, the Company has reversed the above mentioned accounting entry passed during the previous financial year.

i) **Share option outstanding:** The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

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

k) **Other comprehensive income:** Other comprehensive income includes Effective portion of cash flow hedges and Gain/(loss) on fair valuation of investments in quoted equity shares.

Effective portion of cash flow hedges represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges, which shall be reclassified to the statement of profit and loss only when the hedged transaction affects the statement of profit and loss, or included as a basis adjustment to the non-financial hedged item, consistent with the Company accounting policies.

Gain/(loss) on fair valuation of investments in quoted equity shares represents gains and losses from the change in the fair value of investments in quoted equity instruments in accordance with paragraph 5.7.5 of Ind AS 109, Financial Instruments.

l) **Retained earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve, general reserve and dividend distributed to shareholders.

(Rs. in crores)

Particulars	Year ended March 31, 2024			Year ended March 31, 2023		
	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	Total	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	Total
31 INTEREST INCOME						
Interest on loans	32,502.25	-	**32,502.25**	27,504.20	-	**27,504.20**
Interest income from investments	528.35	25.44	**553.79**	412.17	81.91	**494.08**
Interest on deposits with banks						
- Margin money deposit	258.14	-	**258.14**	214.38	-	**214.38**
- Deposits with banks	158.02	-	**158.02**	315.08	-	**315.08**
Other interest income						
- Delayed payments by customers	122.36	-	**122.36**	74.84	-	**74.84**
- Unwinding of security deposit	5.10	-	**5.10**	4.78	-	**4.78**
Total	**33,574.22**	**25.44**	**33,599.66**	**28,525.45**	**81.91**	**28,607.36**

(Rs. in crores)

	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
32	**FEES AND COMMISSION INCOME**		
	Income from commission services - life insurance	124.93	41.49
	Income from commission services - general insurance	157.82	70.59
	Income from loan related and other commission services	174.63	130.53
	Total	**457.38**	**242.61**

Revenue from contracts with customers

Set out below is the revenue from contracts with customers and reconciliation to the statement of profit and loss.

(Rs. in crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Type of services or service		
Fees and commission income	457.38	242.61
Total revenue from contract with customers	**457.38**	**242.61**
Geographical markets		
- India	457.38	242.61
- Outside India	-	-
Total revenue from contract with customers	**457.38**	**242.61**
Timing of revenue recognition		
Services transferred at a point in time	457.38	242.61
Services transferred over time	-	-
Total revenue from contracts with customers	**457.38**	**242.61**

Contract balance

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables	51.63	17.00
Contract assets	-	-

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

(Rs. in crores)

	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
33	**NET GAIN/ (LOSS) ON FAIR VALUE CHANGES**		
	Net gain/ (loss) on financial instruments at fair value through profit or loss (A):		
	(i) On trading portfolio	-	-
	(ii) On financial instruments designated at fair value through profit or loss	-	-
	Others (B):		
	- Investment in shares, venture capital fund, mutual funds and certificate of deposits	144.76	373.62
	- Direct assignment	(49.11)	(33.55)
	Total Net gain/(loss) on fair value changes (C)	**95.65**	**340.07**
	Fair value changes:		
	- Realised	94.84	338.24
	- Unrealised	0.81	1.83
	Total Net gain/(loss) on fair value changes (D)	**95.65**	**340.07**

(Rs. in crores)

	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
34	**OTHER OPERATING INCOME**		
	Bad debt recovery	485.49	350.97
	Total	**485.49**	**350.97**

(Rs. in crores)

	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
35	**OTHER INCOME**		
	Interest on income tax refund	8.22	14.66
	Interest others	0.12	0.16
	Profit on sale of property, plant and equipment	1.26	-
	Miscellaneous income	23.60	15.91
	Total	**33.20**	**30.73**

(Rs. in crores)

	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
36	**FINANCE COSTS**		
	On financial liabilities measured at amortised cost		
	Interest on deposits	3,334.57	2,347.08
	Interest on borrowings (other than debt securities)		
	- Loans from banks	2,990.15	2,561.21
	- Loans from institutions and others	873.67	761.45
	- External commercial borrowings	1,047.41	582.95
	- Interest paid on securitisation	2,041.75	1,614.62
	Interest on debt securities		
	- Debentures	2,616.47	2,646.22
	- Senior secured notes	17.75	75.32
	- External commercial bond	1,230.57	1,406.70
	- Commercial paper	119.43	-
	Interest on subordinated liabilities	481.05	502.86
	Other interest expense		
	- Interest on tax liability	-	0.06
	- Interest on lease liability	53.30	47.29
	Total	**14,806.12**	**12,545.76**

(Rs. in crores)

	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
37	**FEES AND COMMISSION EXPENSES**		
	Brokerage	12.92	30.01
	Commission paid for loan sourcing	328.57	230.25
	Professional charges on resource mobilisation	47.45	31.87
	Processing charges on loans	7.60	2.08
	Professional charges on securitisation	26.23	10.23
	Total	**422.77**	**304.44**

(Rs. in crores)

	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
38	**IMPAIRMENT ON FINANCIAL INSTRUMENTS**		
	On financial instruments measured at amortised cost		
	Loans*	4,484.74	4,128.79
	Investments	35.67	4.70
	Others		
	- Undrawn commitments	(5.13)	(0.40)
	- Other assets	3.06	26.08
	Total	**4,518.34**	**4,159.17**

*Includes loss on disposal of repossessed assets Rs. 228.25 crores for the year ended March 31, 2024 (March 31, 2023: Rs. 293.79 crores).

The table below shows the ECL charges on financial instruments for the period recorded in the statement of profit and loss based on evaluation stage:

Year ended March 31, 2024 (Rs. in crores)

Particulars	General approach			Simplified Approach	Total
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective		
Loans and advances to customers measured at amortised cost	1,241.99	552.56	2,690.19	-	**4,484.74**
Debt instruments measured at amortised cost	35.67	-	-	-	**35.67**
Others					
- Undrawn commitments	(5.13)	-	-	-	**(5.13)**
- Other assets	-	-	-	3.06	**3.06**
Total impairment loss	**1,272.53**	**552.56**	**2,690.19**	**3.06**	**4,518.34**

Year ended March 31, 2023 (Rs. in crores)

Particulars	General approach			Simplified Approach	Total
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective		
Loans and advances to customers measured at amortised cost	537.21	332.60	3,258.98	-	**4,128.79**
Debt instruments measured at amortised cost	4.70	-	-	-	**4.70**
Others					
- Undrawn commitments	(0.40)	-	-	-	**(0.40)**
- Other assets	-	-	-	26.08	**26.08**
Total impairment loss	**541.51**	**332.60**	**3,258.98**	**26.08**	**4,159.17**

(Rs. in crores)

	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
39	**EMPLOYEE BENEFITS EXPENSES**		
	Salaries, other allowance and bonus	2,942.11	2,150.57
	Contribution to provident and other funds	178.77	133.67
	Staff welfare expenses	69.88	43.87
	Gratuity expenses (Refer note 45)	15.66	13.44
	Share based payments to employees	9.17	164.56
	Total	**3,215.59**	**2,506.11**

(Rs. in crores)

	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
40	**DEPRECIATION, AMORTISATION AND IMPAIRMENT**		
	Depreciation of property, plant and equipment	239.27	218.28
	Depreciation of investment property	0.04	0.05
	Amortisation of other intangible assets	329.52	305.85
	Total	**568.83**	**524.18**

(Rs. in crores)

	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
41	**OTHER EXPENSES**		
	Rent (Refer note 25)	12.86	6.52
	Rates and taxes	5.59	30.68
	Energy costs	37.58	30.69
	Repairs and maintenance	108.41	96.55
	Communication costs	90.20	78.50
	Printing and stationery	43.23	39.86
	Advertisement and publicity	49.79	33.24
	Director's fees, allowances and expenses	1.85	2.14
	Auditor fees and expenses (Refer note 56)		
	- As Auditor	1.75	1.55
	- For taxation matters	0.10	0.09
	- For other services (certification)	0.04	0.33
	- For reimbursement of expenses	0.09	0.25
	Legal and professional charges	182.02	198.67
	Other expenditure:		
	Travelling and conveyance	131.84	122.05
	Business promotion	277.44	186.83
	Outsourcing expenses	156.59	131.73
	Royalty	381.47	324.85
	Insurance	7.84	7.69
	Bank charges	65.30	55.52
	Loss on sale of property, plant and equipment (net)	-	1.00
	Service charges	24.38	43.15
	CSR expenses (Refer note 61)	90.88	93.74
	Miscellaneous expenses	113.07	92.71
	Total	**1,782.32**	**1,578.34**

42 INCOME TAX

The components of income tax expense for the financial year ended March 31, 2024 and March 31, 2023 are:

(Rs. in crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current tax	3,382.74	2,875.01
Adjustment in respect of current income tax of prior years	17.32	11.50

42 INCOME TAX (Contd.)

(Rs. in crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Deferred tax relating to origination and reversal of temporary differences	(906.90)	(680.96)
Total tax charge	**2,493.16**	**2,205.55**
Current tax	3,400.06	2,886.51
Deferred tax	(906.90)	(680.96)

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at Indian corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the financial year is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Accounting profit before tax	9,683.64	8,184.89
At India's statutory income tax rate of 25.168% (2023: 25.168%)	2,437.18	2,059.97
Adjustment in respect of current income tax of prior years	17.32	11.50
Income subject to tax at special rate	-	-
Income not subject to tax	-	-
Non-deductible expenses		
Corporate social responsibility expenditure not allowable for tax purpose	22.87	23.59
Adjustment in respect of prior years	(17.32)	(11.50)
Others	33.11	121.98
Income tax expense reported in the statement of profit and loss	**2,493.16**	**2,205.55**
Effective income tax rate	**25.75%**	**26.95%**

Deferred tax

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

(Rs. in crores)

Particulars	Deferred tax assets	Deferred tax liabilities	Statement of profit and loss	OCI
	As at March 31, 2024	As at March 31, 2024	Year ended March 31, 2024	Year ended March 31, 2024
Property, plant and equipment, intangible assets and investment property - carrying amount other than on account of fair valuation	59.36	-	6.79	-
Provision for post retirement benefits	52.80	-	(5.96)	(19.65)
Expenses allowable for tax purposes when paid	80.77	-	(31.45)	-
Cash flow hedge reserve	89.59	-	-	(14.12)
Impairment allowance on loans and advances	2,863.41	-	(997.32)	-
Impairment allowance for undrawn commitments	32.57	-	(7.75)	-
Fair valuation on derecognition of financial instrument	-	89.27	21.25	-
ESOP compensation expenses	17.92	-	31.32	-
Fair valuation impact of merger	37.35	239.93	47.71	-
Other temporary differences	8.68	29.23	28.51	4.15
Total	**3,242.46**	**358.43**	**(906.90)**	**(29.62)**

42 INCOME TAX (Contd.)

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

(Rs. in crores)

Particulars	Deferred tax assets	Deferred tax liabilities	Statement of profit and loss	OCI
	As at March 31, 2023	As at March 31, 2023	Year ended March 31, 2023	Year ended March 31, 2023
Property, plant and equipment, intangible assets and investment property - carrying amount other than on account of fair valuation	66.15	-	(2.99)	-
Provision for post retirement benefits	27.18	-	(8.84)	(2.02)
Expenses allowable for tax purposes when paid	49.33	-	(13.18)	-
EIR impact on debt instruments in the nature of borrowings measured at amortised cost	-	-	(4.41)	-
Cash flow hedge reserve	75.47	-	-	(3.69)
Impairment allowance on loans and advances	1,662.51	-	(812.82)	-
Impairment allowance for undrawn commitments	24.83	-	(9.25)	-
Fair valuation on derecognition of financial instrument	-	68.02	17.42	-
ESOP compensation expenses	49.24		(28.24)	
Fair valuation impact of merger	70.98	225.85	187.65	
Other temporary differences	16.26	4.15	(6.30)	(2.97)
Total	**2,041.93**	**298.01**	**(680.96)**	**(8.68)**

Reconciliation of deferred tax assets/(liabilities)

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	**1,743.92**	**869.38**
Recognised pursuant to merger of erstwhile Shriram City Union Finance Limited	-	184.89
Recognised in statement of profit and loss/ Adjustments	1,110.49	680.96
Recognised in statement of profit and loss under OCI	29.62	8.68
Closing balance	**2,884.03**	**1,743.92**

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Amounts recognised in respect of current tax/deferred tax directly in equity	-	-
Unused tax losses for which no deferred tax asset has been recognised	-	-

43 EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit for the year attributable to equity holders of Company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

43 EARNINGS PER SHARE (Contd.)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Net profit after tax as per Statement of profit and loss (Rs. in crores) **(A)**	7,190.48	5,979.34
Weighted average number of equity shares for calculating basic EPS (in crores) **(B)**	37.52	37.44
Weighted average number of equity shares for calculating diluted EPS (in crores) **(C)**	37.64	37.61
Basic earnings per equity share (in Rupees) (face value of Rs. 10/- per share) **(A) / (B)**	191.63	159.69
Diluted earnings per equity share (in Rupees) (face value of Rs. 10/- per share) **(A) / (C)**	191.02	158.99

44 INVESTMENT IN SUBSIDIARIES AND ASSOCIATES

The Company has invested in the following entities:

Name of the entity	Relationship	Country of incorporation	Principal place of business	Principal activities	% Equity interest	
					As at March 31, 2024	As at March 31, 2023
Shriram Housing Finance Limited (SHFL)	Subsidiary	India	Mumbai	Housing Finance	83.78%	84.82%
Shriram Automall India Limited (SAMIL)	Associate	India	New Delhi	Market leader in physical bidding for acquisition and disposal of pre-owned vehicles and equipment.	44.56%	44.56%

The Company has recognised its investment in subsidiary and associate at cost.

The Company's share in the associate is as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2024*	Year ended March 31, 2023
(a) Share in profit or loss from continuing operations	7.78	8.56
(b) Share in post-tax profit or loss from discontinued operations	-	-
(c) Share in other comprehensive income	(0.06)	(0.26)
(d) Share in total comprehensive income	7.72	8.30

*The financial statements of the associate are as per unaudited financial statements provided by the management.

45 RETIREMENT BENEFIT PLAN

a) **Defined contribution plan**

A defined contribution plan is a pension plan under which the Company pays fixed contributions; there is no legal or constructive obligation to pay further contributions. The assets of the plan are held separately from those of the Company in a fund under the control of trustees.

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 148.38 crores (March 31, 2023: Rs. 112.05 crores)

45 RETIREMENT BENEFIT PLAN (Contd.)

for Provident Fund contributions and Rs. 29.92 crores (March 31, 2023: Rs. 20.35 crores) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

b) Defined benefit plan

Gratuity

The Company has a defined benefit gratuity plan (funded). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and last drawn salary. The fund is managed by third party fund managers.

Each year, the Board of Trustees reviews the level of funding in the gratuity plan. Such a review includes the asset-liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks. The Board of Trustees decides contribution to be made by the Company based on the results of this annual review. The trust is in process of investing entire funds in government securities through third party fund managers and as on March 31, 2024, 85.53% funds are invested in government securities and balance 14.47% funds are invested in money market and corporate debt instruments. The Board of Trustees aim to keep annual contributions of the Company relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

The following tables summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

Amount recognised in the statement of profit and loss in respect of the defined benefit plan are as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Amounts recognised in statement of profit and loss in respect of defined benefit plans are as follows:		
Current service cost	15.47	13.88
Interest expense	12.28	9.87
Interest income	(12.09)	(10.31)
Past service cost	-	-
Components of defined benefit costs recognised in statement of profit and loss (A)	**15.66**	**13.44**
Remeasurement of gains/(losses) in other comprehensive income:		
Return on plan assets (excluding amounts included in net interest expense)	(0.42)	(0.94)
Actuarial changes arising from changes in demographic assumptions	0.92	(2.92)
Actuarial changes arising from changes in financial assumptions	61.10	(6.77)
Experience adjustments	16.49	18.65
Components of defined benefit costs recognised in other comprehensive income (B)	**78.09**	**8.02**
Total (A + B)	**93.75**	**21.46**

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

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Change in the obligation during the year ended		
Present value of defined obligation at the beginning of the year	168.89	82.20

45 RETIREMENT BENEFIT PLAN (Contd.)

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Expenses recognised in statement of profit and loss:		
Current service cost	15.47	13.88
Interest expense/(income)	12.28	9.87
Recognised in other comprehensive income remeasurement gains/(losses)	78.51	8.96
Liability transferred in/ acquisitions	(3.03)	60.83
Benefits paid from the fund	(13.99)	(6.85)
Present value of defined obligation at the end of the year	**258.13**	**168.89**

Change in the fair value of plan assets:

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Fair value of plan assets at the beginning of the year	**166.33**	**79.96**
Interest income	12.09	10.31
Contributions by the employer	62.40	12.54
Assets transferred in acquisitions	(3.03)	69.43
Benefits paid from the fund	(13.99)	(6.85)
Return on plan assets excluding interest income	0.42	0.94
Fair value of plan assets at the end of the year	**224.22**	**166.33**

Calculation of benefit liability/ (asset):

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Defined benefit obligation/ liability	258.13	168.89
Fair value of plan assets	224.22	166.33
Benefit liability	**33.91**	**2.56**

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

Particulars	As at March 31, 2024	As at March 31, 2023
Expected return on plan assets	7.21%	7.41%
Rate of discounting	7.21%	7.41%
Expected rate of salary increase	8.00%	5.00%
Rate of employee turnover	For service 4 years and below 23.00% p.a. and for service 5 years and above 6.00% p.a.	For service 4 years and below 26.00% p.a. and for service 5 years and above 6.00% p.a.
Mortality rate during employment	Indian Assured Lives mortality (2012-14) Urban	Indian Assured Lives mortality (2012-14) Urban
Mortality rate after employment	N.A.	N.A.

45 RETIREMENT BENEFIT PLAN (Contd.)

Investments quoted in active markets:

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Government securities	191.77	124.38
Debt and other instruments	32.45	41.95
Total	**224.22**	**166.33**

(Rs. in crores)

Assumptions	Sensitivity level	Impact on defined benefit obligation March 31, 2024	Impact on defined benefit obligation March 31, 2023
Discount rate	1% increase	(22.08)	(11.95)
	1% decrease	25.82	13.77
Future salary increases	1% increase	25.14	13.78
	1% decrease	(21.95)	(12.14)
Attrition rate	1% increase	(2.32)	2.49
	1% decrease	2.55	(2.82)

(Rs. in crores)

Expected payment for future years	As at March 31, 2024	As at March 31, 2023
Within the next 12 months (next annual reporting period)	21.73	19.70
Between 2 and 5 years	68.26	55.50
Between 5 and 10 years	98.06	68.11
Beyond 10 years	412.29	205.60
Total expected payments	**600.34**	**348.91**

The Company expects to contribute Rs. 62.19 crores to the fund in the next financial year.

The weighted average duration of the defined benefit obligation as at March 31, 2024 is 11 years (March 31, 2023: 9 years).

Asset liability matching strategies

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

c) Compensated Absences

The principal assumptions used in determining obligations for the Company are shown below:

Particulars	As at March 31, 2024	As at March 31, 2023
Rate of discounting	7.21%	7.41%
Expected rate of salary increase	8.00%	5.00%
Rate of employee turnover		
Service 4 years and below	23.00%	26.00%
Service 5 years and above	6.00%	6.00%
Mortality	Indian Assured Lives mortality (2012-14) Urban	Indian Assured Lives mortality (2012-14) Urban

45 RETIREMENT BENEFIT PLAN (Contd.)

(Rs. in crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Expenses recognised in statement of profit and loss	83.19	46.72

The Company has not funded its compensated absences liability and the same continues to remain as unfunded as at March 31, 2024.

The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.

Discount rate is based on the prevailing market yields of Indian Government Bonds as at the balance sheet date for the estimated term of the obligation.

46 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(Rs. in crores)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	6,013.37	-	**6,013.37**	9,505.30	-	**9,505.30**
Bank balance other than above	4,685.06	114.21	**4,799.27**	6,117.55	194.56	**6,312.11**
Derivative financial instruments	0.09	330.39	**330.48**	498.64	170.17	**668.81**
Receivables						
(I) Trade receivables	51.63	-	**51.63**	17.00	-	**17.00**
(II) Other receivables	162.11	170.85	**332.96**	148.99	111.13	**260.12**
Loans	90,194.86	117,734.55	**207,929.41**	72,241.31	99,743.27	**171,984.58**
Investments	1,378.97	9,277.67	**10,656.64**	1,420.60	7,144.46	**8,565.06**
Other financial assets	-	68.24	**68.24**	-	72.70	**72.70**
Non-financial assets						
Current tax asset	-	572.51	**572.51**	-	716.97	**716.97**
Deferred tax assets (net)	-	2,884.03	**2,884.03**	-	1,743.92	**1,743.92**
Investment property	-	0.98	**0.98**	-	2.62	**2.62**
Property, plant and equipment	-	845.77	**845.77**	-	699.70	**699.70**
Intangible assets under development	-	-	**-**	-	66.08	**66.08**
Goodwill	-	1,406.73	**1,406.73**	-	1,406.73	**1,406.73**
Other intangible assets	-	1,033.93	**1,033.93**	-	1,217.65	**1,217.65**
Other non-financial assets	188.59	161.47	**350.06**	72.83	351.68	**424.51**
Total assets	**102,674.68**	**134,601.33**	**237,276.01**	**90,022.22**	**113,641.64**	**203,663.86**
Liabilities						
Financial liabilities						
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	0.02	-	**0.02**	-	-	-

46 MATURITY ANALYSIS OF ASSETS AND LIABILITIES (Contd.)

(Rs. in crores)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	211.76	-	**211.76**	293.24	-	**293.24**
(II) Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	2.25	-	**2.25**	0.36	-	**0.36**
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	3.16	-	**3.16**	1.09	-	**1.09**
Debt securities	11,358.45	33,590.16	**44,948.61**	19,009.08	24,643.51	**43,652.59**
Borrowings (other than debt securities)	36,734.78	55,414.02	**92,148.80**	31,719.07	41,870.95	**73,590.02**
Deposits	11,430.94	33,012.72	**44,443.66**	9,354.28	26,785.55	**36,139.83**
Subordinated liabilities	2,399.75	1,900.32	**4,300.07**	308.97	4,214.88	**4,523.85**
Other financial liabilities	1,258.75	589.24	**1,847.99**	1,027.55	556.57	**1,584.12**
Non-financial liabilities						
Current tax liabilities (net)	237.79	-	**237.79**	160.89	-	**160.89**
Provisions	127.48	168.73	**296.21**	211.48	-	**211.48**
Other non-financial liabilities	267.25	0.05	**267.30**	199.75	-	**199.75**
Total liabilities	**64,032.38**	**124,675.24**	**188,707.62**	**62,285.76**	**98,071.46**	**160,357.22**
Net	**38,642.30**	**9,926.09**	**48,568.39**	**27,736.46**	**15,570.18**	**43,306.64**

47 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

(Rs. in crores)

Particulars	As at March 31, 2023	Cash flows	Changes in fair value	Exchange difference	Other	As at March 31, 2024
Debt securities	43,652.59	2,075.04	-	-	(779.02)	44,948.61
Borrowings (other than debt securities)	73,590.02	18,931.77	-	-	(372.99)	92,148.80
Deposits	36,139.83	8,379.85	-	-	(76.02)	44,443.66
Subordinated liabilities	4,523.85	(223.78)	-	-	(0.00)	4,300.07
Lease liability	563.46	(194.98)	-	-	258.59	627.07
Total liabilities from financing activities	**158,469.75**	**28,967.91**	**-**	**-**	**(969.45)**	**186,468.21**

(Rs. in crores)

Particulars	As at March 31, 2022	Cash flows	Changes in fair value	Exchange difference	Other	As at March 31, 2023
Debt securities	41,256.55	2,237.81	-	-	158.23	43,652.59
Borrowings (other than debt securities)	46,676.93	26,688.78	-	-	224.31	73,590.02
Deposits	21,948.98	14,153.14	-	-	37.71	36,139.83
Subordinated liabilities	4,614.25	(138.30)	-	-	47.90	4,523.85
Lease liability	349.43	(182.65)	-	-	396.68	563.46
Total liabilities from financing activities	**114,846.14**	**42,758.78**	**-**	**-**	**864.83**	**158,469.75**

48 CONTINGENT LIABILITIES AND COMMITMENTS

(A) Contingent liabilities

(Rs. in crores)

Particulars		As at March 31, 2024	As at March 31, 2023
Claims against the Company not acknowledged as debts			
a.	In respect of Income tax demands where the Company has filed appeal before various authorities	56.22	55.87
b.	VAT demand where the Company has filed appeal before various appellates	0.02	4.92
c.	Service tax demands where the Company has filed appeal before various authorities	2,056.61	2,056.61
d.	GST demand where the Company has filed appeals	7.20	-
e.	Stamp duty demand raised by District Registrar office against which the Company has filed appeal	6.69	-
f.	Penalty levied for Contravention of provisions of Section 6(3)(b) of FEMA, 1999 read with Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000	-	5.00
Total		**2,126.74**	**2,122.40**

Future cash outflows in respect of above are determinable only on receipt of judgements /decisions pending with various forums/authorities. It is not practicable for the Company to estimate the timings of the cashflows, if any, in respect of the above pending resolution of the respective proceedings. The Company does not expect any reimbursement in respect of the above contingent liabilities. The Company is of the opinion that above demands are not sustainable and expects to succeed in its appeals. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

(B) Commitments not provided for

(Rs. in crores)

Particulars		As at March 31, 2024	As at March 31, 2023
a.	Estimated amount of contracts remaining to be executed on capital account, net of advances	44.39	101.36
b.	Commitments related to loans sanctioned but undrawn	108.24	283.98

49 RELATED PARTY TRANSACTIONS

Related Parties as at March 31, 2024

Relationship	Name of the party
I. Promoter	: Shriram Capital Private Limited (w.e.f. November 24, 2022) Shriram Capital Limited (upto November 23, 2022)
II. Promoter Group	: Shriram Value Services Limited Novac Technology Solutions Private Limited Shriram Fortune Solutions Limited Shriram General Insurance Company Limited Shriram Life Insurance Company Limited Shriram Insight Share Brokers Limited Shriram Asset Management Company Limited Shriram Financial Products Solutions (Chennai) Private Limited (upto March 31, 2023)

49 RELATED PARTY TRANSACTIONS (Contd.)

II.	Promoter Group	: Insight Commodities and Futures Private Limited (upto May 18, 2022) Shriram Credit Company Limited Shriram Overseas Investments Private Limited Shriram Wealth Limited Bharath Investments Pte. Limited, Singapore SGI Philippines General Insurance Co. Inc. Novac Digital Service Private Limited Shriram LI Holdings Private Limited Shriram GI Holdings Private Limited SEA funds Management India Private Limited Way2wealth Insurance Brokers Private Limited Way2wealth Securities Private Limited (upto March 31, 2023) Way2wealth Brokers Private Limited Way2wealth Commodities Private Limited Shriram Investment Holdings Limited (upto September 05, 2023) Shriram Investment Holdings Private Limited (w.e.f. September 06, 2023) Shriram Asset Reconstruction Private Limited (w.e.f. December 01, 2022) Novac Technology FZCO (w.e.f. February 08, 2023) Novac GT Technology LLC (Dubai) (w.e.f October 18, 2023)
III.	Subsidiary	: Shriram Housing Finance Limited (w.e.f. April 01, 2022)
IV.	Associates	: Shriram Automall India Limited Cartradeexchange Solutions Private Limited Adroit Inspection Service Private Limited Augeo Asset Management Private Limited
V.	Key Management Personnel (KMP)	: Mr. Umesh Revankar, Executive Vice Chairman (w.e.f. December 05, 2022) Mr. Umesh Revankar, Vice Chairman & Managing Director (upto December 04, 2022) Mr. Y. S. Chakravarti, Managing Director & CEO (w.e.f. December 05, 2022) Mr. Y. S. Chakravarti, Director (upto December 04, 2022) Mr. Jugal Kishore Mohapatra, Chairman (w.e.f. December 04, 2022) Mr. Parag Sharma, Whole Time Director, Joint Managing Director & CFO Mr. S. Sridhar, Independent Director Mr. Pradeep Kumar Panja, Independent Director Mrs. Maya Sinha, Independent Director (w.e.f. December 04, 2022) Mr. S. Ravindran, Non-Executive Independent Director (w.e.f. August 31, 2023) Mr. D. V. Ravi, Director Mr. Ignatius Michael Viljoen, Director Mr. S. Sunder, Joint Managing Director Mr. R. Chandrasekar, Joint Managing Director & Chief Compliance Officer (w.e.f. December 04, 2022) Mr. U. Balasundararao, Company Secretary & Compliance officer Mr. Hardeep Singh Tur, Chief Risk Officer Mr. Srinivas K., Joint Managing Director (w.e.f. December 04, 2022 and upto January 25, 2024) Mr. G. M. Jilani, Joint Managing Director (w.e.f. December 04, 2022 and upto January 25, 2024)

49 RELATED PARTY TRANSACTIONS (Contd.)

V.	Key Management Personnel (KMP)	: Mr. P. Sridharan, Joint Managing Director (upto January 25, 2024) Mr. Sudarshan Holla, Joint Managing Director (upto January 25, 2024) Mr. Nilesh Odedara, Joint Managing Director (upto January 25, 2024) Mr. Aseem Gandhi, Executive Director (w.e.f. December 04, 2022 and upto July 27, 2023) Mr. S. Lakshminarayanan (upto December 04, 2022) Mrs. Kishori Udeshi (upto December 04, 2022)
VI.	Close members of Key Management Personnel (with whom the company has transactions)	: Mrs. Suchita U. Revankar (Spouse of Mr. Umesh Revankar) Mrs. Geeta G. Revankar (Mother of Mr. Umesh Revankar) Mr. Anil G. Revankar (Brother of Mr. Umesh Revankar) Mr. Shreyas U. Revankar (Son of Mr. Umesh Revankar) Mr. Shrishgovind U. Revankar (Son of Mr. Umesh Revankar) Mrs. Yalamati Sujatha (Spouse of Mr. Y. S. Chakravarti) Mr. Sree Bhargav Y. (Son of Mr. Y. S. Chakravarti) Mrs. Rama Sharma (Mother of Mr. Parag Sharma) Ms. Atibhi Sharma (Daughter of Mr. Parag Sharma) Mr. Amit Sharma (Brother of Mr. Parag Sharma) Mrs. P. Suchitra (Sister of Mr. Pradeep Kumar Panja) Mrs. P. Surekha (Sister of Mr. Pradeep Kumar Panja) Mrs. Sujatha Sunder (Spouse of Mr. S. Sunder) Mrs. Barathy Chandrasekar (Spouse of Mr. R. Chandrasekar) (w.e.f. December 04, 2022) Mrs. Deepika Karthik (Daughter of Mr. R. Chandrasekar) (w.e.f. December 04, 2022) Mr. Karthik (Husband of Daughter of Mr. R. Chandrasekar) (w.e.f. December 04, 2022) Mrs. Uma Swaminathan (Mother of Mrs. Maya Sinha) (w.e.f. December 04, 2022) Mrs. S. Arulmozhi (Spouse of Mr. P. Sridharan) (upto January 25, 2024) Ms. S. Karunyalakshmi (Daughter of Mr. P. Sridharan) (upto January 25, 2024) Mr. Jayendra Purshottamdas Udeshi (Spouse of Mrs. Kishori Udeshi) (upto December 04, 2022)
VII.	Employee's Benefit Plan	: Shriram Transport Finance Company Limited Employees Group Gratuity Assurance Scheme Shriram City Union Finance Limited Employees Group Gratuity Assurance Scheme (w.e.f. April 01, 2022)

49 RELATED PARTY TRANSACTIONS (Contd.)

Summary of Related Party Transactions

(Rs. in crores)

Particulars	Promoter		Promoter group		Subsidiary		Associates		Employee's benefit plan		Key management personnel		Close members of key management personnel		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Payments/ Expenses																
Payment to key management personnel *	-	-	-	-	-	-	-	-	-	-	13.48	11.32	-	-	**13.48**	11.32
Royalty	-	-	349.98	298.03	-	-	-	-	-	-	-	-	-	-	**349.98**	298.03
Service charges	22.37	39.58	-	-	-	-	-	-	-	-	-	-	-	-	**22.37**	39.58
I.T. and BPO charges	-	-	135.21	121.85	-	-	-	-	-	-	-	-	-	-	**135.21**	121.85
Intangible assets under development	-	-	63.00	56.00	-	-	-	-	-	-	-	-	-	-	**63.00**	56.00
Rent	-	-	0.02	0.02	-	0.07	16.04	14.21	-	-	-	-	-	-	**16.06**	14.29
Payment for assignment	-	-	-	-	76.28	32.15	-	-	-	-	-	-	-	-	**76.28**	32.15
Business mobilisation expenses	-	-	-	-	-	-	0.17	0.04	-	-	-	-	-	-	**0.17**	0.04
Other administrative expenses	-	-	0.03	0.03	-	0.04	11.63	13.84	-	-	-	-	-	-	**11.66**	13.91
Insurance premium	-	-	26.92	23.54	-	-	-	-	-	-	-	-	-	-	**26.92**	23.54
Security deposit paid	-	-	0.01	0.45	-	-	-	-	-	-	-	-	-	-	**0.01**	0.45
Commission	-	-	31.46	100.51	-	-	1.00	0.32	-	-	-	-	-	-	**32.46**	100.83
Sales promotion	-	-	11.79	56.01	-	-	-	-	-	-	-	-	-	-	**11.79**	56.01
Direct Selling Agent commission	-	-	0.20	-	-	-	-	-	-	-	-	-	-	-	**0.20**	-
Debt Syndication Services	-	-	0.60	-	-	-	-	-	-	-	-	-	-	-	**0.60**	-
Revenue sharing paid	-	-	-	-	-	-	0.42	0.29	-	-	-	-	-	-	**0.42**	0.29
Valuation charges paid	-	-	-	-	-	-	-	0.00	-	-	-	-	-	-	**-**	0.00
Investment in mutual fund	-	-	43.00	31.50	-	-	-	-	-	-	-	-	-	-	**43.00**	31.50
Purchase of property, plant and equipment	-	-	-	0.37	-	-	-	-	-	-	-	-	-	-	**-**	0.37
Gratuity & leave encashment paid	-	-	0.02	-	0.21	0.15	-	-	-	-	-	-	-	-	**0.23**	0.15
Interest paid	-	-	106.16	75.81	-	-	7.44	2.44	-	-	0.05	0.04	0.12	0.08	**113.77**	78.38
Equity dividend	335.73	100.72	64.97	18.89	-	-	-	-	-	-	0.33	0.10	0.00	0.00	**401.03**	119.72
Subordinated debts matured	-	-	192.50	33.90	-	-	-	-	-	-	-	-	-	-	**192.50**	33.90
Non convertible debenture (secured) matured	-	-	52.15	32.11	-	-	8.19	1.10	-	-	-	0.10	-	0.07	**60.34**	33.39
Fixed deposit matured	-	-	22.54	4.07	-	-	22.00	8.00	-	-	0.25	0.04	0.98	0.45	**45.77**	12.55
Employer contribution to employees group gratuity assurance scheme	-	-	-	-	-	-	-	-	59.89	16.48	-	-	-	-	**59.89**	16.48
Inter-corporate deposit repaid	-	-	-	-	-	-	-	48.28	-	-	-	-	-	-	**-**	48.28
Receipts/ Income																
Recovery of common sharing expenses	0.03	0.02	0.21	0.62	0.13	0.06	0.28	0.24	-	-	-	-	-	-	**0.65**	0.94
Commission received on disbursements	-	-	-	-	0.03	0.07	-	-	-	-	-	-	-	-	**0.03**	0.07
Reimbursement of expenses	-	-	-	0.04	-	0.12	-	-	-	-	-	-	-	-	**-**	0.16
Dividend received	-	-	-	-	-	-	-	5.35	-	-	-	-	-	-	**-**	5.35
Gratuity, leave encashment, bonus and leave travel allowances received	-	0.03	0.61	5.63	-	-	0.28	0.15	-	-	-	-	-	-	**0.89**	5.81
Sale of property, plant and equipment	-	-	-	0.02	-	0.01	0.00	-	-	-	-	-	-	-	**0.00**	0.03
Rent and electricity	-	0.10	-	0.10	0.05	0.40	3.73	4.21	-	-	-	-	-	-	**3.78**	4.81
Business auxiliary services	0.11	0.07	-	-	-	-	-	-	-	-	-	-	-	-	**0.11**	0.07
Collection fees income	-	-	-	-	0.22	0.06	-	-	-	-	-	-	-	-	**0.22**	0.06
Other income	-	-	0.00	0.00	0.04	-	-	-	-	-	-	-	-	-	**0.04**	0.00
Disbursement of new assignment	-	-	-	-	149.67	-	-	-	-	-	-	-	-	-	**149.67**	-
Insurance claim	-	-	0.32	0.54	-	-	-	-	-	-	-	-	-	-	**0.32**	0.54
Insurance premium received	-	0.00	-	-	-	-	-	-	-	-	-	-	-	-	**-**	0.00
Investment in mutual fund redeemed	-	-	45.19	25.10	-	-	-	-	-	-	-	-	-	-	**45.19**	25.10
Revenue sharing received	-	-	-	-	-	-	0.07	0.42	-	-	-	-	-	-	**0.07**	0.42
Commission received	-	-	246.99	92.39	-	-	-	-	-	-	-	-	-	-	**246.99**	92.39
Fixed deposit received	-	-	10.00	22.07	-	-	54.74	19.66	-	-	0.19	1.12	2.05	1.53	**66.99**	44.39
Inter-corporate deposit received	-	-	-	-	-	-	-	20.83	-	-	-	-	-	-	**-**	20.83
Balance outstanding at the year end																
Equity share capital	67.15	67.15	20.77	12.99	-	-	-	-	-	-	0.05	0.07	0.00	0.00	**87.97**	80.21

(Rs. in crores)

Particulars	Promoter		Promoter group		Subsidiary		Associates		Employee's benefit plan		Key management personnel		Close members of key management personnel		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Investment in equity shares	-	-	-	-	1,562.24	1,562.24	13.37	13.37	-	-	-	-	-	-	**1,575.61**	1,575.61
Commission and other receivables	-	-	38.28	29.97	0.02	0.24	-	-	-	-	-	-	-	-	**38.30**	30.21
Outstanding expenses	5.71	0.02	45.45	87.65	-	0.59	3.24	1.06	-	-	-	-	-	-	**54.40**	89.32
Investment in mutual fund	-	-	10.01	12.00	-	-	-	-	-	-	-	-	-	-	**10.01**	12.00
Fixed deposit																
- Public deposit	-	-	-	-	-	-	-	-	-	-	1.29	1.30	3.44	2.17	**4.73**	3.47
- Deposit from corporates	-	-	50.34	64.11	-	-	144.36	107.76	-	-	-	-	-	-	**194.70**	171.87
Subordinated debt	-	-	330.21	523.20	-	-	-	-	-	-	-	-	-	-	**330.21**	523.20
Non-convertible debenture (secured)																
- Public issue	-	-	68.74	70.80	-	-	7.82	16.88	-	-	-	-	-	-	**76.56**	87.68
- Privately placed	-	-	511.02	370.13	-	-	-	-	-	-	-	-	-	-	**511.02**	370.13
Derivative transaction (Refer note 105)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-

Income/ expenses are presented excluding GST.

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

There were no guarantees given on behalf of related parties during the year.

*Some of the Key management personnel/ Senior management personnel are eligible for superannuation benefits of a trust formed by the promoter group and as the benefits are decided by the committee of the trust, the same neither come within the purview of the Company nor have any impact on the Statement Profit and Loss of the Company and hence are not included as part of remuneration.

The Company has not granted loans or advances to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that is repayable on demand or without specifying any terms or period of repayment for the financial years ended March 31, 2024 and March 31, 2023.

Breakup of Related Party Transactions

(Rs. in crores)

Particulars	Promoter		Promoter group		Subsidiary		Associates		Employee's benefit plan		Key management personnel		Close members of key management personnel		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Payments/ Expenses																
Employee benefits for key management personnel																
- Short term benefits	-	-	-	-	-	-	-	-	-	-	10.45	7.99	-	-	**10.45**	7.99
- Post employment benefits	-	-	-	-	-	-	-	-	-	-	1.73	1.78	-	-	**1.73**	1.78
Commission and sitting fee paid to directors																
- Mr. S. Lakshminarayanan	-	-	-	-	-	-	-	-	-	-	-	0.32	-	-	**-**	0.32
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	-	-	-	0.30	-	-	**-**	0.30
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	-	-	0.38	0.37	-	-	**0.38**	0.37
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	-	-	0.38	0.39	-	-	**0.38**	0.39
- Mrs. Maya Sinha	-	-	-	-	-	-	-	-	-	-	0.24	0.09	-	-	**0.24**	0.09
- Mr. S. Ravindran	-	-	-	-	-	-	-	-	-	-	0.11	-	-	-	**0.11**	-
- Mr. Jugal Kishore Mohapatra	-	-	-	-	-	-	-	-	-	-	0.19	0.07	-	-	**0.19**	0.07
Royalty																
- Shriram Value Services Limited	-	-	349.98	298.03	-	-	-	-	-	-	-	-	-	-	**349.98**	298.03
Service charges																
- Shriram Capital Limited	-	32.25	-	-	-	-	-	-	-	-	-	-	-	-	**-**	32.25
- Shriram Capital Private Limited	22.37	7.33	-	-	-	-	-	-	-	-	-	-	-	-	**22.37**	7.33
Voice call services																
- Novac Technology Solutions Private Limited	-	-	34.89	11.05	-	-	-	-	-	-	-	-	-	-	**34.89**	11.05
I.T. and BPO charges																
- Novac Technology Solutions Private Limited	-	-	100.32	110.80	-	-	-	-	-	-	-	-	-	-	**100.32**	110.80
Intangible assets under development																
- Novac Technology Solutions Private Limited	-	-	63.00	56.00	-	-	-	-	-	-	-	-	-	-	**63.00**	56.00

49 RELATED PARTY TRANSACTIONS (Contd.)

(Rs. in crores)

Particulars	Promoter		Promoter group		Subsidiary		Associates		Employee's benefit plan		Key management personnel		Close members of key management personnel		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Rent																
- Shriram Automall India Limited	-	-	-	-	-	-	16.04	14.21	-	-	-	-	-	-	**16.04**	**14.21**
- Shriram Housing Finance Limited	-	-	-	-	-	0.07	-	-	-	-	-	-	-	-	**-**	**0.07**
- Shriram Asset Management Company Limited	-	-	0.02	0.02	-	-	-	-	-	-	-	-	-	-	**0.02**	**0.02**
Payment for assignment																
- Shriram Housing Finance Limited	-	-	-	-	76.28	32.15	-	-	-	-	-	-	-	-	**76.28**	**32.15**
Business mobilisation expenses																
- Shriram Automall India Limited	-	-	-	-	-	-	0.17	0.04	-	-	-	-	-	-	**0.17**	**0.04**
Other administrative expenses																
- Shriram Housing Finance Limited	-	-	-	-	-	0.04	-	-	-	-	-	-	-	-	**-**	**0.04**
- Shriram Insight Share Brokers Limited	-	-	0.03	0.03	-	-	-	-	-	-	-	-	-	-	**0.03**	**0.03**
- Shriram Automall India Limited	-	-	-	-	-	-	11.63	13.84	-	-	-	-	-	-	**11.63**	**13.84**
Insurance premium																
- Shriram Life Insurance Company Limited	-	-	16.86	14.15	-	-	-	-	-	-	-	-	-	-	**16.86**	**14.15**
- Shriram General Insurance Company Limited	-	-	10.07	9.39	-	-	-	-	-	-	-	-	-	-	**10.07**	**9.39**
Security deposit paid																
- Shriram Life Insurance Company Limited	-	-	-	0.25	-	-	-	-	-	-	-	-	-	-	**-**	**0.25**
- Shriram Asset Management Company Limited	-	-	0.01	-	-	-	-	-	-	-	-	-	-	-	**0.01**	**-**
- Shriram General Insurance Company Limited	-	-	-	0.20	-	-	-	-	-	-	-	-	-	-	**-**	**0.20**
Commission																
- Shriram Fortune Solutions Limited	-	-	-	68.22	-	-	-	-	-	-	-	-	-	-	**-**	**68.22**
- Adroit Inspection Service Private Limited	-	-	-	-	-	-	1.00	0.32	-	-	-	-	-	-	**1.00**	**0.32**
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	-	21.38	-	-	-	-	-	-	-	-	-	-	**-**	**21.38**
- Shriram Insight Share Brokers Limited	-	-	8.80	8.92	-	-	-	-	-	-	-	-	-	-	**8.80**	**8.92**
- Shriram Wealth Limited	-	-	0.69	1.61	-	-	-	-	-	-	-	-	-	-	**0.69**	**1.61**
- Shriram Credit Company Limited	-	-	21.37	-	-	-	-	-	-	-	-	-	-	-	**21.37**	**-**
- Way2wealth Securities Private Limited	-	-	0.60	0.38	-	-	-	-	-	-	-	-	-	-	**0.60**	**0.38**
Sales promotion																
- Shriram Fortune Solutions Limited	-	-	-	40.80	-	-	-	-	-	-	-	-	-	-	**-**	**40.80**
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	-	12.75	-	-	-	-	-	-	-	-	-	-	**-**	**12.75**
- Shriram Insight Share Brokers Limited	-	-	2.21	2.03	-	-	-	-	-	-	-	-	-	-	**2.21**	**2.03**
- Shriram Wealth Limited	-	-	0.17	0.37	-	-	-	-	-	-	-	-	-	-	**0.17**	**0.37**
- Shriram Credit Company Limited	-	-	9.28	-	-	-	-	-	-	-	-	-	-	-	**9.28**	**-**
- Way2wealth Securities Private Limited	-	-	0.13	0.08	-	-	-	-	-	-	-	-	-	-	**0.13**	**0.08**
Direct Selling Agent commission																
- Way2wealth Brokers Private Limited	-	-	0.20	-	-	-	-	-	-	-	-	-	-	-	**0.20**	**-**
Debt Syndication Services																
- Shriram Credit Company Limited	-	-	0.60	-	-	-	-	-	-	-	-	-	-	-	**0.60**	**-**
Revenue sharing paid																
- Shriram Automall India Limited	-	-	-	-	-	-	0.42	0.29	-	-	-	-	-	-	**0.42**	**0.29**

49 RELATED PARTY TRANSACTIONS (Contd.)

(Rs. in crores)

Particulars	Promoter		Promoter group		Subsidiary		Associates		Employee's benefit plan		Key management personnel		Close members of key management personnel		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Interest on Inter-corporate deposit																
- Shriram Automall India Limited	-	-	-	-	-	-	-	0.55	-	-	-	-	-	-	**-**	**0.55**
Valuation charges paid																
- Shriram Automall India Limited	-	-	-	-	-	-	-	0.00	-	-	-	-	-	-	**-**	**0.00**
Investment in mutual fund																
- Shriram Asset Management Company Limited	-	-	43.00	31.50	-	-	-	-	-	-	-	-	-	-	**43.00**	**31.50**
Purchase of property, plant and equipment																
- Shriram Life Insurance Company Limited	-	-	-	0.07	-	-	-	-	-	-	-	-	-	-	**-**	**0.07**
- Shriram Fortune Solutions Limited	-	-	-	0.30	-	-	-	-	-	-	-	-	-	-	**-**	**0.30**
Gratuity & leave encashment paid																
- Shriram Housing Finance Limited	-	-	-	-	0.21	0.15	-	-	-	-	-	-	-	-	**0.21**	**0.15**
- Shriram Life Insurance Company Limited	-	-	0.02	-	-	-	-	-	-	-	-	-	-	-	**0.02**	-
Interest on fixed deposit																
- Key management personnel																
- Mr. Parag Sharma	-	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	**0.00**	**0.00**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	-	-	0.01	-	-	-	**0.01**	-
- Mr. Hardeep Singh Tur	-	-	-	-	-	-	-	-	-	-	-	0.00	-	-	**-**	**0.00**
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	-	-	0.04	-	-	-	**0.04**	-
- Close members of key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	0.12	0.05	**0.12**	**0.05**
- Shriram Automall India Limited	-	-	-	-	-	-	5.41	0.34	-	-	-	-	-	-	**5.41**	**0.34**
- Shriram Fortune Solutions Limited	-	-	-	0.02	-	-	-	-	-	-	-	-	-	-	**-**	**0.02**
- Shriram Asset Management Company Limited	-	-	5.87	-	-	-	-	-	-	-	-	-	-	-	**5.87**	-
- Cartradeexchange Solutions Private Limited	-	-	-	-	-	-	-	0.06	-	-	-	-	-	-	**-**	**0.06**
Interest on subordinated debt																
- Shriram Life Insurance Company Limited	-	-	15.27	13.73	-	-	-	-	-	-	-	-	-	-	**15.27**	**13.73**
- Shriram General Insurance Company Limited	-	-	32.67	34.33	-	-	-	-	-	-	-	-	-	-	**32.67**	**34.33**
Interest on non-convertible debenture (secured)																
- Shriram Life Insurance Company Limited	-	-	14.79	11.25	-	-	-	-	-	-	-	-	-	-	**14.79**	**11.25**
- Shriram General Insurance Company Limited	-	-	33.37	16.20	-	-	-	-	-	-	-	-	-	-	**33.37**	**16.20**
- Shriram Asset Management Company Limited	-	-	0.20	0.27	-	-	-	-	-	-	-	-	-	-	**0.20**	**0.27**
- Shriram Insight Share Brokers Limited	-	-	0.01	0.01	-	-	-	-	-	-	-	-	-	-	**0.01**	**0.01**
- Shriram Automall India Limited	-	-	-	-	-	-	2.03	1.49	-	-	-	-	-	-	**2.03**	**1.49**
- Shriram Value Services Limited	-	-	3.96	-	-	-	-	-	-	-	-	-	-	-	**3.96**	-
- Key management personnel																
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	-	-	-	0.04	-	-	**-**	**0.04**
- Close members of key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	0.03	**-**	**0.03**

49 RELATED PARTY TRANSACTIONS (Contd.)

(Rs. in crores)

Particulars	Promoter		Promoter group		Subsidiary		Associates		Employee's benefit plan		Key management personnel		Close members of key management personnel		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Equity dividend																
- Close members of key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	0.00	0.00	**0.00**	**0.00**
- Key management personnel																
- Mr. Parag Sharma	-	-	-	-	-	-	-	-	-	-	0.23	0.07	-	-	**0.23**	**0.07**
- Mr. S. Sunder	-	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	**0.00**	**0.00**
- Mr. P. Sridharan	-	-	-	-	-	-	-	-	-	-	-	0.00	-	-	**-**	**0.00**
- Mr. Sudarshan Holla	-	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	**0.00**	**0.00**
- Mr. U Balasundararao	-	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	**0.00**	**0.00**
- Mr. R. Chandrasekar	-	-	-	-	-	-	-	-	-	-	0.03	0.01	-	-	**0.03**	**0.01**
- Mr. D. V. Ravi	-	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	**0.00**	**0.00**
- Mr. G. M. Jilani	-	-	-	-	-	-	-	-	-	-	0.06	0.02	-	-	**0.06**	**0.02**
- Shriram Capital Private Limited	335.73	100.72	-	-	-	-	-	-	-	-	-	-	-	-	**335.73**	**100.72**
- Shriram Value Services Limited	-	-	64.97	18.89	-	-	-	-	-	-	-	-	-	-	**64.97**	**18.89**
Subordinated debts matured																
- Shriram General Insurance Company Limited	-	-	165.80	27.90	-	-	-	-	-	-	-	-	-	-	**165.80**	**27.90**
- Shriram Life Insurance Company Limited	-	-	26.70	6.00	-	-	-	-	-	-	-	-	-	-	**26.70**	**6.00**
Non convertible debenture (secured) matured																
- Shriram Life Insurance Company Limited	-	-	-	31.90	-	-	-	-	-	-	-	-	-	-	**-**	**31.90**
- Shriram Insight Share Brokers Limited	-	-	0.06	-	-	-	-	-	-	-	-	-	-	-	**0.06**	**-**
- Shriram Asset Management Company Limited	-	-	2.09	0.21	-	-	-	-	-	-	-	-	-	-	**2.09**	**0.21**
- Shriram Automall India Limited	-	-	-	-	-	-	8.19	1.10	-	-	-	-	-	-	**8.19**	**1.10**
- Shriram Value Services Limited	-	-	50.00	-	-	-	-	-	-	-	-	-	-	-	**50.00**	**-**
- Key management personnel																
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	-	-	-	0.10	-	-	**-**	**0.10**
- Close members of key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	0.07	**-**	**0.07**
Fixed deposit matured																
- Key management personnel																
- Mr. Parag Sharma	-	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	**0.00**	**0.00**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	-	-	0.05	-	-	-	**0.05**	**-**
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	-	-	0.20	-	-	-	**0.20**	**-**
- Mr. Hardeep Singh Tur	-	-	-	-	-	-	-	-	-	-	-	0.03	-	-	**-**	**0.03**
- Close members of key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	0.98	0.45	**0.98**	**0.45**
- Shriram Automall India Limited	-	-	-	-	-	-	22.00	5.00	-	-	-	-	-	-	**22.00**	**5.00**
- Shriram Fortune Solutions Limited	-	-	-	4.07	-	-	-	-	-	-	-	-	-	-	**-**	**4.07**
- Shriram Asset Management Company Limited	-	-	22.54	-	-	-	-	-	-	-	-	-	-	-	**22.54**	**-**
- Cartradeexchange Solutions Private Limited	-	-	-	-	-	-	-	3.00	-	-	-	-	-	-	**-**	**3.00**

49 RELATED PARTY TRANSACTIONS (Contd.)

(Rs. in crores)

Particulars	Promoter		Promoter group		Subsidiary		Associates		Employee's benefit plan		Key management personnel		Close members of key management personnel		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Employer contribution to employees group gratuity assurance scheme	-	-	-	-	-	-	-	-	59.89	16.48	-	-	-	-	**59.89**	**16.48**
Inter-corporate deposit repaid																
- Shriram Automall India Limited	-	-	-	-	-	-	-	48.28	-	-	-	-	-	-	**-**	**48.28**
TOTAL	**358.10**	**140.30**	**1,100.55**	**853.09**	**76.49**	**32.40**	**66.89**	**88.52**	**59.89**	**16.48**	**14.11**	**11.60**	**1.10**	**0.60**	**1,677.14**	**1,142.98**
Receipts/ Income																
Recovery of common sharing expenses																
- Shriram Automall India Limited	-	-	-	-	-	-	0.28	0.24	-	-	-	-	-	-	**0.28**	**0.24**
- Shriram Capital Limited	-	0.02	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**0.02**
- Shriram Insight Share Brokers Limited	-	-	0.02	0.03	-	-	-	-	-	-	-	-	-	-	**0.02**	**0.03**
- Shriram Fortune Solutions Limited	-	-	0.03	0.50	-	-	-	-	-	-	-	-	-	-	**0.03**	**0.50**
- Shriram Credit Company Limited	-	-	0.12	0.09	-	-	-	-	-	-	-	-	-	-	**0.12**	**0.09**
- Shriram General Insurance Company Limited	-	-	0.03	-	-	-	-	-	-	-	-	-	-	-	**0.03**	**-**
- Shriram Capital Private Limited	0.03	-	-	-	-	-	-	-	-	-	-	-	-	-	**0.03**	**-**
- Shriram Asset Management Company Limited	-	-	0.02	-	-	-	-	-	-	-	-	-	-	-	**0.02**	**-**
- Shriram Housing Finance Limited	-	-	-	-	0.13	0.06	-	-	-	-	-	-	-	-	**0.13**	**0.06**
Commission received on disbursements																
- Shriram Housing Finance Limited	-	-	-	-	0.03	0.07	-	-	-	-	-	-	-	-	**0.03**	**0.07**
Reimbursement of expenses																
- Shriram Fortune Solutions Limited	-	-	-	0.04	-	-	-	-	-	-	-	-	-	-	**-**	**0.04**
- Shriram Insight Share Brokers Limited	-	-	-	0.01	-	-	-	-	-	-	-	-	-	-	**-**	**0.01**
- Shriram Housing Finance Limited	-	-	-	-	-	0.12	-	-	-	-	-	-	-	-	**-**	**0.12**
Dividend received																
- Shriram Automall India Limited	-	-	-	-	-	-	-	5.35	-	-	-	-	-	-	**-**	**5.35**
Gratuity, leave encashment, bonus and leave travel allowances received																
- Shriram Automall India Limited	-	-	-	-	-	-	0.28	0.15	-	-	-	-	-	-	**0.28**	**0.15**
- Shriram Capital Limited	-	0.03	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**0.03**
- Shriram General Insurance Company Limited	-	-	-	0.55	-	-	-	-	-	-	-	-	-	-	**-**	**0.55**
- Shriram Life Insurance Company Limited	-	-	0.47	0.80	-	-	-	-	-	-	-	-	-	-	**0.47**	**0.80**
- Shriram Insight Share Brokers Limited	-	-	0.06	-	-	-	-	-	-	-	-	-	-	-	**0.06**	**-**
- Shriram Fortune Solutions Limited	-	-	-	4.25	-	-	-	-	-	-	-	-	-	-	**-**	**4.25**
- Novac Technology Solutions Private Limited	-	-	0.09	0.01	-	-	-	-	-	-	-	-	-	-	**0.09**	**0.01**
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	-	0.00	-	-	-	-	-	-	-	-	-	-	**-**	**0.00**
- Adroit Inspection Service Private Limited	-	-	-	-	-	-	0.00	-	-	-	-	-	-	-	**0.00**	**-**
- Shriram Value Services Limited	-	-	-	0.01	-	-	-	-	-	-	-	-	-	-	**-**	**0.01**
Sale of property, plant and equipment																
- Shriram Life Insurance Company Limited	-	-	-	0.02	-	-	-	-	-	-	-	-	-	-	**-**	**0.02**
- Shriram Automall India Limited	-	-	-	-	-	-	0.00	-	-	-	-	-	-	-	**0.00**	**-**
- Shriram Housing Finance Limited	-	-	-	-	-	0.01	-	-	-	-	-	-	-	-	**-**	**0.01**

49 RELATED PARTY TRANSACTIONS (Contd.)

(Rs. in crores)

Particulars	Promoter		Promoter group		Subsidiary		Associates		Employee's benefit plan		Key management personnel		Close members of key management personnel		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Rent and electricity																
- Shriram Fortune Solutions Limited	-	-	-	0.10	-	-	-	-	-	-	-	-	-	-	-	0.10
- Shriram Insight Share Brokers Limited	-	-	-	0.01	-	-	-	-	-	-	-	-	-	-	-	0.01
- Shriram Housing Finance Limited	-	-	-	-	0.05	0.40	-	-	-	-	-	-	-	-	0.05	0.40
- Shriram Capital Limited	-	0.10	-	-	-	-	-	-	-	-	-	-	-	-	-	0.10
- Shriram Automall India Limited	-	-	-	-	-	-	3.73	4.21	-	-	-	-	-	-	3.73	4.21
Business auxiliary services																
- Shriram Capital Private Limited	0.11	0.07	-	-	-	-	-	-	-	-	-	-	-	-	0.11	0.07
Collection fees income																
- Shriram Housing Finance Limited	-	-	-	-	0.22	0.06	-	-	-	-	-	-	-	-	0.22	0.06
Other income																
- Shriram Asset Management Company Limited	-	-	0.00	0.00	-	-	-	-	-	-	-	-	-	-	0.00	0.00
- Shriram Housing Finance Limited	-	-	-	-	0.04	-	-	-	-	-	-	-	-	-	0.04	-
Disbursement of new assignment																
- Shriram Housing Finance Limited	-	-	-	-	149.67	-	-	-	-	-	-	-	-	-	149.67	-
Insurance claim																
- Shriram General Insurance Company Limited	-	-	0.32	0.54	-	-	-	-	-	-	-	-	-	-	0.32	0.54
Insurance premium received																
- Shriram Capital Limited	-	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00
Investment in mutual fund redeemed																
- Shriram Asset Management Company Limited	-	-	45.19	25.10	-	-	-	-	-	-	-	-	-	-	45.19	25.10
Revenue sharing received																
- Shriram Automall India Limited	-	-	-	-	-	-	0.07	0.42	-	-	-	-	-	-	0.07	0.42
Commission received																
- Shriram General Insurance Company Limited	-	-	122.90	50.90	-	-	-	-	-	-	-	-	-	-	122.90	50.90
- Shriram Life Insurance Company Limited	-	-	124.09	41.49	-	-	-	-	-	-	-	-	-	-	124.09	41.49
Fixed deposit received																
- Key management personnel																
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	-	-	0.13	0.10	-	-	0.13	0.10
- Mr. Parag Sharma	-	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	0.00	0.00
- Mr. Hardeep Singh Tur	-	-	-	-	-	-	-	-	-	-	-	0.00	-	-	-	0.00
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	-	-	0.06	-	-	-	0.06	-
- Mr. R. Chandrasekar	-	-	-	-	-	-	-	-	-	-	-	1.02	-	-	-	1.02
- Close members of key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	2.05	1.53	2.05	1.53
- Shriram Asset Management Company Limited	-	-	10.00	20.00	-	-	-	-	-	-	-	-	-	-	10.00	20.00
- Shriram Fortune Solutions Limited	-	-	-	2.07	-	-	-	-	-	-	-	-	-	-	-	2.07
- Shriram Automall India Limited	-	-	-	-	-	-	46.74	11.16	-	-	-	-	-	-	46.74	11.16
- Cartradeexchange Solutions Private Limited	-	-	-	-	-	-	8.00	8.50	-	-	-	-	-	-	8.00	8.50
Inter-corporate deposit received																
- Shriram Automall India Limited	-	-	-	-	-	-	-	20.83	-	-	-	-	-	-	-	20.83
TOTAL	0.14	0.23	303.34	146.52	150.14	0.71	59.10	50.86	-	-	0.19	1.12	2.05	1.53	514.94	200.98

Income /expenses are presented excluding GST.

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

There were no guarantees given on behalf of related parties during the year.

*Some of the Key management personnel/ Senior management personnel are eligible for superannuation benefits of a trust formed by the promoter group and as the benefits are decided by the committee of the trust, the same neither come within the purview of the Company nor have any impact on the Statement Profit and Loss of the Company and hence are not included as part of remuneration.

The Company has not granted loans or advances to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that is repayable on demand or without specifying any terms or period of repayment for the financial year ended March 31, 2024 and March 31, 2023.

49 RELATED PARTY TRANSACTIONS (Contd.)

Breakup of Related Party Transactions

(Rs. in crores)

Particulars	Promoter		Promoter group		Subsidiary		Associates		Employee's benefit plan		Key management personnel		Close members of key management personnel		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Balance outstanding at the year end																
Equity share capital																
- Close members of key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	0.00	0.00	**0.00**	**0.00**
- Key management personnel																
- Mr. Parag Sharma	-	-	-	-	-	-	-	-	-	-	0.05	0.05	-	-	**0.05**	**0.05**
- Mr. S. Sunder	-	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	**0.00**	**0.00**
- Mr. P. Sridharan	-	-	-	-	-	-	-	-	-	-	-	0.00	-	-	**-**	**0.00**
- Mr. Sudarshan Holla	-	-	-	-	-	-	-	-	-	-	-	0.00	-	-	**-**	**0.00**
- Mr. U. Balasundararao	-	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	**0.00**	**0.00**
- Mr. D. V. Ravi	-	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	**0.00**	**0.00**
- Mr. G. M. Jilani	-	-	-	-	-	-	-	-	-	-	-	0.02	-	-	**-**	**0.02**
- Mr. R. Chandrasekar	-	-	-	-	-	-	-	-	-	-	0.01	0.01	-	-	**0.01**	**0.01**
- Shriram Capital Private Limited	67.15	67.15	-	-	-	-	-	-	-	-	-	-	-	-	**67.15**	**67.15**
- Shriram Value Services Limited	-	-	20.77	12.99	-	-	-	-	-	-	-	-	-	-	**20.77**	**12.99**
Investment in equity shares																
- Shriram Automall India Limited	-	-	-	-	-	-	13.37	13.37	-	-	-	-	-	-	**13.37**	**13.37**
- Shriram Housing Finance Limited	-	-	-	-	1,562.24	1,562.24	-	-	-	-	-	-	-	-	**1,562.24**	**1,562.24**
Commission and other receivables																
- Shriram General Insurance Company Limited	-	-	28.58	6.81	-	-	-	-	-	-	-	-	-	-	**28.58**	**6.81**
- Shriram Life Insurance Company Limited	-	-	9.69	7.03	-	-	-	-	-	-	-	-	-	-	**9.69**	**7.03**
- Shriram Fortune Solutions Limited	-	-	-	4.25	-	-	-	-	-	-	-	-	-	-	**-**	**4.25**
- Shriram Investment Holding Limited	-	-	-	11.87	-	-	-	-	-	-	-	-	-	-	**-**	**11.87**
- Shriram Asset Management Company Limited	-	-	0.01	-	-	-	-	-	-	-	-	-	-	-	**0.01**	**-**
- Shriram Housing Finance Limited	-	-	-	-	0.02	0.24	-	-	-	-	-	-	-	-	**0.02**	**0.24**
Outstanding expenses																
- Shriram Housing Finance Limited	-	-	-	-	-	0.59	-	-	-	-	-	-	-	-	**-**	**0.59**
- Adroit Inspection Service Private Limited	-	-	-	-	-	-	0.07	-	-	-	-	-	-	-	**0.07**	**-**
- Shriram Capital Private Limited	5.71	0.02	-	-	-	-	-	-	-	-	-	-	-	-	**5.71**	**0.02**
- Shriram Automall India Limited	-	-	-	-	-	-	3.16	1.06	-	-	-	-	-	-	**3.16**	**1.06**
- Shriram Value Services Limited	-	-	37.87	76.91	-	-	-	-	-	-	-	-	-	-	**37.87**	**76.91**
- Novac Technology Solutions Private Limited	-	-	4.03	7.75	-	-	-	-	-	-	-	-	-	-	**4.03**	**7.75**
- Shriram Fortune Solutions Limited	-	-	-	0.30	-	-	-	-	-	-	-	-	-	-	**-**	**0.30**
- Shriram Financial Products Solutions (Chennai)Private Limited	-	-	-	1.90	-	-	-	-	-	-	-	-	-	-	**-**	**1.90**

49 RELATED PARTY TRANSACTIONS (Contd.)

(Rs. in crores)

Particulars	Promoter		Promoter group		Subsidiary		Associates		Employee's benefit plan		Key management personnel		Close members of key management personnel		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
- Shriram Insight Share Brokers Limited	-	-	0.74	0.68	-	-	-	-	-	-	-	-	-	-	**0.74**	**0.68**
- Shriram Wealth Limited	-	-	0.09	0.04	-	-	-	-	-	-	-	-	-	-	**0.09**	**0.04**
- Shriram Credit Company Limited	-	-	2.45	-	-	-	-	-	-	-	-	-	-	-	**2.45**	-
- Way2wealth Securities Private Limited	-	-	0.26	0.07	-	-	-	-	-	-	-	-	-	-	**0.26**	**0.07**
Investment in mutual fund																
- Shriram Asset Management Company Limited	-	-	10.01	12.00	-	-	-	-	-	-	-	-	-	-	**10.01**	**12.00**
Fixed deposit																
- Key management personnel																
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	-	-	0.07	0.06	-	-	**0.07**	**0.06**
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	-	-	0.12	0.22	-	-	**0.12**	**0.22**
- Mr. Parag Sharma	-	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	**0.00**	**0.00**
- Mr. R. Chandrasekar	-	-	-	-	-	-	-	-	-	-	1.10	1.02	-	-	**1.10**	**1.02**
- Close members of key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	3.44	2.17	**3.44**	**2.17**
- Shriram Asset Management Company Limited	-	-	50.34	64.11	-	-	-	-	-	-	-	-	-	-	**50.34**	**64.11**
- Shriram Automall India Limited	-	-	-	-	-	-	116.39	89.33	-	-	-	-	-	-	**116.39**	**89.33**
- Cartradeexchange Solutions Private Limited	-	-	-	-	-	-	27.96	18.43	-	-	-	-	-	-	**27.96**	**18.43**
Non-convertible debenture (secured)																
- Shriram Life Insurance Company Limited	-	-	172.61	172.33	-	-	-	-	-	-	-	-	-	-	**172.61**	**172.33**
- Shriram General Insurance Company Limited	-	-	407.15	213.15	-	-	-	-	-	-	-	-	-	-	**407.15**	**213.15**
- Shriram Asset Management Company Limited	-	-	-	2.24	-	-	-	-	-	-	-	-	-	-	-	**2.24**
- Shriram Insight Share Brokers Limited	-	-	0.00	0.07	-	-	-	-	-	-	-	-	-	-	**0.00**	**0.07**
- Shriram Value Services Limited	-	-	-	53.14	-	-	-	-	-	-	-	-	-	-	-	**53.14**
- Shriram Automall India Limited	-	-	-	-	-	-	7.82	16.88	-	-	-	-	-	-	**7.82**	**16.88**
Subordinated debt																
- Shriram Life Insurance Company Limited	-	-	140.87	168.95	-	-	-	-	-	-	-	-	-	-	**140.87**	**168.95**
- Shriram General Insurance Company Limited	-	-	189.34	354.25	-	-	-	-	-	-	-	-	-	-	**189.34**	**354.25**
Derivative transaction (Refer note 105)																
- Shriram Housing Finance Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Income /expenses are presented excluding GST.

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

There were no guarantees given on behalf of related parties during the year.

The Company has not granted loans or advances to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that is repayable on demand or without specifying any terms or period of repayment for the financial years ended March 31, 2024 and March 31, 2023.

49 RELATED PARTY TRANSACTIONS (Contd.)

Disclosure pursuant to Schedule V of Clause A.2 of Regulation 34 (3) and Regulation 53(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I. Disclosures relating Loans and Advances/ Investments

(Rs. in crores)

Sr. No.	Loans and Advances in the nature of Loans	Amount outstanding as at		Maximum amount outstanding during the year	
		March 31, 2024	March 31, 2023	March 2024	March 2023
A)	**To Subsidiary**				
	- Shriram Housing Finance Limited	-	-	-	-
B)	**To Associate**				
	- Shriram Automall India Limited	-	-	-	-

II. Shriram Finance Limited (SFL) holds 44.56% (March 31, 2023: 44.56%) of equity shares of Shriram Automall India Limited (Associate) and 83.78% (March 31, 2023: 84.82%) of Shriram Housing Finance Limited (Subsidiary). Disclosure relating to transactions with the Company is given above.

49 RELATED PARTY TRANSACTIONS (Contd.)

Disclosure on Related Party Transactions as per the Master Direction - RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 on Disclosure requirements under Scale Based Regulation for NBFCs dated October 19, 2023 as amended

(Rs. in crores)

Related Party	Parent (as per ownership or control)		Promoter		Promoter group		Subsidiary		Associates/ Joint Ventures		Key Management		Relatives of Key Management Personnel		Directors		Relatives of Directors		Others		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Maximum outstanding during the year																						
Borrowings	-	-	-	-	953.95	1,003.32	-	-	17.11	18.11	-	-	-	-	-	0.14	-	0.10	-	-	**971.06**	**1,021.66**
Deposits	-	-	-	-	65.43	64.45	-	-	144.35	132.80	1.10	1.03	0.30	0.12	0.30	1.61	3.41	2.58	-	-	**214.89**	**202.59**
Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	10.01	25.09	1,562.24	1,562.24	13.37	13.37	-	-	-	-	-	-	-	-	-	-	**1,585.62**	**1,600.70**
Balance outstanding at the year end																						
Borrowings	-	-	-	-	909.97	964.12	-	-	7.82	16.88	-	-	-	-	-	-	-	-	-	-	**917.79**	**981.00**
Deposits	-	-	-	-	50.34	64.11	-	-	144.36	107.76	1.10	1.02	0.05	0.12	0.19	0.28	3.39	2.05	-	-	**199.43**	**175.34**
Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	10.01	12.00	1,562.24	1,562.24	13.37	13.37	-	-	-	-	-	-	-	-	-	-	**1,585.62**	**1,587.61**
Purchase of property, plant and equipments	-	-	-	-	-	0.37	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**0.37**
Sale of property, plant and equipments	-	-	-	-	-	0.02	-	0.01	0.00	-	-	-	-	-	-	-	-	-	-	-	**0.00**	**0.03**
Interest paid	-	-	-	-	106.16	75.81	-	-	7.44	2.44	-	-	0.02	0.01	0.05	0.04	0.10	0.07	-	-	**113.77**	**78.37**
Interest received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Royalty paid	-	-	-	-	349.98	298.03	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**349.98**	**298.03**
Equity dividend paid	-	-	335.73	100.72	64.97	18.89	-	-	-	-	0.10	0.04	0.00	0.00	0.23	0.07	0.00	0.00	-	-	**401.03**	**119.72**
Received towards preferential issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Received towards convertible warrants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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

50 EMPLOYEE STOCK OPTION PLAN

The Company provides share-based payment schemes to its Employees.

Employee Stock Option Plan (2013)

50.01: About the plan

Pursuant to clause 3.35.11 of approved Composite Scheme of Arrangement and Amalgamation ("Scheme"), all the employees in service of Shriram City Union Finance Limited ("Transferor Company") have become employee of the Company with effect from appointed date of the scheme i.e April 01, 2022. The Transferor Company prior to the Scheme had framed and implemented the Shriram City Union Finance Limited Employee Stock Options Scheme 2013 ("SCUF ESOS 2013") under which Employee Stock Options were granted to certain of its eligible employees. Shriram Finance Limited Employee Stock Options Scheme 2023 ("SFL ESOS 2023") has been created in lieu of the SCUF ESOS 2013 to issue stock options to the eligible employee of the Transferor Company taking into account the share exchange ratio as provided in terms of clause 3.36.1 of the Scheme. The objective of SFL ESOS 2023 plan is that the eligible employees of the Transferor Company continue to enjoy the benefit of stock options upon becoming the employees of the Company and to restore the value of options post amalgamation in the manner provided in terms of Clause 3.35.17 of the Scheme. This SFL ESOS 2023 plan has been adopted on March 15, 2023 by the Board and Nomination and Remuneration Committee of the Company.

Details of the Options issued under SFL ESOS 2023 plan is as follows:

Particulars	Number of options
Options Outstanding under SFL ESOS 2023 as on April 01, 2023	2,126,875
Options allotted during the year	1,365,534
Options lapsed during the year	6,680
Options Outstanding under SFL ESOS 2023 as on March 31, 2024	**754,661**

The options shall vest in the hands of the Option holder after a minimum period of 12 months from the date of grant of option or such longer period as may be determined by the Committee subject to the condition that the Option grantee continues to be an employee of the Company and the performance or other conditions as may be determined by the Committee. The maximum period of vesting shall be 5 years from the date of grant.

The period during which the options granted by the Transferor Company under SCUF ESOS 2013 plan were held by the eligible employee shall be adjusted against the minimum vesting period. That is, the date of vesting under the SCUF ESOS 2013 plan shall be considered as the vesting date under SFL ESOS 2023 plan.

The exercise price shall be Rs.193.55 per Fresh Options under the SFL ESOS 2023.

The options vested shall be exercised within period of ten years from the vesting date. When exercisable, each option is convertible into one equity share. Any option granted shall be exercisable according to the terms and conditions as determined by the Scheme.

50.02: Fair value of the options granted

The Company has recorded employee stock-based compensation expense relating to the SFL ESOS 2023 options on the basis of fair value of SCUF ESOS 2013 options.

The fair value of the options granted is mentioned below as per vesting period. The fair value of the options is determined using Black-Scholes model which takes into account the exercise price, the term of the option (time to maturity), the share price as at the grant date and expected price volatility (standard deviation) of the underlying share, the expected dividend yield and risk-free interest rate for the term of the option.

50 EMPLOYEE STOCK OPTION PLAN (Contd.)

Fair value and assumptions for the equity-settled grants under the SCUF ESOS 2013 plan is as under:

Particulars	Grant I	Grant II	Grant III	Grant IV	Grant V	Grant VI	Grant VII	Grant VIII
Grant Date	August 11, 2020	November 02, 2020	January 29, 2021	July 29, 2021	October 27, 2021	January 28, 2022	April 29, 2022	July 27, 2022
No. of Options Granted	300,221	300,030	315,396	302,601	303,270	301,582	599,800	28,913.00
Vesting Date	August 11, 2020	November 02, 2021	January 29, 2022	July 29, 2022	October 27, 2022	January 28, 2023	April 29, 2023	July 27, 2023
Exercise Price (in Rs.)	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00
Fair value of option (in Rs.)	399.20	560.18	756.39	1,539.79	1,985.23	1,517.66	1,440.68	1,686.59
Input Variables:								
Share price as on grant date (in Rs.)	661.80	822.75	1,018.70	1,814.10	2,257.45	1,787.90	1,708.60	1,949.95
Standard deviation (Volatility)	38.28%	44.52%	47.21%	27.52%	49.85%	53.76%	51.12%	49.47%
Risk-free rate	5.85%	5.88%	6.20%	4.48%	4.82%	5.03%	5.51%	6.46%
Time to maturity (in years)	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Expected Dividend per annum (in Rs.)	20.00	25.00	30.00	-	-	-	-	-
Dividend yield	3.00%	3.00%	3.00%	-	-	-	-	-

Since the SFL ESOS 2023 is already recorded by applying fair value method, the disclosure required under para 48 of guidance note on "Accounting for Employees Share Based Payments" issued by ICAI for reconciling the impact on net profit and earnings per share is not required.

50.03: Rationale for the variables used

The variables used for calculating the fair values and their rationale are as follows:

a. **Stock Price**

The latest available closing market price on the National Stock Exchange (NSE) date on which options are granted under SCUF ESOS 2023 plan has been considered for the purpose of valuation.

b. **Volatility**

Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes option pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time.

The period to be considered for volatility must be adequate to represent a consistent trend in the price movements. Accordingly, the annualised volatility has been computed based on the share price data of past one year, from the date of the valuation.

The fair value is very sensitive to this variable. Higher the volatility, higher is the fair value. The rationale being, the more volatile a stock is, the more is its potential to go up (or come down), and the more is the probability to gain from the movement in the price. Accordingly, an option to buy a highly volatile stock is more valuable than the one to buy a less volatile stock, since the probability of gaining is lesser in the latter case.

c. **Risk free interest rate**

The risk-free interest rate being considered for the calculation is the interest rate applicable on Government securities - having 10 year maturity period.

d. **Exercise price**

Exercise price of the options granted is as per SCUF ESOS 2023 plan.

e. **Time to maturity/ Expected life of options**

Time to maturity/ expected life of options is the period from the grant date to the date on which option is expected to be exercised. The minimum life of stock option is the minimum period before which the options cannot be exercised and maximum life is the period after which the options cannot be exercised.

Considering the deep discount on the market price i.e. 55% to 70%, it is expected that the options will be exercised in 1 year from the vesting date. As such the average expected life of options is considered at 2 years.

50 EMPLOYEE STOCK OPTION PLAN (Contd.)

50.04: Effect of the employee share-based payment plans on the Statement of profit and loss and on its financial position

The Company has recorded employee stock-based compensation cost of Rs. 9.17 crores in the Statement of profit and loss for the financial year ended March 31, 2024 (March 31, 2023: Rs. 164.56 crores)

The share option outstanding in the balance sheet as at March 31, 2024 is Rs.70.40 crores (March 31, 2023: Rs. 194.84 crores).

51 BUSINESS COMBINATION DONE DURING THE PREVIOUS YEAR

The Board of Directors of the Company in its meeting held on December 13, 2021 had approved a Composite Scheme of Arrangement and Amalgamation ("Scheme"), inter alia, involving amalgamation of Shriram Capital Limited (SCL) (after de-merger of a few undertakings from the said Shriram Capital Limited) and Shriram City Union Finance Limited (SCUF) with the Company under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Reserve Bank of India vide its letter dated June 15, 2022 conveyed its No-Objection to the Scheme. As per the directions of the Hon'ble National Company Law Tribunal, Chennai Bench, ("NCLT") in the common order dated May 11, 2022, the meeting of the Equity Shareholders, Secured Creditors and Unsecured Creditors was held on July 04, 2022 and the Scheme was approved by the requisite majority of the Equity shareholders, Secured Creditors and Unsecured Creditors in their respective meetings. The Company had obtained approvals/no objection to the Scheme from various statutory authorities, as applicable. The Hon'ble NCLT had sanctioned the Scheme, vide order dated November 09, 2022 to be read with Corrigendum order dated November 17, 2022 effective from appointed date of the Scheme being April 01, 2022. Pursuant to the scheme, Shrilekha Business Consultancy Private Limited ("SBCPL") was amalgamated with SCL. The undertaking carrying on the business of financial services from SCL was demerged and transferred to Shriram Investment Holdings Limited ("SIHL"). The undertakings which were carrying on the businesses of Life Insurance and General Insurance were demerged from SCL and transferred to Shriram LI Holdings Private Limited ("SLIH"), and Shriram GI Holdings Private Limited ("SGIH") respectively. The remaining undertaking of SCL and its investments in STFC and SCUF were amalgamated with STFC.

Pursuant to the Scheme, the name of the Company was changed to Shriram Finance Limited upon receipt of necessary approval from the Registrar of Companies, Tamil Nadu, Chennai, Ministry of Corporate Affairs, with effect from November 30, 2022. Pursuant to the Scheme, new equity shares of face value of Rs. 10/- each fully paid-up have been issued and allotted to the eligible shareholders of SCL and SCUF on December 12, 2022 as per the share exchange ratio contained in the Scheme. As per Ind AS 103, the amalgamation has been accounted under "acquisition method". The difference between the purchase consideration and fair value has been accounted as goodwill/capital reserve on amalgamation, as applicable.

The Company has determined the useful life of the intangible asset in the nature of branch network acquired through the scheme of amalgamation as five years and started amortising the same over its useful life by making a suitable change in the accounting estimate. Impact for future periods will be Rs. 302.58 crores per annum over the balance three out of five years as on March 31, 2024. The figures for the current and previous reporting period include the effect of merger of transferor Companies SCUF and SCL as discussed above.

Summary of acquisitions done during the financial year ended March 31, 2023

(i) Shriram City Union Finance Limited ("SCUF")

The Hon'ble National Company Law Tribunal, Chennai Bench, ("NCLT") had approved the Composite Scheme of Arrangement and Amalgamation ("Scheme"), inter alia, involving amalgamation of Shriram City Union Finance Limited (SCUF) with its entire undertaking with the Company, vide order dated November 09, 2022 to be read with Corrigendum order dated November 17, 2022 effective from Appointed date of the Scheme being April 01, 2022, for a share exchange ratio of 1.55:1. The percentage of voting equity interests acquired was 100%. This acquisition is highly beneficial to all the stakeholders, by bringing together the capabilities and the presence of the Company in the categories of transport finance, and retail finance, and in the process create a larger financial lending entity with both these businesses combined, and the resulting benefits of scale and synergies of operation. This acquisition further consolidates the leadership position of the Company in the Commercial Vehicle market. Following the acquisition, the amalgamated entity is able to launch retail finance products in new locations.

(a) The fair value of assets and liabilities recognised as a result of the acquisition are as follows:

(Rs. in crores)

Particulars	Amounts
Assets	
Cash and cash equivalents	5,217.31
Bank balance other than above	1,395.47
Receivables	4.39

51 BUSINESS COMBINATION DONE DURING THE PREVIOUS YEAR (Contd.)

(Rs. in crores)

Particulars	Amounts
Loans	30,589.43
Investments	2,733.66
Other financial assets	48.00
Current tax assets (net)	26.66
Deferred tax assets (net)	151.66
Property, plant and equipment (net)	64.15
Intangible assets (net)	1.89
Right-of-use assets	162.60
Other non-financial assets	135.38
Distribution network	1,512.90
Total assets	**42,043.50**
Liabilities	
Payables	(40.56)
Debt securities	(6,619.08)
Borrowings (other than debt securities)	(17,333.50)
Deposits	(7,274.04)
Other financial liabilities	(333.83)
Provisions	(26.60)
Other non-financial liabilities	(62.36)
Total liabilities	**(31,689.97)**
Net identifiable assets acquired	**10,353.53**

(b) Calculation of goodwill

The difference between the purchase consideration and amount attributable to identified intangible assets / assets and liabilities represents residual goodwill in the business. As a result of the merger, the Company receives customer information such as names, contact information, historical credit provided and repayment information, etc. of existing customers of SCUF and vice versa. This information can further be divided into different customer profiles based on demography, zones, age groups, etc., which helps businesses target products/services according to their target audience that will be used by the merged entity to gain synergies from cross selling its products. Consequently, the Goodwill in the transaction subsumes the above synergy benefit, along with assembled workforce, future potential of the new branches that are planned to open, new customers, new geographies etc.

(Rs. in crores)

Particulars	Amounts
Purchase consideration	11,793.51
Less: Net identifiable assets acquired	(10,353.53)
Less: Deferred tax liability on net identifiable assets acquired	(33.25)
Goodwill #	**1,406.73**

#Goodwill is not deductible for tax purpose

(c) The revenues and profits contributed to the company for the financial year ended March 31, 2023 are as follows:

(Rs. in crores)

Particulars	Amounts
Revenue	7,949.32
Profit before tax	1,742.31

(d) Acquired Receivables

(Rs. in crores)

Particulars	Amounts
Fair value of acquired trade receivables	4.39
Gross contractual amount for trade receivables	4.39
Contractual cash flows not expected to be collected	-

51 BUSINESS COMBINATION DONE DURING THE PREVIOUS YEAR (Contd.)

(e) Purchase consideration - cash outflow

(Rs. in crores)

Particulars	Amounts
Net outflow of cash - investing activities	-

(f) Acquisition related costs:

Acquisition related costs of Rs. 26.53 crores have been recognised under miscellaneous expenses in the Statement of Profit and Loss.

(ii) Shriram Capital Limited ("SCL")

The Hon'ble National Company Law Tribunal, Chennai Bench, ("NCLT") had approved the Composite Scheme of Arrangement and Amalgamation ("Scheme"), inter alia, involving amalgamation of Shriram Capital Limited (SCL) with its remaining undertaking with the Company, vide order dated November 09, 2022 to be read with Corrigendum order dated November 17, 2022, effective from Appointed date of the Scheme being April 01, 2022 for a share exchange ratio 1:0.97. The amalgamation will achieve the combination of the remaining line of business activities of SCL with the Company which is a listed entity engaged in the business of financial lending. This will ensure that the companies forming part of the Shriram Group, which are focused on the business of lending are concentrated in a single large entity, which has the necessary means, presence and resources to achieve still larger scales in the business of lending, while reducing the presence of multiple entities across the Group, with an interest and presence in the same line of business.

(a) The fair value of assets and liabilities recognised as a result of the acquisition are as follows:

(Rs. in crores)

Particulars	Amounts
Assets	
Property, plant and equipment (net)	0.01
Bank balance	0.10
Trade receivables	12.47
Total assets	**12.58**
Liabilities	
Trade payables	0.02
Total liabilities	**0.02**
Net identifiable assets acquired	**12.56**

(b) Amount recognised directly in other equity (Capital reserve):

(Rs. in crores)

Particulars	Amounts
Purchase consideration	-
Less: Net identifiable assets acquired	12.56
Capital reserve	**12.56**

(c) The revenues and profits contributed to the company for the financial year ended March 31, 2023 are as follows:

(Rs. in crores)

Particulars	Amounts
Revenue	-
Profit before tax	(0.58)

(d) Acquired Receivables

(Rs. in crores)

Particulars	Amounts
Fair value of acquired trade receivables	12.45
Gross contractual amount for trade receivables	12.45
Contractual cash flows not expected to be collected	-

(e) Purchase Consideration - Cash Outflow

(Rs. in crores)

Particulars	Amounts
Net outflow of cash - investing activities	-

52 CAPITAL MANAGEMENT

The Company maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company.

As an NBFC, the RBI requires us to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. The capital management process of the Company ensures to maintain a healthy CRAR at all the times. Refer note 81 and 91 for the Company's Capital ratios.

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years except those incorporated on account of regulatory amendments. However, they are under constant review by the Board. The Company has complied with the Annexure II of Master Direction - RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 on Disclosure requirements under Scale Based Regulation for NBFCs dated October 19, 2023 as amended.

53 FAIR VALUE MEASUREMENT

53.01: Valuation principle

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained in material accounting policies of the year ended March 31, 2024.

53.02: Fair value hierarchy of assets and liabilities

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

As at March 31, 2024 (Rs. in crores)

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Derivative financial instruments				
Forward contracts	-	(413.73)	-	**(413.73)**
Currency swaps	-	162.27	-	**162.27**
Interest rate swaps	-	286.78	-	**286.78**
Cross currency interest rate swaps	-	269.89	-	**269.89**
Interest rate caps	-	25.27	-	**25.27**
Total derivative financial instruments	**-**	**330.48**	**-**	**330.48**
Financial assets held for trading				
Mutual funds	300.38	-	-	**300.38**
Equity instruments	79.84	-	25.82	**105.66**
Venture capital fund	-	1.52	-	**1.52**
Total financial assets held for trading	**380.22**	**1.52**	**25.82**	**407.56**
Total assets measured at fair value on a recurring basis	**380.22**	**332.00**	**25.82**	**738.04**

53 FAIR VALUE MEASUREMENT (Contd.)

As at March 31, 2024

(Rs. in crores)

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Assets measured at fair value on a non-recurring basis				
Non-current assets and disposals held for sale	-	-	-	-
Total assets measured at fair value on a non-recurring basis	-	-	-	-
Total assets measured at fair value	**380.22**	**332.00**	**25.82**	**738.04**

(Rs. in crores)

Liabilities measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Total financial liabilities measured at fair value on a recurring basis	-	-	-	-
Liabilities measured at fair value on a non-recurring basis				
Non-current liabilities and disposals held for sale	-	-	-	-
Total financial liabilities measured at fair value on a non-recurring basis	-	-	-	-
Total liabilities measured at fair value	-	-	-	-

As at March 31, 2023

(Rs. in crores)

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Derivative financial instruments				
Forward contracts	-	(193.57)	-	**(193.57)**
Currency swaps	-	121.65	-	**121.65**
Interest rate swaps	-	116.65	-	**116.65**
Cross currency interest rate swaps	-	588.33	-	**588.33**
Interest rate caps	-	35.75	-	**35.75**
Total derivative financial instruments	**-**	**668.81**	**-**	**668.81**
Financial assets held for trading				
Mutual funds	512.31	-	-	**512.31**
Equity instruments	63.35	-	25.40	**88.75**
Venture capital fund	-	1.53	-	**1.53**
Total financial assets held for trading	**575.66**	**1.53**	**25.40**	**602.59**
Total assets measured at fair value on a recurring basis	**575.66**	**670.34**	**25.40**	**1,271.40**
Assets measured at fair value on a non-recurring basis				
Non-current assets and disposals held for sale	-	-	-	-
Total assets measured at fair value on a non-recurring basis	-	-	-	-
Total assets measured at fair value	**575.66**	**670.34**	**25.40**	**1,271.40**

53 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

Liabilities measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Total financial liabilities measured at fair value on a recurring basis	-	-	-	-
Liabilities measured at fair value on a non-recurring basis				
Non-current liabilities and disposals held for sale	-	-	-	-
Total financial liabilities measured at fair value on a non-recurring basis	-	-	-	-
Total liabilities measured at fair value	-	-	-	-

53.03: Valuation techniques

Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:

Investments in Mutual funds/ Equity instruments

Investment in units of mutual funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are generally Level 1. Equity instruments in non-listed entities are initially recognised at transaction price and re-measured (to the extent information is available) and valued on a case-by-case and classified as Level 3. Quoted equity instruments on recognised stock exchanges are valued at Level 1 hierarchy being the unadjusted quoted price as the reporting date.

Derivative Financial Instruments

Foreign exchange contracts include foreign exchange forward and swap contracts, interest rate swaps and over-the-counter foreign exchange options. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points and option valuation models. With the exception of contracts where a directly observable rate is available which are disclosed as Level 1, the Company classifies derivative financial instruments as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole).

Certificate of deposits (CDs)

Certificate of deposits are short-term financial instruments issued by Banks. Financial Benchmark India Private Limited (FBIL) has developed the FBIL-CD, a new benchmark for the money market based on traded CDs reported on the FIMMDA Trade Reporting and Confirmation System (FTRAC) platform of The Clearing Corporation of India Ltd (CCIL). FBIL-CD is announced for seven tenors of 14 days, 1 month, 2 months, 3 months, 6 months, 9 months and 12 months. For valuation, the Company uses FBIL-CD benchmark and based on that benchmark the Company interpolates and calculates CD prices corresponding to their residual maturities and such instruments are classified as Level 2.

53.04: Transfer between fair value hierarchy levels

During the year there were no transfers between Level 1 and Level 2. Similarly, there were no transfers from or transfer to Level 3.

53.05: Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value. Transfers from Level 3 to Level 2 occur when the market for some securities became more liquid, which eliminates the need for the previously required significant unobservable valuation inputs. Since the transfer, these instruments have been valued using valuation models incorporating observable market inputs. Transfers into Level 3 reflect changes in market conditions as a result of which instruments become less liquid. Therefore, the Company requires significant unobservable inputs to calculate their fair value.

53 FAIR VALUE MEASUREMENT (Contd.)

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

(Rs. in crores)

Particulars	Equity instruments As at March 31, 2024	Equity instruments As at March 31, 2023
Opening balance	**25.40**	**23.89**
On account of business combination	-	0.01
Purchase	-	-
Sales	-	-
Issuances	-	-
Settlements	-	-
Transfers into Level 3	-	-
Transfers from Level 3	-	-
Net interest income, net trading income and other income	-	-
Other comprehensive income	-	-
Unrealised gains and losses related to balances held at the end of the year	**0.42**	**1.50**
Closing balance	**25.82**	**25.40**

53.06: Impact of changes to key assumptions on fair value of Level 3 financial instruments measured at fair value

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Company's Level 3 assets and liabilities. The range of values indicates the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation. Relationships between unobservable inputs have not been incorporated in this summary.

(Rs. in crores)

Particulars	Fair value Level 3 assets As at March 31, 2024	Fair value Level 3 assets As at March 31, 2023	Valuation technique	Significant unobservable inputs
Equity instruments measured at FVTPL	25.82	25.40	Based on the discounted cashflow	Based on the discounted cashflow

53.07: Sensitivity of fair value measurements to changes in unobservable market data

The table below describes the effect of changing the significant unobservable inputs to reasonable possible alternatives. All changes would be reflected in the Statement of profit and loss. Sensitivity data are calculated using a number of techniques, including analysing price dispersion of different price sources, adjusting model inputs to reasonable changes within the fair value methodology.

The ranges are not comparable or symmetrical as the model inputs are usually not in the middle of the favourable/unfavourable range.

The table below shows data in relation to Level 3 inputs that are already aggregated on the underlying product levels without assuming any potential diversification effect, but including potential off-sets from economic or accounting hedge relationships in place. The Company is of the opinion that, whilst there may be some diversification benefits, incorporating these would not be significant to the analysis.

53 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Favourable changes 5% increase	Unfavourable changes 5% decrease	Favourable changes 5% increase	Unfavourable changes 5% decrease
Equity instruments based on the discounted cashflow	27.11	24.53	26.67	24.13

53.08: Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non–financial assets and non-financial liabilities.

(Rs. in crores)

As at March 31, 2024	Carrying amount	Fair value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	6,013.37	3,045.59	2,972.69	-	**6,018.28**
Bank balance other than cash and cash equivalents	4,799.27	10.60	4,773.97	-	**4,784.57**
Trade receivables	51.63	-	-	51.63	**51.63**
Other receivables	332.96	-	-	332.96	**332.96**
Loans	207,929.41	-	-	204,622.80	**204,622.80**
Investments at amortised cost	8,673.47	6,381.63	-	2,257.32	**8,638.95**
Other investments	1,575.61	-	-	1,575.61	**1,575.61**
Other financial assets	68.24	-	-	52.68	**52.68**
Total financial assets	**229,443.96**	**9,437.82**	**7,746.66**	**208,893.00**	**226,077.48**
Financial liabilities:					
Trade payables	211.78	-	-	211.78	**211.78**
Other payables	5.41	-	-	5.41	**5.41**
Debt securities	44,948.61	-	41,351.90	-	**41,351.90**
Borrowings (other than debt securities)	92,148.80	-	91,555.56	-	**91,555.56**
Deposits	44,443.66	-	-	44,111.89	**44,111.89**
Subordinated liabilities	4,300.07	-	4,263.93	-	**4,263.93**
Other financial liabilities	1,847.99	-	-	1,847.99	**1,847.99**
Total financial liabilities	**187,906.32**	**-**	**137,171.39**	**46,177.07**	**183,348.46**
Off-balance sheet items					
Other commitments	108.24	-	-	108.24	**108.24**
Total off-balance sheet items	**108.24**	**-**	**-**	**108.24**	**108.24**

(Rs. in crores)

As at March 31, 2023	Carrying amount	Fair value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	9,505.30	4,581.25	4,937.42	-	**9,518.67**
Bank balance other than cash and cash equivalents	6,312.11	8.63	6,280.10	-	**6,288.73**
Trade receivables	17.00	-	-	17.00	**17.00**
Other receivables	260.12	-	-	260.12	**260.12**
Loans	171,984.58	-	-	171,368.77	**171,368.77**
Investments at amortised cost	6,386.86	5,077.41	-	1,187.68	**6,265.09**
Other investments	1,575.61	-	-	1,575.61	**1,575.61**
Other financial assets	72.70	-	-	63.86	**63.86**
Total financial assets	**196,114.28**	**9,667.29**	**11,217.52**	**174,473.04**	**195,357.85**
Financial liabilities:					
Trade payables	293.24	-	-	293.24	**293.24**
Other payables	1.45	-	-	1.45	**1.45**

53 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

As at March 31, 2023	Carrying amount	Fair value			
		Level-1	Level-2	Level-3	Total
Debt securities	43,652.59	-	39,229.29	-	**39,229.29**
Borrowings (other than debt securities)	73,590.02	-	72,288.01	-	**72,288.01**
Deposits	36,139.83	-	-	35,308.09	**35,308.09**
Subordinated liabilities	4,523.85	-	4,542.12	-	**4,542.12**
Other financial liabilities	1,584.12	-	-	1,584.12	**1,584.12**
Total financial liabilities	**159,785.10**	-	**116,059.42**	**37,186.90**	**153,246.32**
Off-balance sheet items					
Other commitments	283.98	-	-	283.98	**283.98**
Total off-balance sheet items	**283.98**	-	-	**283.98**	**283.98**

Note:

The management assessed that cash and cash equivalents, trade receivables, trade payables, other receivables, other payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

53.09: Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: trade receivables, other receivables, balances other than cash and cash equivalents and trade payables without a specific maturity.

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models based on contractual cash flows using actual yields.

Pass through certificates

These instruments include asset backed securities. The market for these securities is not active. Therefore, the Company uses a variety of valuation techniques to measure their fair values. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers such as loan-to-value ratios, emergence period estimation, indebtedness and rental income levels. Instruments with no comparable instruments or valuation inputs are classified as Level 3.

Investment in associate at cost

As per Ind AS 28 Interest in associate are recognised at cost and not adjusted to fair value at the end of each reporting period. Cost represents amount paid for acquisition of the said investments. The Company assesses at the end of each reporting period, if there are any indications that the said investments may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

Investment in subsidiary

The Company has accounted for its investment in subsidiary at fair value at the time of acquisition due to business combination. The investment is subsequently measured at cost.

Investment in government securities at amortised cost

The fair values financial assets held-to-maturity investments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties credit risk.

53 FAIR VALUE MEASUREMENT (Contd.)

Issued debt and borrowings

The fair value of issued debt is estimated by a discounted cash flow model incorporating interest rate from market-observable data such as secondary prices for its traded debt.

Deposits

The fair value of public deposits and deposit from corporates is estimated by discounting the future cash flows considering the interest rate applicable on the reporting date for deposits of similar tenure and scheme (cumulative/ non-cumulative). Inter-corporate deposits are estimated at their carrying amounts due to the short-term maturities of these deposits.

Off-balance sheet positions

Estimated fair values of off-balance sheet positions are based on the carrying amounts due to the short-term maturities of these positions.

The carrying value of financial instruments by categories is as follows:

(Rs. in crores)

As at March 31, 2024	Amortised cost	Derivative instruments in hedging relationship	At Fair value Through OCI	At Fair value Through profit or loss	Others (at cost)	Total
Financial assets:						
Cash and cash equivalents	6,013.37	-	-	-	-	**6,013.37**
Bank balance other than cash and cash equivalents	4,799.27	-	-	-	-	**4,799.27**
Derivative financial instruments	-	330.48	-	-	-	**330.48**
Receivables						
(I) Trade receivables	51.63	-	-	-	-	**51.63**
(II) Other receivables	332.96	-	-	-	-	**332.96**
Loans	207,929.41	-	-	-	-	**207,929.41**
Investments	8,673.47	-	79.84	327.72	1,575.61	**10,656.64**
Other financial assets	68.24	-	-	-	-	**68.24**
Total financial assets	**227,868.35**	**330.48**	**79.84**	**327.72**	**1,575.61**	**230,182.00**
Financial liabilities:						
Payables						
(I) Trade Payables	211.78	-	-	-	-	**211.78**
(II) Other Payables	5.41	-	-	-	-	**5.41**
Debt securities	44,948.61	-	-	-	-	**44,948.61**
Borrowings (other than debt securities)	92,148.80	-	-	-	-	**92,148.80**
Deposits	44,443.66	-	-	-	-	**44,443.66**
Subordinated liabilities	4,300.07	-	-	-	-	**4,300.07**
Other financial liabilities	1,847.99	-	-	-	-	**1,847.99**
Total financial liabilities	**187,906.32**	-	-	-	-	**187,906.32**

(Rs. in crores)

As at March 31, 2023	Amortised cost	Derivative instruments in hedging relationship	At Fair value Through OCI	At Fair value Through profit or loss	Others (at cost)	Total
Financial assets:						
Cash and cash equivalents	9,505.30	-	-	-	-	**9,505.30**
Bank balance other than cash and cash equivalents	6,312.11	-	-	-	-	**6,312.11**
Derivative financial instruments	-	668.81	-	-	-	**668.81**
Receivables						
(I) Trade receivables	17.00	-	-	-	-	**17.00**
(II) Other receivables	260.12	-	-	-	-	**260.12**
Loans	171,984.58	-	-	-	-	**171,984.58**
Investments	6,386.86	-	63.35	539.24	1,575.61	**8,565.06**

53 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

As at March 31, 2023	Amortised cost	Derivative instruments in hedging relationship	At Fair value Through OCI	At Fair value Through profit or loss	Others (at cost)	Total
Other financial assets	72.70	-	-	-	-	**72.70**
Total financial assets	**194,538.67**	**668.81**	**63.35**	**539.24**	**1,575.61**	**197,385.68**
Financial liabilities:						
Payables						
(I) Trade Payables	293.24	-	-	-	-	**293.24**
(II) Other Payables	1.45	-	-	-	-	**1.45**
Debt securities	43,652.59	-	-	-	-	**43,652.59**
Borrowings (other than debt securities)	73,590.02	-	-	-	-	**73,590.02**
Deposits	36,139.83	-	-	-	-	**36,139.83**
Subordinated liabilities	4,523.85	-	-	-	-	**4,523.85**
Other financial liabilities	1,584.12	-	-	-	-	**1,584.12**
Total financial liabilities	**159,785.10**	-	-	-	-	**159,785.10**

54 RISK MANAGEMENT

Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

54.01: <u>Introduction and risk profile</u>

54.01.01: Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Board has constituted the Risk Management Committee which is responsible for monitoring the overall risk process within the Company. The Risk Management Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Risk Management Committee is responsible for managing risk decisions and monitoring risk levels. The Chief Risk officer is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The Risk owners within each department will report to the Risk Committee.

The Risk owners are responsible for monitoring compliance with risk principles, policies and limits across the Company. Each department has its Risk owner who is responsible for the control of risks, including monitoring the actual risk of exposures against authorised limits and the assessment of risks. The Company's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

The Company's policy is that risk management processes throughout the Company are audited annually by the Internal Audit function, which examines both the adequacy of the procedures and the Company's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to Risk Management Committee.

54.01.02: Risk mitigation and risk culture

As part of its overall risk management, the Company can use derivatives and other instruments to manage exposures resulting from changes in interest rates and foreign currencies associated with foreign currency transactions.

54.01.03: Risk measurement and reporting systems

The Company's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment, as necessary.

54 RISK MANAGEMENT (Contd.)

The Company's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Information compiled from all the departments is examined and processed in order to analyse, control and identify risks on a timely basis. This information is presented and explained to the Risk Management Committee and the head of each department.

The Risk Management Committee receives a comprehensive risk report once a quarter which is designed to provide all the necessary information to assess and conclude on the risks of the Company.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to that they decide to take on. The Company's continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Company's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees annual ratings and remuneration reviews.

54.01.04: Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on spreading its lending portfolio across all the states with a cap on maximum limit of exposure for a state and also for an individual/ group.

54.02: Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical concentrations, and by monitoring exposures in relation to such limits.

Credit risk is monitored by the credit department of the Company. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit manager, as well as the business with tools like credit risk systems, policies, models and reporting.

The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

The Company's internal credit rating grades on days past due(dpd) basis:

Internal rating grade	Internal rating description
Performing	
High grade	0 dpd
Standard grade	1 to 30 dpd
Sub-standard grade	31 to 60 dpd
Past due but not impaired	61 to 89 dpd
Non-performing	90 dpd and above

54.02.01: Derivative financial instruments

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet. With gross–settled derivatives, the Company is also exposed to a settlement risk, being the risk that the Company honours its obligation, but the counterparty fails to deliver the counter value.

54.02.02: Impairment assessment

The references below show where the Company's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the Summary of material accounting policies.

54 RISK MANAGEMENT (Contd.)

The Company's definition and assessment of default (Note 54.02.02.01).

- How the Company defines, calculates and monitors the probability of default, exposure at default and loss given default (Notes 54.02.02.02 to 54.02.02.04)
- When the Company considers there has been a significant increase in credit risk of an exposure (Note 54.02.02.05).
- The Company's policy of segmenting financial assets where ECL is assessed on a collective basis (Note 54.02.02.07).
- The details of the ECL calculations and categorisation of loans for stage 1, stage 2 and stage 3 assets (Note 6.1.(ix)).

54.02.02.01: Definition of default

The Company considers a financial instrument defaulted and therefore stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as stage 3 for ECL calculations or whether stage 2 is appropriate. Such events include:

- The borrower requesting emergency funding from the Company.
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral.
- A covenant breach not waived by the Company.
- The debtor (or any legal entity within the debtor's Company) filing for bankruptcy application/protection.
- All the facilities of a borrower are treated as stage 3 when one of his facility becomes 90 days past due i.e. credit impaired.
- The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise.

54.02.02.02: PD estimation process

It is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Company. While arriving at the PD, the Company also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. Company calculates the 12 month PD by taking into account the past historical trends of the portfolio and its credit performance. In case of assets where there is a significant increase in credit risk, lifetime PD has been applied which is computed based on survival analysis. For credit impaired assets, a PD of 100% has been applied.

54.02.02.03: Exposure at Default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 months ECL.

For stage 2 and stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

In case of undrawn loan commitments, a credit conversion factor of 100% is applied for expected drawdown.

54.02.02.04: Loss Given Default (LGD)

LGD is an estimate of the loss arising in case where a default occurs. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any security.

54 RISK MANAGEMENT (Contd.)

54.02.02.05: Significant increase in credit risk (SICR)

The Company continuously monitors all assets subject to ECLs in order to determine whether an instrument or a portfolio of instruments is subject to 12 month ECL or lifetime ECL. The Company assesses whether there has been an event which could cause a significant increase in the credit risk of the underlying asset or the customers ability to pay and accordingly change the 12 month ECL to a lifetime ECL.

In certain cases, the Company may also consider that events explained in Note 54.02.02.01 are a significant increase in credit risk as opposed to a default. Regardless of the above, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

When estimating ECLs on a collective basis for a Company of similar assets (as set out in Note 54.02.02.07), the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

54.02.02.06: Forward looking information

As explained in Note 6.1.(ix), the Company has incorporated forward looking information and macro-economic factors while calculating PD and LGD rate.

54.02.02.07: Grouping financial assets measured on a collective basis

As explained in Note 6.1.(ix), the Company calculates ECLs only on a collective basis.

The Company segments the exposure into smaller homogeneous portfolios, based on a combination of internal and external characteristics of the loans as described below.

1. Commercial Vehicles
2. Construction Equipments
3. Farm Equipments
4. MSME
5. Gold Loans
6. Personal Loans
7. Passenger Vehicles

54.02.03: Analysis of risk concentration

The maximum credit exposure to any individual client or counterparty as of March 31, 2024 was Rs. 63.10 crores (March 31, 2023: Rs. 61.78 crores).

Credit risk exposure analysis (Rs. in crores)

Particulars	As at March 31, 2024			
	Stage 1 collective	Stage 2 collective	Stage 3 collective	Total
Credit risk exposure	194,579.83	15,006.68	12,081.15	**221,667.66**

54.03: Liquidity risk and funding management

In assessing the Company's liquidity position, consideration shall be given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds. The Company maintains a portfolio of marketable assets that are assumed to be easily liquidated and undrawn cash credit limits which can be used in the event of an unforeseen interruption in cash flow. The Company also enters into securitisation deals (direct assignment as well as pass through certificates) of their loan portfolio, the funding from which can be accessed to meet liquidity needs. In accordance with the Company's policy, the liquidity position

54 RISK MANAGEMENT (Contd.)

is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company. Net liquid assets consist of cash, short–term bank deposits and investments in mutual fund available for immediate sale, less issued securities and borrowings due to mature within the next month. Borrowings from banks and financial institutions, issue of debentures and bonds and acceptance of public deposits are considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings.

The Board of Directors also approves constitution of Asset Liability Committee (ALCO), Asset Liability Management Committee(ALCO) reviews or monitors Asset Liability Management (ALM) mismatch. ALCO conducts periodic reviews relating to the liquidity position and stress test assuming various what if scenarios. The ALCO is responsible for ensuring adherence to the limits set by the Board as well as for deciding the business strategy of the Company in line with the Company's budget and decided risk management objectives. The ALCO is a decision-making unit responsible for balance sheet planning from risk-return perspective including strategic management of interest rate and liquidity risks. The ALCO also evaluates the Borrowing Plan of subsequent quarters on the basis of previous borrowings of the company. The ALCO will be responsible for ensuring the adherence to the target set by the Board of Directors. The meetings of ALCO are held at quarterly intervals. The ALM Support Groups consisting of operating staff are responsible for analysing, monitoring and reporting the risk profiles to the ALCO. ALCO support group meets every fortnight. The minutes of ALCO meetings are placed before the RMC and the Board of Directors in its next meeting for its ratification.

54 RISK MANAGEMENT (Contd.)

54.03.01: Analysis of financial assets and liabilities by remaining maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities as at March 31. All derivatives used for hedging and natural hedges are shown by maturity. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Company expects that many customers will not request repayment on the earliest date it could be required to pay and the table does not reflect the expected cash flows indicated by its deposit retention history.

Maturity pattern of assets and liabilities as on March 31, 2024:

(Rs. in crores)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents	6,013.37	-	-	-	-	-	**6,013.37**
Bank balance other than above	2,082.69	991.60	1,610.77	14.43	99.78	-	**4,799.27**
Derivative financial instruments	0.09	-	-	307.79	-	22.60	**330.48**
Financial assets at fair value through profit and loss	300.38	-	-	-	-	27.34	**327.72**
Loans*	34,336.67	31,386.72	53,365.77	113,920.33	25,793.73	2,593.37	**261,396.59**
Financial investments at FVOCI	-	-	-	-	-	79.84	**79.84**
Financial investments at amortised cost	466.61	117.30	494.68	1,645.00	1,128.33	4,898.00	**8,749.92**
Trade receivables	51.63	-	-	-	-	-	**51.63**
Other receivables	52.36	50.30	59.45	131.12	24.76	14.97	**332.96**
Other financial assets	-	-	-	-	-	68.24	**68.24**
Total undiscounted financial assets	**43,303.80**	**32,545.92**	**55,530.67**	**116,018.67**	**27,046.60**	**7,704.36**	**282,150.02**
Financial liabilities							
Deposits*	2,763.26	3,691.30	7,065.55	25,392.78	14,336.53	-	**53,249.42**
Debt securities*	5,264.55	2,626.65	5,512.42	17,306.51	13,372.88	12,956.00	**57,039.01**
Borrowings (other than debt securities)*	14,900.26	9,833.91	18,062.25	49,885.30	11,197.69	961.15	**104,840.57**
Subordinated liabilities*	1,847.00	34.00	725.00	559.20	1,644.00	291.00	**5,100.20**
Trade payables	211.78	-	-	-	-	-	**211.78**
Other payables	5.41	-	-	-	-	-	**5.41**
Other financial liabilities	950.50	121.86	232.24	347.07	194.44	169.75	**2,015.86**
Total undiscounted financial liabilities	**25,942.76**	**16,307.72**	**31,597.46**	**93,490.86**	**40,745.54**	**14,377.90**	**222,462.25**
Net undiscounted financial assets/ (liabilities)	**17,361.04**	**16,238.20**	**23,933.21**	**22,527.81**	**(13,698.94)**	**(6,673.54)**	**59,687.77**
Cumulative net undiscounted financial assets/ (liabilities)	**17,361.04**	**33,599.24**	**57,532.45**	**80,060.26**	**66,361.32**	**59,687.78**	

* includes future interest

54 RISK MANAGEMENT (Contd.)

Maturity pattern of assets and liabilities as on March 31, 2023:

(Rs. in crores)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents	9,505.30	-	-	-	-	-	**9,505.30**
Bank balance other than above	3,374.44	841.04	1,902.06	98.97	95.60	-	**6,312.11**
Derivative financial instruments	-	490.73	7.91	104.49	65.68	-	**668.81**
Financial assets at fair value through profit and loss	512.31	-	-	-	-	26.93	**539.24**
Loans*	27,354.74	24,818.70	44,017.92	95,297.78	21,672.32	4,008.95	**217,170.41**
Financial investments at FVOCI	-	-	-	-	-	63.35	**63.35**
Financial investments at amortised cost	377.20	109.90	421.19	1,244.58	992.72	3,282.04	**6,427.63**
Trade receivables	17.00	-	-	-	-	-	**17.00**
Other receivables	49.42	37.83	61.74	102.07	9.01	0.05	**260.12**
Other financial assets	-	-	-	-	-	72.70	**72.70**
Total undiscounted financial assets	**41,190.41**	**26,298.20**	**46,410.82**	**96,847.89**	**22,835.33**	**7,454.02**	**241,036.67**
Financial liabilities							
Deposits*	2,252.10	2,671.47	5,513.94	21,117.21	9,750.56	-	**41,305.28**
Debt securities*	5,601.98	4,383.60	10,724.47	13,961.69	4,843.48	14,955.67	**54,470.89**
Borrowings (other than debt securities)*	11,578.09	10,926.52	13,937.53	36,903.84	8,715.73	1,311.05	**83,372.76**
Subordinated liabilities*	274.50	172.00	305.00	2,859.20	1,828.00	320.00	**5,758.70**
Trade payables	293.24	-	-	-	-	-	**293.24**
Other payables	1.45	-	-	-	-	-	**1.45**
Other financial liabilities	823.62	112.65	179.20	308.79	120.61	179.07	**1,723.94**
Total undiscounted financial liabilities	**20,824.98**	**18,266.24**	**30,660.14**	**75,150.73**	**25,258.38**	**16,765.79**	**186,926.26**
Net undiscounted financial assets/ (liabilities)	**20,365.43**	**8,031.96**	**15,750.68**	**21,697.16**	**(2,423.05)**	**(9,311.77)**	**54,110.41**
Cumulative net undiscounted financial assets/ (liabilities)	**20,365.43**	**28,397.39**	**44,148.07**	**65,845.23**	**63,422.18**	**54,110.41**	

* includes future interest

54 RISK MANAGEMENT (Contd.)

The table below shows the expiry by maturity of the Company's contingent liabilities and commitments: Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

(Rs. in crores)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
As at March 31, 2024							
In respect of Income tax demands where the Company has filed appeal before various authorities	-	-	-	-	-	56.22	**56.22**
VAT demand where the Company has filed appeal before various appellates	-	-	-	-	-	0.02	**0.02**
Service tax demands where the Company has filed appeal before various authorities	-	-	-	-	-	2,056.61	**2,056.61**
GST demand where the Company has filed appeals	-	-	-	-	-	7.20	**7.20**
Stamp duty demand raised by District Registrar office against which the Company has filed appeal	-	-	-	-	-	6.69	**6.69**
Estimated amount of contracts remaining to be executed on capital account, net of advances	44.39	-	-	-	-	-	**44.39**
Commitments related to loans sanctioned but undrawn	108.24	-	-	-	-	-	**108.24**
Total commitments	**152.63**	**-**	**-**	**-**	**-**	**2,126.74**	**2,279.37**
As at March 31, 2023							
In respect of Income tax demands where the Company has filed appeal before various authorities	-	-	-	-	-	55.87	**55.87**
VAT demand where the Company has filed appeal before various appellates	-	-	-	-	-	4.92	**4.92**
Service tax demands where the Company has filed appeal before various authorities	-	-	-	-	-	2,056.61	**2,056.61**
Penalty levied for Contravention of provisions of Section 6(3)(b) of FEMA, 1999 read with Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000	-	-	-	-	-	5.00	**5.00**
Estimated amount of contracts remaining to be executed on capital account, net of advances	101.36	-	-	-	-	-	**101.36**
Commitments related to loans sanctioned but undrawn	283.98	-	-	-	-	-	**283.98**
Total commitments	**385.34**	**-**	**-**	**-**	**-**	**2,122.40**	**2,507.74**

54 RISK MANAGEMENT (Contd.)

54.04: Market risk

Market risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately.

Interest rate risk

The Company's exposure to changes in interest rates relates to the Company's outstanding floating rate liabilities. Most of the Company's outstanding liability is on fixed rate basis and hence not subject to interest rate risk. Some of the borrowings of the Company are linked to rate benchmarks such as Bank Marginal Cost of Funds based Lending Rate (MCLR) or Secured Overnight Financing Rate (SOFR) and Mumbai Inter-Bank Overnight Indexed Swap (MIOIS) and hence subject to interest rate risk. The Company hedges interest rate risks of foreign currency borrowings through derivative transactions. The sensitivity of the Company's floating rate borrowings to change in interest rate (assuming all other variables constant) is given below:

As at March 31, 2024 (Rs. in crores)

Particulars	Carrying amount	Favourable change 1% increase	Unfavourable change 1% decrease
Debt instrument	883.39	85.20	(105.58)
Term loans	21,998.75	1,834.42	(2,284.12)
Total floating rate borrowings	**22,882.14**	**1,919.62**	**(2,389.70)**

As at March 31, 2023 (Rs. in crores)

Particulars	Carrying amount	Favourable change 1% increase	Unfavourable change 1% decrease
Debt instrument	7,082.15	978.66	(440.23)
Term loans	32,966.72	3,080.87	(4,344.31)
Total floating rate borrowings	**40,048.87**	**4,059.53**	**(4,784.54)**

Fair value sensitivity analysis for fixed rate instruments

The Company's fixed rate instruments are carried at amortised cost and are not measured for interest rate risk, as neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

Inter-Bank Offered Rate (IBOR) reform

The U.S. Dollar LIBOR bank panel ended on June 30, 2023, and therefore the exposure with the Company was transitioned from LIBOR to SOFR. Currently there is no exposure to IBOR risk as at March 31, 2024.

Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency fluctuation risk for its foreign currency borrowing. The Company's borrowings in foreign currency are governed by RBI Master Direction External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019 (as and when updated) which requires entities raising External Commercial Borrowings (ECB) for an average maturity of less than 5 years to hedge minimum 70% of the its ECB exposure. The Company hedges its entire ECB and external commercial bond exposure as per Board approved hedging policy and resource mobilisation policy. The Company manages foreign currency risk by entering in to cross currency swaps and forward contract. When a derivative is entered in to for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match with the terms of the hedge exposure. The Company holds derivative financial instruments such as cross currency interest rate swap to mitigate risk of changes in exchange rate in foreign currency and floating interest rate. The Counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in market place. Refer note 21A - Redeemable Non-Convertible Debenture (NCD) Secured, note 21B - External commercial bond (ED) Secured, note 21D - Redeemable Non-Convertible Debenture (NCD) Unsecured, note 22A - Term loans from banks Secured (INR) and note 22C - External commercial borrowing, respectively for terms and conditions of external commercial bonds and external commercial borrowings.

54 RISK MANAGEMENT (Contd.)

Exposure to currency risk

The summary quantitative data about exposure to Currency risk (based on notional amounts) as reported:

(Amount in crores)

Particulars	As at March 31, 2024				As at March 31, 2023			
	Contracts in EURO		Contracts in USD		Contracts in EURO		Contracts in USD	
	EURO	INR	USD	INR	EURO	INR	USD	INR
Total foreign currency exposure in respect of recognised assets and liabilities	1.48	1,331.02	57.16	48,443.52	0.67	533.08	49.14	39,507.18
Cross currency Interest rate swap / Forward exchange contracts	1.48	1,331.02	57.16	48,443.52	0.67	533.08	49.14	39,507.18
Net Exposure	-	-	-	-	-	-	-	-

Movement in Cash flow hedge reserve

(Rs. in crores)

Cash flow hedge reserve	As at March 31, 2024			As at March 31, 2023		
	Realised	Unrealised	Total	Realised	Unrealised	Total
Balance at the beginning of the year	-	**(224.39)**	**(224.39)**	-	**(213.40)**	**(213.40)**
Add: Changes in the fair value during the year	-	(56.12)	**(56.12)**	-	(14.68)	**(14.68)**
Less: Income tax relating to items that will be reclassified to profit or loss	-	14.12	**14.12**	-	3.69	**3.69**
Balance at the end of the year	-	**(266.39)**	**(266.39)**	-	**(224.39)**	**(224.39)**

Nature and terms and conditions of outstanding derivative contracts

(Rs. in crores)

Particulars	As at March 31, 2024				As at March 31, 2023			
	Rate of interest	Maturity date	Notional amounts	Fair value - assets	Rate of interest	Maturity date	Notional amounts	Fair value - assets
(i) Currency derivatives:								
Spots and forwards	-	June 17, 2024 to December 15, 2031	19,162.15	(413.73)	-	June 10, 2022 to December 15, 2031	16,864.26	(193.57)
Currency swaps	2.53% to 4.72%	July 18, 2025 to April 22, 2027	6,514.26	162.27	3.00% to 5.25%	March 13, 2024 to January 20, 2026	2,715.93	121.65
Cross currency interest rate swaps	-	-	-	-	3 months LIBOR + 1.95%	August 10, 2023	2,402.33	474.96
Cross currency interest rate swaps	6M EURIBOR + 1.15%	April 25, 2026	380.77	35.14	6 months EURIBOR + 1.15%	April 26, 2022 to April 25, 2026	533.08	74.01
Cross currency interest rate swaps	USD O/N SOFR + 2.93%	December 11, 2026	80.18	72.84	6 months LIBOR + 2.50%	June 13, 2022 to December 11, 2026	106.91	15.87

54 RISK MANAGEMENT (Contd.)

(Rs. in crores)

Particulars	As at March 31, 2024				As at March 31, 2023			
	Rate of interest	Maturity date	Notional amounts	Fair Value - Assets	Rate of interest	Maturity date	Notional amounts	Fair Value - Assets
Cross currency interest rate swaps	USD O/N SOFR + 2.10%	December 03, 2024	187.35	166.29	SOFR + 2.10%	December 03, 2024	187.35	23.49
Cross currency interest rate swaps	USD O/N SOFR + 2.00 %	September 28, 2026	332.72	(4.38)	-	-	-	-
(ii) Interest rate derivatives:								
Interest rate swaps	4.08% to 6.91%	July 18, 2025 to December 15, 2031	11,512.97	176.55	4.08% to 5.10%	July 17, 2023 to December 15, 2031	12,927.24	103.18
Interest rate swaps	USD 3M CME SOFR + 2.00 %	January 20, 2026 to February 16, 2027	6,280.60	49.30	SOFR + 2.00%	January 20, 2026 to December 27, 2027	4,303.17	13.47
Interest rate swaps	USD 3M CME SOFR + 1.75%	March 23, 2027	2,076.00	(5.37)	-	-	-	-
Interest rate swaps	USD 6M CME SOFR + 2.00 %	December 27, 2027	736.54	6.74	-	-	-	-
Interest rate swaps	USD O/N SOFR + 2.10 %	May 24, 2027	833.00	(4.03)	-	-	-	-
Interest rate swaps	USD O/N SOFR + 2.25 %	September 29, 2027	1,233.00	70.78	-	-	-	-
Interest rate swaps	3M EURIBOR + 2.10 %	September 15, 2026	445.00	(4.99)	-	-	-	-
Interest rate swaps	INR 3M Tbill	June 30, 2026	200.00	(0.08)	-	-	-	-
Interest rate swaps	INR 3M Tbill + 2.10 %	June 12, 2025	200.00	0.09	-	-	-	-
Interest rate swaps	INR 12M Tbill + 1.86 %	April 29, 2026	1,150.00	(0.44)	-	-	-	-
Interest rate swaps	INR 3M OIS + 1.50 %	June 30, 2026	200.00	(1.77)	-	-	-	-

54 RISK MANAGEMENT (Contd.)

(Rs. in crores)

Particulars	As at March 31, 2024				As at March 31, 2023			
	Rate of interest	Maturity date	Notional amounts	Fair Value - Assets	Rate of interest	Maturity date	Notional amounts	Fair Value - Assets
Interest rate caps	6M EURIBOR + 1.15%	April 25, 2026	-	22.93	6 months EURIBOR + 1.15%	April 26, 2022 to April 25, 2026	-	35.75
Interest rate caps	INR O/N OIS + 1.95 %	October 3, 2025	300.00	0.03	-	-	-	-
Interest rate caps	INR O/N OIS + 2.80 %	April 21, 2025	400.00	2.31	-	-	-	-
Total			**52,224.54**	**330.48**			**40,040.27**	**668.81**

Price risk

The Company's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Company uses the hypothetical derivative method to assess effectiveness.

Ineffectiveness is recognised on a cash flow hedge where the cumulative change in the designated component value of the hedging instrument exceeds on an absolute basis the change in value of the hedged item attributable to the hedged risk. In such cases, ineffectiveness may arise if:

(a) The critical terms of the hedging instrument and the hedged item differ (i.e. nominal amounts, timing of the forecast transaction, interest resets changes from what was originally estimated), or

(b) differences arise between the credit risk inherent within the hedged item and the hedging instrument.

There were no ineffectiveness recognised in the statement of profit and loss.

There were no other sources of ineffectiveness in these hedge relationships.

55 DISCLOSURE UNDER THE MSME ACT 2006, (AS PER THE INTIMATION RECEIVED FROM THE VENDOR)

Based on the intimation received by the Company, some of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
The principal amount remaining unpaid to supplier as at the end of the year	2.27	0.36
The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

56 DISCLOSURE REGARDING AUDITORS REMUNERATION DISCLOSED UNDER LEGAL AND PROFESSIONAL FEES

In addition to the auditors remuneration shown in note 41-Other expenses, the Company has also incurred auditors remuneration in connection with audit and related statutory services to be performed by auditors in connection with issue of senior secured notes of Rs. 0.33 crores (March 31, 2023: Rs. 0.60 crores) shown under Legal and professional fees in note 41-Other expenses.

57 DISCLOSURE ON LOAN AGAINST GOLD VIDE MASTER DIRECTION - RBI/DOR/2023-24/106 DOR.FIN. REC.NO. 45/03.10.119/2023-24 ON DISCLOSURE REQUIREMENTS UNDER SCALE BASED REGULATION FOR NBFCS DATED OCTOBER 19, 2023 AS AMENDED

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Total Asset under Management (on books)	221,667.66	183,338.42
Total Loan against Gold	6,299.80	4,478.39
Percentage of Gold Loan on Total Assets (on book)	2.84%	2.44%

58 SEGMENT REPORTING

The Company is primarily engaged in the business of financing and there are no separate reportable segments identified as per the Ind AS 108 - Operating segments.

i) Information about geographical areas

The Company operates within India. Therefore it neither generates any revenue from outside India nor have any non-current asset located outside India for the financial years ended March 31, 2024 and March 31, 2023.

ii) Information about major customers

No single external customer contributes 10% or more to the revenues of the Company for the financial year ended March 31, 2024 and March 31, 2023.

59 TRANSFER OF FINANCIAL ASSETS

59.01: Transferred financial assets that are not derecognised in their entirety

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Securitisation		
Carrying amount of transferred assets measured at amortised cost (held as collateral)	27,932.36	22,226.46
Carrying amount of associated liabilities [Borrowings (other than debt securities)-measured at amortised cost]	29,138.16	22,106.09
Fair value of assets	27,628.47	22,089.53
Fair value of associated liabilities	28,832.41	21,891.26
Net position at fair value	**(1,203.94)**	**198.27**

59 TRANSFER OF FINANCIAL ASSETS (Contd.)

59.02: Transferred financial assets that are derecognised in their entirety

The Company has assigned loans (earlier measured at amortised cost) by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 90% of the assets transferred to the buyer, the assets have been de-recognised from the Company's balance sheet. The table below summarises the carrying amount of the derecognised financial assets :

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Direct assignment		
Carrying amount of transferred assets measured at amortised cost	3,592.03	2,665.25
Carrying amount of exposures retained by the Company at amortised cost	359.20	266.53

59.03: Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

60 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

(Rs. in crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Professional charges on resource mobilisation	114.38	106.28
Professional charges on securitisation	30.53	2.93
Total	**144.91**	**109.21**

61 DETAILS OF CSR EXPENSES

(Rs. in crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
a) Gross amount required to be spent by the Company during the year	90.38	93.66
b) Amount spent during the year		
- On purposes other than construction/acquisition of any asset		
Paid in cash	90.88	93.74
Yet to be paid in cash	-	-
Total	**90.88**	**93.74**

There is no shortfall in the CSR amount required to be spent by the Company as per section 135(5) of the Act for the financial years ended March 31, 2024 and March 31, 2023.

CSR activities include Education, Preservation of Arts, Culture and Heritage, Preventive Healthcare, Scholarship Scheme, Training and Skill Development, Road Safety Awareness Program, Contribution towards - Primary, Secondary and Higher Education, Mathematical and Scientific Research, School Repairs and renovation and other activities which are specified under Schedule VII of Companies Act, 2013.

The Company has neither made any CSR contributions towards its related parties nor recorded any provision for CSR expenditure during the financial years ended March 31, 2024 and March 31, 2023.

62 SHORTFALL IN FUND RAISING BY ISSUANCE OF DEBT SECURITIES

As part of the Company's strategic approach to maintain funding diversity, it utilizes various financing sources including loans from banks and institutions, domestic capital markets, retail fixed deposits, offshore borrowings and securitisation. In the financial year ended March 31, 2024, the Company completed significant transactions including the largest offshore borrowings and the highest securitisation transactions, offering it diversity and new lender relationships. It also issued the highest USD bond than any private sector NBFC and executed the largest syndicated ECB loan transactions which provided significant liquidity and funding at competitive rates. The debt market remains shallow for non-AAA-rated entities, further constraining the Company's capital raising efforts. Market volatility in interest rates led executing continuous capital market transactions less predictable.

Despite raising significant funds from the domestic capital marketing in the financial year ended March 31, 2024, there was a shortfall according to the framework for fund raising by issuance of debt securities by large borrowings given in SEBI circular SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/172 dated October 19, 2023. However, the Company remains committed to exploring all viable options for capital raising and will make necessary attempts to comply with SEBI's framework in the coming years.

63 MOVEMENT IN PROVISIONS

(Rs. in crores)

Provision for taxes - contested	Opening balance	Additional provision	Utilisation/ reversal during the year	Closing balance
As at March 31, 2024	98.59	-	9.40	89.19
As at March 31, 2023	90.93	7.66	-	98.59

The above provisions relate to disputed tax demands in relation to VAT and Service Tax. Due to the very nature of such provisions and the litigations involved, it is not possible to estimate the timing/ uncertainties relating to their outflows.

64 EVENTS AFTER REPORTING DATE

There have been no events after the reporting date.

65 FLOATING CHARGE ON INVESTMENT IN GOVERNMENT SECURITIES

In accordance with the Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 dated August 25, 2016, the Company has created a floating charge on the statutory liquid assets comprising of investment in government securities (face value) to the extent of Rs. 6,550.44 crores (March 31, 2023: Rs. 5,346.44 crores) in favour of trustees representing the public deposit holders of the Company.

66 DISCLOSURE ON RESOLUTION FRAMEWORK

The Company invoked resolution plans to relieve COVID-19 pandemic related stress to eligible borrowers. The resolution plans are based on the parameters laid down in the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI on August 06, 2020 and May 05, 2021. The staging of accounts and provisioning for the eligible accounts where the resolution plans are invoked and implemented is in accordance with the Board approved policy in this regard.

66 DISCLOSURE ON RESOLUTION FRAMEWORK (Contd.)

Disclosure on Resolution Framework 2.0 implemented in terms of RBI notification no. RBI/2020-21/16 DoR. NO.BP.BC/3/21.04.048/2020-21 dated August 06, 2020 and RBl/2021-22/31/DoR.STR.REC.11 /21.04.048/2021-22 dated May 05, 2021

(Rs. in crores)

Type of borrower	(A) Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the half-year September 30, 2023 (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 half-year March 31, 2024
Personal loans #	406.07	10.07	1.07	109.89	285.04
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**406.07**	**10.07**	**1.07**	**109.89**	**285.04**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

pertains to automobile loans

67 CIRCUMSTANCES IN WHICH REVENUE RECOGNITION HAS BEEN POSTPONED

Refer note 6.2.(i). of material accounting policies Revenue from operations for the circumstances in which revenue recognition has been postponed pending uncertainty of realisation.

68 SALES OUT OF AMORTISED COST BUSINESS MODEL PORTFOLIOS

The Company's policy for sales out of amortised cost business model portfolios is given at note 6.1.(viii). of material accounting policies.

69 REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES (ROC)

All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2024 and March 31, 2023. No charges or satisfactions are yet to be registered with ROC beyond the statutory period.

70 COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2024 and March 31, 2023.

71 COMPLIANCE WITH APPROVED SCHEME(S) OF ARRANGEMENTS

The Board of Directors of the Company in its meeting held on December 13, 2021 had approved a Composite Scheme of Arrangement and Amalgamation ("Scheme"), inter alia, involving amalgamation of Shriram Capital Limited (after de-merger of few undertakings from the said Shriram Capital Limited) and Shriram City Union Finance Limited with the Company under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Hon'ble National Company Law Tribunal, Chennai Bench ("NCLT") has approved the Composite Scheme of Arrangement and Amalgamation ("Scheme"). The effect of such Scheme of Arrangements has been accounted for in the books of account of the Company in accordance with the Scheme and in accordance with accounting standards.

72 UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM

The Company, as part of its normal business, grants loans and advances, makes investment, provides guarantees to and accept deposits and borrowings from its customers, other entities and persons. These transactions are part of Company's normal non-banking finance business, which is conducted ensuring adherence to all regulatory requirements.

72 UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM (Contd.)

Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has also not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

73 UNDISCLOSED INCOME

There are no transactions that are not recorded in the books of accounts for the financial years ended March 31, 2024 and March 31, 2023.

74 ITEMS OF INCOME AND EXPENDITURE OF EXCEPTIONAL NATURE

There are no items of income and expenditure of exceptional nature for the financial years ended March 31, 2024 and March 31, 2023.

75 DISCLOSURE ON MODIFIED OPINION, IF ANY, EXPRESSED BY AUDITORS, ITS IMPACT ON VARIOUS FINANCIAL ITEMS AND VIEWS OF MANAGEMENT ON AUDIT QUALIFICATIONS

The auditors have expressed an unmodified opinion on the standalone financial statements of the Company for the financial years ended March 31, 2024 and March 31, 2023.

76 CORPORATE GOVERNANCE REPORT CONTAINING COMPOSITION AND CATEGORY OF DIRECTORS, SHAREHOLDING OF NON-EXECUTIVE DIRECTORS, ETC.

The corporate governance report containing composition and category of directors, shareholding of non-executive directors is part of the annual report for the financial years ended March 31, 2024 and March 31, 2023.

77 AUCTION DETAILS

The Company auctioned 3,894 loan accounts (March 31, 2023: 3,718) during the financial year and the outstanding dues on these loan accounts were Rs. 22.98 crores (March 31, 2023: Rs. 15.01 crores) till the respective dates of auction. The company realised Rs. 23.51 crores (March 31, 2023: Rs. 14.57 crores) on auctioning of gold jewellery taken as security on these loans. The company confirms that none of its sister concerns participated in the above auctions.

78 LOANS TO DIRECTORS, SENIOR OFFICERS AND RELATIVES OF DIRECTORS

Disclosure pursuant to Master Direction - RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 on Disclosure requirements under Scale Based Regulation for NBFCs dated October 19, 2023 as amended.

(Rs. in crores)

Particulars	Aggregate amount of such sanctioned loans and advances	
	Year ended March 31, 2024	Year ended March 31, 2023
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives	-	-

79 PREVIOUS YEAR COMPARATIVES

The figures for the previous year have been regrouped/ rearranged wherever necessary to conform to the current year presentation. There are no significant regroupings/ reclassification for the year under report.

80 TITLE DEEDS OF IMMOVABLE PROPERTIES NOT HELD IN NAME OF THE COMPANY

Consequent to effect of scheme of amalgamation of SCUF with STFC and change in the name of the company from STFC to SFL, the Company is in process of applying for the name change in respect of its immovable properties.

81 ANALYTICAL RATIOS

Particulars	As at March 31, 2024 Numerator (Rs. in crores)	Denominator (Rs. in crores)	Ratio	As at March 31, 2023 Ratio	% Variance	Reasons for variance (if above 25%)
Capital to risk-weighted assets ratio (CRAR)	40,913.18	201,526.75	20.30%	22.61%	-10.22%	NA
Tier I CRAR	39,402.60	201,526.75	19.55%	21.20%	-7.78%	NA
Tier II CRAR	1,510.58	201,526.75	0.75%	1.41%	-46.81%	Reduction is due to increase in securitisation transaction related deduction and reduction in discounted value of subordinated debts.
Liquidity Coverage Ratio	5,282.98	2,701.60	195.55%	209.86%	-6.82%	NA

82 DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

The Company has not traded or invested in crypto currency or virtual currency during the financial years ended March 31, 2024 and March 31, 2023.

83 DETAILS OF BENAMI PROPERTY HELD

No proceedings have been initiated during the year or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) as amended in 2016 and rules made thereunder; in the financial years ended March 31, 2024 and March 31, 2023.

84 WILFUL DEFAULTER

The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in the financial years ended March 31, 2024 and March 31, 2023.

85 RELATIONSHIP WITH STRUCK OFF COMPANIES

Transactions with companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 in the financial years ended March 31, 2024 and March 31, 2023 are given below:

(Rs. in crores)

Name of the struck off company	Relationship with the Struck off company	Balance outstanding as at March 31, 2024*	March 31, 2023*	Nature of transaction
Receivables (Loans outstanding)				
Swift Equipments Private Limited	Not Related Party	0.82	0.89	Receivables
Benze Vaccations Club Public Limited	Not Related Party	0.01	0.01	Receivables
Gocha Infrastructure Private Limited	Not Related Party	0.01	0.01	Receivables
Karainthi Private Limited	Not Related Party	0.47	0.47	Receivables
Saanwi Housing Private Limited	Not Related Party	0.05	0.06	Receivables
Seven Stones TM Private Limited	Not Related Party	-	0.08	Receivables

85 RELATIONSHIP WITH STRUCK OFF COMPANIES (Contd.)

(Rs. in crores)

Name of the struck off company	Relationship with the Struck off company	Balance outstanding as at March 31, 2024*	Balance outstanding as at March 31, 2023*	Nature of transaction
Vekkaliamman Telecom Services Private limited	Not Related Party	-	0.06	Receivables
Janasaathi Media And Technologies Private Limited	Not Related Party	-	0.01	Receivables
MCDN Management Services Private Limited	Not Related Party	-	0.01	Receivables
Maltiton Equipments Private Limited	Not Related Party	-	0.01	Receivables
Steigen Crop Tech Private Limited	Not Related Party	-	0.44	Receivables
S. A. Industries Private Limited	Not Related Party	0.22	0.23	Receivables
Three G Online Services Private Limited	Not Related Party	-	0.03	Receivables
Shares held by struck off company**				
Nasik Capital and Financial Services Private Limited	Not Related Party	0.00	0.00	Equity Shares Held
Rasi Leasing Company Private Limited	Not Related Party	0.00	0.00	Equity Shares Held
Unickon Fincap Private Limited	Not Related Party	0.00	0.00	Equity Shares Held
Arunoday Holdings Private Limited #	Not Related Party	-	0.00	Equity Shares Held
Tangmarg Investment and Trading Private Limited #	Not Related Party	-	0.00	Equity Shares Held
G. V. Trading and Leasing Private Limited	Not Related Party	0.00	0.00	Equity Shares Held

*0.00 denotes amounts less than Rs. 1.00 lac.

**In the financial years ended March 31, 2024 and March 31, 2023, the Company did not have any transaction with above equity shareholders, being the companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956. Our Company has not allotted any Equity share to the said companies. The shareholding data is as per the record of beneficiary position downloaded by the Registrar and Transfer Agent of the Company from the database maintained by the depositories and reported to us for the purpose of this disclosure.

These companies are no longer 'Struck off' as on March 31, 2024.

86 LIQUIDITY COVERAGE RATIO

Disclosure as per the Master Direction RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 on Disclosure requirements under Scale Based Regulation for NBFCs dated October 19, 2023 as amended

(Rs. in crores)

	Particulars	As at March 31, 2024		As at December 31, 2023		As at September 30, 2023		As at June 30, 2023		As at March 31, 2023	
		Total Unweighted value (average)*	Total Weighted value (average)#	Total Unweighted value (average)*	Total Weighted value (average)#	Total Unweighted value (average)*	Total Weighted value (average)#	Total Unweighted value (average)*	Total Weighted value (average)#	Total Unweighted value (average)*	Total Weighted value (average)#
High Quality Liquid Assets											
1	Total High Quality Liquid Assets (HQLA) @	6,504.31	5,282.98	6,398.07	5,250.03	6,080.80	5,007.84	5,678.09	4,650.19	5,264.80	4,308.76
Cash Outflows											
2	Deposits (for deposit taking companies)	1,016.03	1,168.43	871.75	1,002.52	912.17	1,049.00	866.83	996.85	878.83	1,010.66
3	Unsecured wholesale funding	964.26	1,108.90	382.12	439.44	239.10	274.97	91.50	105.23	82.00	94.30
4	Secured wholesale funding	6,434.96	7,400.20	4,600.67	5,290.78	5,563.88	6,398.46	5,769.31	6,634.71	5,168.63	5,943.93
5	Additional requirements, of which										
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	-	-	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	840.09	966.10	1,029.04	1,183.40	897.51	1,032.14	1,030.00	1,184.50	799.59	919.53
7	Other contingent funding obligations	141.55	162.78	242.50	278.87	320.46	368.53	216.48	248.95	212.34	244.19
8	**TOTAL CASH OUTFLOWS**	**9,396.89**	**10,806.41**	**7,126.08**	**8,195.01**	**7,933.12**	**9,123.10**	**7,974.12**	**9,170.24**	**7,141.39**	**8,212.61**
Cash Inflows											
9	Secured lending	-	-	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	8,421.36	6,316.02	7,904.37	5,928.27	7,450.20	5,587.65	7,480.09	5,610.07	7,172.31	5,379.23
11	Other cash inflows	4,229.90	3,172.43	2,554.43	1,915.83	2,672.79	2,004.59	7,144.41	5,358.31	8,495.15	6,371.36
12	**TOTAL CASH INFLOWS**	**12,651.26**	**9,488.45**	**10,458.80**	**7,844.10**	**10,122.99**	**7,592.24**	**14,624.50**	**10,968.38**	**15,667.46**	**11,750.59**
			Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**
13	TOTAL HQLA		5,282.98		5,250.03		5,007.84		4,650.19		4,308.76
14	TOTAL NET CASH OUTFLOWS		2,701.60		2,048.75		2,280.78		2,292.56		2,053.15
15	LIQUIDITY COVERAGE RATIO (%)		195.55%		256.25%		219.57%		202.84%		209.86%

86 LIQUIDITY COVERAGE RATIO (Contd.)

(Rs. in crores)

	Particulars	As at March 31, 2024		As at December 31, 2023		As at September 30, 2023		As at June 30, 2023		As at March 31, 2023	
		Total Unweighted value (average)*	Total Weighted value (average)#	Total Unweighted value (average)*	Total Weighted value (average)#	Total Unweighted value (average)*	Total Weighted value (average)#	Total Unweighted value (average)*	Total Weighted value (average)#	Total Unweighted value (average)*	Total Weighted value (average)#
@	**Components of HQLA**										
1	Assets considered for HQLA without any haircut	397.66	397.66	657.87	657.87	716.01	716.01	538.58	538.58	484.59	484.59
2	Assets considered for HQLA with a minimum haircut of 15%	-	-	-	-	-	-	-	-	-	-
3	Assets considered for HQLA with a minimum haircut of 50%	-	-	-	-	-	-	-	-	-	-
4	Approved securities held as per the provisions of section 45-IB of the RBI Act	6,106.65	4,885.32	5,740.20	4,592.16	5,364.79	4,291.83	5,139.51	4,111.61	4,780.21	3,824.17
	Total	**6,504.31**	**5,282.98**	**6,398.07**	**5,250.03**	**6,080.80**	**5,007.84**	**5,678.09**	**4,650.19**	**5,264.80**	**4,308.76**

*Unweighted values calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

Weighted values calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.

Classification of inflows and outflows for determining the run off factors is based on the same estimates and assumptions as used by the Company for compiling the return submitted to the RBI, which has been relied upon by the auditors.

Qualitative disclosure around Liquidity Coverage Ratio (LCR)

The Reserve Bank of India has prescribed Guidelines on Maintenance of Liquidity Coverage Ratio (LCR). All non-deposit taking NBFCs with asset size of Rs. 10,000 crore and above, and all deposit taking NBFCs irrespective of their asset size, is required to maintain a liquidity buffer in terms of LCR which will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for 30 days. The stock of HQLA to be maintained by the NBFCs shall be minimum of 100% of total net cash outflows over the next 30 calendar days. The objective of the LCR is to promote the short-term resilience of the liquidity risk profile. Presently, the Company is mandated to maintain a minimum LCR of 85%, effective December 01, 2023, progressively reaching up to the required level of 100% by December 01, 2024.

The LCR requirement was applicable from December 01, 2020 with the minimum HQLAs to be held being 50% of the LCR, progressively reaching a level upto 60%, 70%, 85% and 100% by December 01, 2021, December 01, 2022, December 01, 2023, December 01, 2024 respectively. The Company has implemented the LCR framework and has maintained LCR well above the regulatory threshold for all the quarters.

The LCR is calculated by dividing the company's stock of HQLA by its total net outflows over a 30 days stress period.

"High Quality Liquid Assets (HQLA)" means liquid assets that can be readily sold or immediately converted into cash at little or no loss of value or used as collateral to obtain funds in a range of stress scenarios. Total net cash outflows is defined as the total expected cash outflows minus total expected cash inflows for the subsequent 30 calendar days. The main drivers of LCR are adequate HQLAs and lower net cash outflow.

Major source of borrowing for the Company are non-convertible debentures – institutional, term loan/cash credit from banks, term loans from financial institutions/ corporates, commercial papers, fixed deposits, inter corporate deposits, external commercial borrowings (loans), U.S. Dollar senior secured notes, subordinated debts. Details of funding concentration from Significant Counterparties are given above under public disclosure.

The average LCR is computed as simple averages of daily observations over the previous quarter.

The average LCR for the quarter ended March 31, 2024 is 195.55% which is well above against RBI prescribed LCR of 85%.

87 DISCLOSURE OF RESTRUCTURED ACCOUNTS

(Rs. in crores)

Sr. No.	Type of restructuring		Others									
	Financial year		Year ended March 31, 2024					Year ended March 31, 2023				
	Asset classification		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	**Restructured accounts as on April 01**	**No. of borrowers**	**23,001**	**18,910**	**3,424**	**838**	**46,173**	**13,490**	**38,565**	**2,556**	**748**	**55,359**
		Amount outstanding	**534.45**	**467.25**	**237.82**	**124.34**	**1,363.86**	**356.87**	**1,195.52**	**233.67**	**97.02**	**1,883.08**
		Provision thereon	**95.68**	**199.69**	**113.89**	**100.92**	**510.18**	**45.70**	**527.34**	**132.53**	**54.54**	**760.11**
2	Fresh restructuring during the year	No. of borrowers	-	8,849	261	14	**9,124**	-	20,014	393	21	**20,428**
		Amount outstanding	-	304.06	13.33	1.51	**318.90**	-	548.74	20.62	1.76	**571.12**
		Provision thereon	-	116.75	5.27	1.11	**123.13**	-	208.67	7.93	0.69	**217.29**
3	Upgradation	No. of borrowers	6,849	(6,436)	(390)	(23)	-	23,001	(22,336)	(616)	(49)	-
		Amount outstanding	190.18	(170.44)	(18.03)	(1.71)	-	761.89	(721.28)	(36.58)	(4.03)	-
		Provision thereon	81.38	(72.36)	(7.88)	(1.14)	-	333.67	(314.76)	(16.99)	(1.92)	-
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	-	(1,613)	1,147	466	-	-	(2,513)	2,063	450	-
		Amount outstanding	-	(60.03)	22.75	37.28	-	-	(180.88)	109.43	71.45	-
		Provision thereon	-	(26.22)	4.83	21.39	-	-	(83.12)	34.86	48.26	-
6	Write-offs of restructured accounts during the year	No. of borrowers	(23,001)	(10,021)	(1,811)	(271)	**(35,104)**	(13,490)	(14,820)	(972)	(332)	**(29,614)**
		Amount outstanding	(615.94)	(256.58)	(80.77)	(34.47)	**(987.76)**	(584.31)	(374.85)	(89.32)	(41.86)	**(1,090.34)**
		Provision thereon	(158.98)	(115.32)	(55.11)	4.65	**(324.76)**	(283.69)	(138.44)	(44.44)	(0.65)	**(467.22)**
7	**Restructured accounts as on March 31**	**No. of borrowers**	**6,849**	**9,689**	**2,631**	**1,024**	**20,193**	**23,001**	**18,910**	**3,424**	**838**	**46,173**
		Amount outstanding	**108.69**	**284.26**	**175.10**	**126.95**	**695.00**	**534.45**	**467.25**	**237.82**	**124.34**	**1,363.86**
		Provision thereon	**18.08**	**102.54**	**61.00**	**126.93**	**308.55**	**95.68**	**199.69**	**113.89**	**100.92**	**510.18**

Note:

i. The outstanding amount and number of borrowers as at March 31, 2024 and March 31, 2023 is after considering recoveries during the period.

ii. Additional facilities availed by borrowers or addition in outstanding balance in existing restructured accounts and partial repayments in existing restructured accounts are adjusted and disclosed under "Write-offs of restructured accounts", however, for the purpose of arithmetical accuracy the number of existing borrowers availing additional facility or partial repayments have been ignored.

iii. The Company has classified all the restructured accounts under stage 3 for ECL Calculations under Ind AS and Provision for Impairment Loss on all the restructured accounts have been provided in the books accordingly.

iv. Since the disclosure of restructured accounts pertains to section "Others", the first two sections namely "Under CDR Mechanism" and "Under SME Debt Restructuring Mechanism" as per the format prescribed in the Master Directions - RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 on Disclosure requirements under Scale Based Regulation for NBFCs dated October 19, 2023 as amended.

v. For the purpose of arithmetical accuracy, movement in provisions in the existing restructured account as compared to balance of provision as disclosed in opening balance and fresh restructuring on account sale/recovery/ settlement (for any change in provision) is adjusted and disclosed under "Write-offs of restructured accounts" during the year.

vi. The above disclosure does not include one-time restructuring implemented as prescribed in the notification no. RBI/2020-21/16 DoR.No.BP.BC/3/21.04.048/2020-21 Resolution Framework for COVID-19-related Stress dated August 06, 2020 and RBl/2021-22/31/DoR.STR.REC.11 /21.04.048/2021-22 Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses dated May 05, 2021.

88 ASSET CLASSIFICATION AS PER RBI NORMS

Disclosure pursuant to Master Direction - RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 on Disclosure requirements under Scale Based Regulation for NBFCs dated October 19, 2023 as amended

(Rs. in crores)

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Year ended March 31, 2024					Year ended March 31, 2023				
		Gross carrying amount as per Ind AS	Loss allowances (Provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms	Gross carrying amount as per Ind AS	Loss allowances (Provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(3)	(4)	(5)	(6)	(7)
Performing assets											
Standard	Stage 1	198,058.98	6,462.51	191,596.47	795.09	**5,667.42**	157,948.51	4,588.42	153,360.09	655.38	**3,933.04**
	Stage 2	15,044.24	1,110.48	13,933.76	63.44	**1,047.04**	16,385.86	1,109.44	15,276.42	74.60	**1,034.84**
Subtotal		**213,103.22**	**7,572.99**	**205,530.23**	**858.53**	**6,714.46**	**174,334.37**	**5,697.86**	**168,636.51**	**729.98**	**4,967.88**
Non-Performing Assets (NPA)											
Substandard	Stage 3	7,043.50	2,633.31	4,410.19	685.64	**1,947.67**	7,927.55	3,550.34	4,377.21	1,501.56	**2,048.78**
Doubtful - up to 1 year	Stage 3	1,459.05	512.30	946.75	463.55	**48.75**	1,879.40	1,078.82	800.58	914.54	**164.28**
1 to 3 years	Stage 3	632.57	193.51	439.06	349.24	**(155.73)**	452.35	271.62	180.73	299.91	**(28.29)**
More than 3 years	Stage 3	77.49	24.96	52.53	56.60	**(31.64)**	1.52	0.70	0.82	1.50	**(0.80)**
Subtotal for doubtful		**2,169.11**	**730.77**	**1,438.34**	**869.39**	**(138.62)**	**2,333.27**	**1,351.14**	**982.13**	**1,215.95**	**135.19**
Loss	Stage 3	2,896.33	2,906.43	(10.10)	2,893.09	**13.34**	1,155.65	823.80	331.85	1,067.19	**(243.39)**
Subtotal for NPA		**12,108.94**	**6,270.51**	**5,838.43**	**4,448.12**	**1,822.39**	**11,416.47**	**5,725.28**	**5,691.19**	**3,784.70**	**1,940.58**
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	108.24	4.38	103.86	-	**4.38**	283.98	9.51	274.47	-	**9.51**
	Stage 2	-	-	-	-	-	-	-	-	-	-
	Stage 3	-	-	-	-	-	-	-	-	-	-
Subtotal		**108.24**	**4.38**	**103.86**	-	**4.38**	**283.98**	**9.51**	**274.47**	-	**9.51**
Total	**Stage 1**	**198,167.22**	**6,466.89**	**191,700.33**	**795.09**	**5,671.80**	**158,232.49**	**4,597.93**	**153,634.56**	**655.38**	**3,942.55**
	Stage 2	**15,044.24**	**1,110.48**	**13,933.76**	**63.44**	**1,047.04**	**16,385.86**	**1,109.44**	**15,276.42**	**74.60**	**1,034.84**
	Stage 3	**12,108.94**	**6,270.51**	**5,838.43**	**4,448.12**	**1,822.39**	**11,416.47**	**5,725.28**	**5,691.19**	**3,784.70**	**1,940.58**
	Total	**225,320.40**	**13,847.88**	**211,472.52**	**5,306.65**	**8,541.23**	**186,034.82**	**11,432.65**	**174,602.17**	**4,514.68**	**6,917.97**

89 LIQUIDITY RISK

Public Disclosure on Liquidity Risk for the year ended March 31, 2024 and March 31, 2023 pursuant to Appendix VI-A Master Direction - RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 on Disclosure requirements under Scale Based Regulation for NBFCs dated October 19, 2023 as amended.

(i) Funding concentration based on significant counterparty[1] (both deposits and borrowings)

Particulars	Number of significant counterparties	Amount (Rs. in crores)*	% of Total deposits	% of Total liabilities[3]
As at March 31, 2024	23	86,504.55	194.64%	45.84%
As at March 31, 2023	18	67,207.87	185.97%	41.91%

*Includes securitisation liabilities exposure

(ii) Top 20 large deposits (amount in Rs. in crore and % of total deposits)

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Total amount of top 20 large deposits	1,694.20	1,628.33
Percentage of amount of top 20 large deposits to total deposits	3.81%	4.51%

(iii) Top 10 borrowings (amount in Rs. in crore and % of total borrowings)

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Total amount of top 10 borrowings*	53,584.20	48,886.75
Percentage of amount of top 10 borrowings to total borrowings	28.83%	30.96%

*Includes securitisation liabilities exposure

(iv) Funding concentration based on significant instrument/ product[2]

(Rs. in crores)

Sr. No.	Name of the instrument/ product	As at March 31, 2024		As at March 31, 2023	
		Amount	% of Total liabilities[3]	Amount	% of Total liabilities[3]
1	Redeemable non-convertible debentures (secured and unsecured)	31,630.43	16.76%	30,244.58	18.86%
2	External commercial bond	10,948.31	5.80%	12,513.28	7.80%
3	Term loan from banks	37,232.36	19.73%	31,900.26	19.89%
4	Term loan from financial institutions/ corporates	10,405.19	5.51%	9,296.56	5.80%
5	External commercial borrowing	14,467.05	7.67%	9,828.01	6.13%
6	Other loans - Securitisation liabilities	29,138.16	15.44%	22,106.09	13.79%
7	Deposits	44,443.66	23.55%	36,139.83	22.54%
8	Subordinated debts	4,300.07	2.28%	4,523.85	2.82%
9	Commercial papers	2,369.87	1.26%	-	-

(v) Stock ratios

Sr. No.	Particulars	As at March 31, 2024			As at March 31, 2023		
		as a % of Total public funds[4]	as a % of Total liabilities[3]	as a % of Total assets	as a % of Total public funds[4]	as a % of Total liabilities[3]	as a % of Total assets
(a)	Commercial papers	1.28%	1.26%	1.00%	-	-	-
(b)	Non-convertible debentures (original maturity of less than one year)	-	-	-	-	-	-
(c)	Other short-term liabilities[5]	4.21%	4.14%	3.30%	3.62%	3.56%	2.80%

89 LIQUIDITY RISK (Contd.)

(vi) Institutional set-up for liquidity risk management

Refer note 54.01.01: Risk management structure and 54.03: Liquidity risk and funding management for institutional set-up for liquidity risk management.

Notes:

1) Significant counterparty is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities as defined in Master Direction - RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 on Disclosure requirements under Scale Based Regulation for NBFCs dated October 19, 2023 as amended 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 Master Direction - RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 on Disclosure requirements under Scale Based Regulation for NBFCs dated October 19, 2023 as amended on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

3) Total liabilities has been computed as sum of all liabilities (Total of Balance Sheet less Total Equity).

4) Public funds include funds raised either directly or indirectly through public deposits, inter-corporate deposits (except from associate), deposits from corporates (except from associate), bank finance and all funds received from outside sources such as funds raised by issue of commercial papers, debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue, as defined in Master Direction - RBI/DoR/2023-24/106 DoR.FIN. REC.No.45/ 03.10.119/2023-24 on Disclosure requirements under Scale Based Regulation for NBFCs dated October 19, 2023 as amended.

5) Other short-term liabilities include all short-term borrowings other than commercial papers and non-convertible debentures with original maturity less than one year.

6) The amount stated in this disclosure is based on the audited financial statements for the years ended March 31, 2024 and March 31, 2023.

90 RATINGS ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS DURING THE YEAR

Instruments	Credit Rating Agency	As at March 31, 2024	As at March 31, 2023
Bank Loan Long-term	CRISIL Limited	CRISIL AA+/Stable	CRISIL AA+/Stable
Bank Loan Short-term	CRISIL Limited	CRISIL A1+	CRISIL A1+
Bank Loans	India Ratings & Research Private Limited	IND AA+/Stable	IND AA+/Stable
Commercial Paper	India Ratings & Research Private Limited	IND A1+	IND A1+
Commercial Paper	CARE Ratings Limited	CARE A1+	CARE A1+
Commercial Paper	CRISIL Limited	CRISIL A1+	CRISIL A1+
Dual Recourse Bond	India Ratings & Research Private Limited	-	IND AAA (CE)/Stable
Fixed deposit	ICRA Limited	[ICRA] AA+ (Stable)	[ICRA] AA+ (Stable)
Term Deposit	India Ratings & Research Private Limited	IND AA+/Stable	IND AA+/Stable
Long Term Principal Protected Market Linked Debentures	CRISIL Limited	CRISIL PPMLD AA+/Stable	CRISIL PPMLD AA+/ Stable

90 RATINGS ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS DURING THE YEAR (Contd.)

Instruments	Credit Rating Agency	As at March 31, 2024	As at March 31, 2023
Principal Protected Market Linked Debentures	India Ratings & Research Private Limited	IND PP-MLD AA+/ Stable	IND PP-MLD AA+/ Stable
Long-Term Issuer Credit Rating	Standard & Poor's Ratings	BB/ Stable	BB-/ Stable
Long-Term Issuer Default Rating	Fitch Ratings	BB/ Stable Outlook	BB/ Stable Outlook
Subordinated debt	CARE Ratings Limited	CARE AA+/Stable	CARE AA+/Stable
Subordinated debt	India Ratings & Research Private Limited	IND AA+/Stable	IND AA+/Stable
Subordinated debt	CRISIL Limited	CRISIL AA+/Stable	CRISIL AA+/Stable
Non-convertible debentures	CARE Ratings Limited	CARE AA+/Stable	CARE AA+/Stable
Non-convertible debentures	CRISIL Limited	CRISIL AA+/Stable	CRISIL AA+/Stable
Non-convertible debentures	India Ratings & Research Private Limited	IND AA+/Stable	IND AA+/Stable
Non-convertible debentures	ICRA Limited	[ICRA] AA+ (Stable)	[ICRA] AA+ (Stable)
Offshore Rupee Denominated Bond (Masala Bond)	Standard & Poor's Ratings	-	BB-
Offshore Rupee Denominated Bond (Masala Bond)	Fitch Ratings	-	BB
Short-Term Issuer Credit Rating	Standard & Poor's Ratings	B	B
Short-Term Issuer Default Rating	Fitch Ratings	B	B
U.S. Dollar Senior Secured Notes	Standard & Poor's Ratings	BB	BB-
U.S. Dollar Senior Secured Notes	Fitch Ratings	BB	BB
Local Currency Long Term Issuer Default Rating	Fitch Ratings	BB/ Stable Outlook	BB/ Stable Outlook

91 CAPITAL ADEQUACY RATIO

(Rs. in crores unless otherwise stated)

Particulars		As at March 31, 2024	As at March 31, 2023
i)	Tier I Capital	39,402.60	35,526.68
ii)	Tier II Capital	1,510.58	2,368.88
iii)	Total Capital	40,913.18	37,895.56
iv)	Total Risk Weighted Assets	201,526.75	167,582.05
v)	CRAR (%)	20.30	22.61
vi)	CRAR - Tier I Capital (%)	19.55	21.20
vii)	CRAR - Tier II Capital (%)	0.75	1.41
viii)	Common equity Tier - 1 Capital (CET-1)	38,838.91	34,777.83
ix)	CET-1 (%)	19.27	20.75
x)	Amount of subordinated debt raised as Tier-II Capital*	4,283.20	4,543.70
xi)	Amount raised by issue of Perpetual debt instruments	-	-

Tier I Capital, Tier II Capital, Capital Adequacy Ratio and Common Equity Tier 1 Capital (CET1) are calculated as defined in Master Direction - RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 on Disclosure requirements under Scale Based Regulation for NBFCs dated October 19, 2023 as amended.

*Discounted value of Rs. 1,181.24 crores (March 31, 2023: Rs. 1,944.88 crores) considered for Tier II Capital against the book value of Rs. 4,283.20 crores (March 31, 2023: Rs. 4,543.70 crores).

92 INVESTMENTS

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(1) Value of investments		
(i) Gross value of investments		
(a) In India	10,653.25	8,542.48
(b) Outside India	79.84	63.35
(ii) Provisions for depreciation		
(a) In India	76.45	40.77
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	10,576.80	8,501.71
(b) Outside India	79.84	63.35
(2) Movement of provisions held towards depreciation on investments		
(i) Opening balance	40.77	36.00
(ii) Add: Provisions made during the year	35.68	4.77
(iii) Less:Write-off/write-back of excess provisions during the year	-	-
(iv) Closing balance	**76.45**	**40.77**

93 DERIVATIVES

93.01: Forward rate agreement/Interest rate swap

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) The notional principal of swap agreements	52,224.54	40,040.27
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
(iii) Collateral required by the NBFC upon entering into swaps	-	-
(iv) Concentration of credit risk arising from the swap	-	-
(v) The fair value of the swap book	330.48	668.81

Forward rate agreement (FRAs) entered into during the year ended March 31, 2024 is Rs. 10,136.61 crores (March 31, 2023 : Rs. 6,055.28 crores)

93.02: Exchange traded interest rate (IR) derivatives : Nil

93.03: Disclosures on risk exposure of derivatives

Qualitative disclosures

The Company has a Board approved policy in dealing with derivative transactions. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Company undertakes derivative transactions for hedging on-balance sheet assets and liabilities. Such outstanding derivative transactions are accounted on accrual basis over the life of the underlying instrument. The Asset Liability Management Committee and Risk Management Committee closely monitors such transactions and reviews the risks involved.

The Company has entered into derivative agreement to mitigate the foreign exchange risk and interest rate risk pertaining to external commercial borrowings and foreign currency bonds. The description of risk policies and risk mitigation strategies are disclosed in note 54 of the financial statements.

93 DERIVATIVES (Contd.)

Quantitative Disclosures

(Rs. in crores)

	Particulars	As at March 31, 2024		As at March 31, 2023	
		Currency derivatives	Interest rate derivatives	Currency derivatives	Interest rate derivatives
(i)	Derivatives (Notional principal amount)				
	For hedging	26,657.43	25,567.11	22,809.86	17,230.41
(ii)	Marked to market positions				
	a) Asset (+)	18.43	312.05	516.41	152.40
	b) Liability (-)	-	-	-	-
(iii)	Credit exposure	-	-	-	-
(iv)	Unhedged exposures	-	-	-	-

94 DISCLOSURES RELATING TO SECURITISATION/ DIRECT ASSIGNMENT

94.01: Disclosure as per RBI Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 dated September 24, 2021 as amended

The information on securitisation of the Company as an originator is given below:

(Rs. in crores)

Sr. No.	Particulars	Non-STC Transactions	
		As at March 31, 2024	As at March 31, 2023
1	No. of SPEs holding assets for securitisation transactions originated by the originator	107	95
2	Total amount of securitised assets as per books of the SPEs	29,196.51	22,277.04
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet	5,549.83	4,328.66
	a) Off-balance sheet exposures		
	• First loss	111.31	111.31
	• Others	-	-
	b) On-balance sheet exposures		
	• First loss	3,274.16	3,123.94
	• Others	2,275.67	1,204.72
4	Amount of exposures to securitisation transactions other than MRR	-	-
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	• First loss	-	-
	• Others	353.71	200.24
	ii) Exposure to third party securitisations		
	• First loss	-	-
	• Others	-	-

94 DISCLOSURES RELATING TO SECURITISATION/ DIRECT ASSIGNMENT (Contd.)

(Rs. in crores)

Sr. No.	Particulars	Non-STC Transactions	
		As at March 31, 2024	As at March 31, 2023
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	• First loss	-	-
	• Others	934.86	1,656.48
	ii) Exposure to third party securitisations		
	• First loss	-	-
	• Others	-	-
5	Sale consideration received for the securitised assets	22,944.54	16,965.25
	Gain/ loss on sale on account of securitisation	2,773.13	2,480.32
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
7	Performance of facility provided		
	Credit enhancement		
	(a) Amount paid	3,130.36	2,194.61
	(b) Repayment received	2,630.82	2,900.05
	(c) Outstanding amount	6,484.68	5,985.14
8	Average default rate of portfolios observed in the past (%)		
	(a) Vehicle loans	6.59	7.36
	(b) Two wheeler loans	4.98	6.98
	(c) Trade finance	6.43	7.63
	(d) Personal loans	6.81	-
9	Amount and number of additional/top up loan given on same underlying asset	-	-
10	Investor complaints		
	(a) Directly/Indirectly received	-	-
	(b) Complaints outstanding	-	-

Note: There are no STC Transactions in the financial year ended March 31, 2024 and March 31, 2023.

94.02: Disclosure as per Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021 as amended

a) Details of transfer through assignment in respect of loans not in default during the financial year ended March 31, 2024 and March 31, 2023:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Count of loans accounts assigned	47,789	187,450
Amount of loan accounts assigned (Rs. in crores)	3,139.14	2,171.20
Weighted average maturity (in months)	52	40
Weighted average holding period (in months)	11	10
Retention of beneficial economic interest	10.00%	10.00%
Coverage of tangible security	100.00%	100.00%
Rating wise distribution of rated loans	Not rated	Not rated

94 DISCLOSURES RELATING TO SECURITISATION/ DIRECT ASSIGNMENT (Contd.)

b) Details of acquired through assignment in respect of loans not in default during the financial years ended March 31, 2024 and March 31, 2023:

Particulars	Year ended March 31, 2024		Year ended March 31, 2023	
	Secured loans	Unsecured loans	Secured loans	Unsecured loans
Count of loans accounts assigned	4,013	-	9,391	15,514
Amount of loan accounts assigned (Rs. in crores)	15.62	-	48.71	103.62
Weighted average maturity (in months)	19	-	25	16
Weighted average holding period (in months)	12	-	7	7
Retention of beneficial economic interest	80.00%	-	80.00%	80.00%
Coverage of tangible security	80.34%	-	64.66%	NA
Rating wise distribution of rated loans	Not rated	-	Not rated	Not rated

c) Details of stressed loans transferred during the year ended March 31, 2024 and March 31, 2023:

(Rs. in crores)

Particulars	To ARCs (NPA loans)	
	As at March 31, 2024	As at March 31, 2023
No: of accounts	6,731	-
Aggregate principal outstanding of loans transferred (Rs. in crores)	4.82	-
Weighted average residual tenor of loans transferred (in months)	4	-
Net book value of loans transferred (at the time of transfer) (Rs. in crores)	1.21	-
Aggregate consideration (Rs. in crores)	2.46	-
Additional consideration realized in respect of accounts transferred in earlier years (Rs. in crores)	-	-
Excess provisions reversed to the profit and loss account on account of sale of stressed loans (Rs. in crores)	-	-

d) The Company has not acquired any stressed loans during the year ended March 31, 2024 and March 31, 2023.

95 ASSET LIABILITY MANAGEMENT MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES

As at March 31, 2024

(Rs. in crores)

Particulars	1 - 7 days	8 - 14 days	15 - 30 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits*	303.08	174.88	471.84	752.86	870.64	3,258.66	5,745.94	21,209.84	11,802.88	-	**44,590.62**
Advances**	5,358.95	1,627.13	2,509.75	7,734.55	8,372.14	23,621.46	40,970.88	92,262.41	23,144.44	2,327.70	**207,929.41**
Investments	28.03	2.81	351.32	74.82	310.01	117.30	494.68	1,645.00	1,051.88	6,580.79	**10,656.64**
Borrowings***	2,282.09	941.24	5,094.58	4,255.28	7,079.12	10,513.49	19,089.87	41,567.32	14,723.57	10,435.56	**115,982.12**
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	5.55	-	170.94	24.48	334.91	95.58	605.85	15,504.74	7,806.89	866.42	**25,415.36**

As at March 31, 2023

(Rs. in crores)

Particulars	1 - 7 days	8 - 14 days	15 - 30 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits*	263.83	116.96	453.06	636.32	788.10	2,473.58	4,756.63	18,544.71	8,240.84	-	**36,274.03**
Advances**	4,457.12	1,256.69	2,111.70	6,088.57	6,253.71	18,430.17	33,643.35	77,070.05	19,287.81	3,385.41	**171,984.58**
Investments	512.31	5.33	37.09	276.26	58.52	109.90	421.19	1,244.58	951.95	4,947.93	**8,565.06**
Borrowings***	615.24	1,145.61	3,143.82	3,901.76	6,848.22	8,798.20	15,203.93	38,184.56	9,802.53	11,781.30	**99,425.17**
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	127.33	-	124.23	4,961.73	6,167.05	7,496.34	2,442.69	1,021.92	**22,341.29**

* includes deposits from corporates and unclaimed matured deposit.

** net of Impairment loss allowance.

***excludes deposits which are shown separately and external commercial borrowings and external commercial bond which are shown separately under Foreign currency liabilities.

96 ADDITIONAL DISCLOSURES

96.01: Provisions and contingencies

(Rs. in crores)

Break up of Provisions and contingencies shown under the head expenditure in Profit and Loss account	Year ended March 31, 2024	Year ended March 31, 2023
Provision towards NPA#	2,690.19	3,258.98
Provision made towards income tax ##	2,493.16	2,205.55
Provision towards impairment of financial instruments other than provision for stage 3 assets	1,828.15	900.19

Provision for stage 3 assets

Provision made towards income tax comprises of current tax, deferred tax and tax adjustment for earlier years.

96.02: Draw down from reserves

The draw down from reserves was Rs. Nil for financial years ended March 31, 2024 and March 31, 2023.

96.03: Concentration of Deposits, Advances, Exposures and NPAs

96.03.01: Concentration of Deposits (for deposit taking NBFCs)

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Total deposits of twenty largest depositors	803.08	921.10
Percentage of deposits of twenty largest depositors to total deposits of the NBFC	1.87%	2.65%

96.03.02: Concentration of advances

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Total advances to twenty largest borrowers	513.55	399.15
Percentage of advances to twenty largest borrowers to total advances of the NBFC*	0.23%	0.22%

*Excludes retained interest on direct assignment Rs. 359.18 crores (March 31, 2023 Rs. 266.52 crores).

96.03.03: Concentration of exposures

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Total exposure to twenty largest borrowers/ customers	513.55	399.15
Percentage of exposures to twenty largest borrowers/ customers to total exposure of the NBFC on borrowers/ customers*	0.23%	0.22%

*Excludes retained interest on direct assignment Rs. 359.18 crores (March 31, 2023 Rs. 266.52 crores).

96.03.04: Concentration of NPAs

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Total exposure to top four NPA accounts**	134.90	139.15

**NPA accounts refer to stage 3 assets.

97 MOVEMENT OF NPAS $

(Rs. in crores)

Particulars			Year ended March 31, 2024	Year ended March 31, 2023
(i)	**Net NPAs to net advances (%)**		2.70%	3.19%
(ii)	**Movement of NPAs (Gross)**			
	(a)	Opening balance	11,382.18	8,887.55
	(b)	Additions during the year @	10,327.54	11,093.20
	(c)	Reductions during the year	(9,628.56)	(8,598.57)
	(d)	**Closing balance**	**12,081.15**	**11,382.18**
(iii)	**Movement of Net NPAs**			
	(a)	Opening balance	5,674.91	4,446.05
	(b)	Additions during the year	6,674.60	7,169.14
	(c)	Reductions during the year	(6,525.07)	(5,940.28)
	(d)	**Closing balance**	**5,824.44**	**5,674.91**
(iv)	**Movement of provisions for NPAs (excluding provisions on standard assets)**			
	(a)	Opening balance	5,707.27	4,441.50
	(b)	Provisions made during the year	3,652.94	3,924.06
	(c)	Write-off/write-back of excess provisions	(3,103.50)	(2,658.29)
	(d)	**Closing balance**	**6,256.71**	**5,707.27**

$ NPAs refer to stage 3 assets.

@ includes effects of business combination

98 CUSTOMER COMPLAINTS

98.01: Summary information on complaints received by the Company from customers and from the Offices of Ombudsman

Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023
	Complaints received by the Company from its customers		
1	Number of complaints pending at beginning of the year	130	62
2	Number of complaints received during the year	15,615	9,837
3	Number of complaints disposed during the year	15,308	9,769
	3.1 Of which, number of complaints rejected by the Company	61	-
4	Number of complaints pending at the end of the year*	437	130
	Maintainable complaints*** received by the Company from Office of Ombudsman		
5	Number of maintainable complaints received by the Company from Office of Ombudsman **	938	656
	5.1 Of 5, number of complaints resolved in favour of the Company by Office of Ombudsman	936	654
	5.2 Of 5, number of complaints resolved through conciliation/ mediation/ advisories issued by Office of Ombudsman	2	2
	5.3 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the Company	-	-
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

*All the complaints pending as at March 31, 2024, were resolved subsequently.

** Includes 25 complaints pending as at March 31, 2024, which were resolved subsequently.

***Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and convered within the ambit of the scheme.

98 CUSTOMER COMPLAINTS (Contd.)

98.02: Top five grounds of Complaints received by the Company from Customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
	As at March 31, 2024				
Loan Related*	37	4,928	70.93%	145	9
Documents Related	23	2,800	42.35%	54	4
Collection Related	22	2,369	62.15%	67	2
Loan Settlement	6	1,365	225.78%	29	1
Policy Renewal	6	633	214.93%	17	1
Others*	36	3,520	21.13%	125	4
Total	**130**	**15,615**	**58.74%**	**437**	**21**

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
	As at March 31, 2023				
Loan Related*	47	2,883	28.82%	52	4
Documents Related	9	1,967	262.25%	23	2
Collection Related	1	1,461	1560.23%	14	-
Loan Settlement	1	419	423.75%	5	-
Policy Renewal	-	201	279.25%	3	-
Others*	4	2,906	550.11%	33	-
Total	**62**	**9,837**	**185.21%**	**130**	**6**

*Effects of business combination (Refer note 51)

99 OVERSEAS ASSETS (FOR THOSE WITH JOINT VENTURES AND SUBSIDIARIES ABROAD)

The Company does not have any joint venture or subsidiary abroad, hence not applicable.

100 OFF-BALANCE SHEET SPVS SPONSORED (WHICH ARE REQUIRED TO BE CONSOLIDATED AS PER ACCOUNTING NORMS)

The Company has not sponsored any off-balance sheet SPV which are required to be consolidated as per accounting norms.

101 INFORMATION ON INSTANCES OF FRAUD

Instances of fraud for the year ended March 31, 2024: (Rs. in crores)

Nature of fraud	No. of cases	Amount of fraud	Recovery*	Amount written-off
Fraud committed by employees	1	0.17	0.28	-
Fraud committed by customers and outsiders	1	0.80	-	0.80

* includes Rs. 0.11 crores recovered from the fraud cases reported during previous years.

101 INFORMATION ON INSTANCES OF FRAUD (Contd.)

Instances of fraud for the year ended March 31, 2023: (Rs. in crores)

Nature of fraud	No. of cases	Amount of fraud	Recovery*	Amount written-off
Fraud committed by employees	3	0.41	-	-
Fraud committed by customers and outsiders	1	0.18	0.21	0.18

* includes Rs. 0.16 crores recovered from the fraud cases reported during the year ended March 31, 2015.

102 DISCLOSURE OF PENALTIES IMPOSED BY RBI AND OTHER REGULATORS

The Company has paid a fine of Rs. 21,600/- (net off TDS) in connection with delay in submission of notice of record date under Regulation 60(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for purpose of payment of principal and interest on certain privately placed non-convertible debentures listed on BSE Limited during the financial year ended March 31, 2024. No penalties have been levied on the Company by any regulator for the financial year ended March 31, 2023.

103 DISCLOSURE OF PORTFOLIO-LEVEL INFORMATION ON THE USE OF FUNDS RAISED FROM GREEN DEPOSITS AS PER RBI NOTIFICATION NO. RBI/2023-24/14 DOR.SFG.REC.10/30.01.021/2023-24 DATED APRIL 11, 2023

The Company has not raised any funds from green deposits during the financial years ended March 31, 2024 and March 31, 2023.

104 EXPOSURES

104.01: Exposure to real estate sector

(Rs. in crores)

	Category	As at March 31, 2024	As at March 31, 2023
i)	**Direct exposure**		
a)	Residential Mortgages *		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented and also includes non-fund based (NFB) limits.	6,447.12	5,580.77
b)	Commercial Real Estate *		
	Lending secured by mortgages on commercial real estate (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.) and also includes non-fund based (NFB) limits.	1,263.02	1,260.70
c)	Investments in Mortgage-Backed Securities (MBS) and other securitized exposures		
	i. Residential	-	-
	ii. Commercial Real Estate	-	-
ii)	**Indirect Exposure**		
	Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	-	-
	Total Exposure to Real Estate Sector	**7,710.14**	**6,841.47**

* Repayment of the MSME loans primarily depends on the cash flows from business operations of the borrower and are additionally secured by immovable property.

104 EXPOSURES (Contd.)

104.02: Sectoral exposure

Sectors	As at March 31, 2024 Total Exposure (Rs. in crores)	As at March 31, 2024 Gross NPAs (Rs. in crores)	As at March 31, 2024 Percentage of Gross NPAs to total exposure in that Sector	As at March 31, 2023 Total Exposure (Rs. in crores)	As at March 31, 2023 Gross NPAs (Rs. in crores)	As at March 31, 2023 Percentage of Gross NPAs to total exposure in that Sector
1) Agriculture and Allied Activities	-	-	-	-	-	-
2) Industry	-	-	-	-	-	-
3) Services						
i Transport Operators	180,789.98	10,251.41	5.67%	153,208.66	9,737.34	6.36%
ii SME Loans	25,603.19	1,273.71	4.97%	18,926.51	1,119.55	5.92%
iii Others	-	-	-	-	-	-
Total of Services	**206,393.17**	**11,525.12**	**5.58%**	**172,135.17**	**10,856.89**	**6.31%**
4) Personal Loan						
i Gold loan	6,299.80	121.39	1.93%	4,478.39	141.03	3.15%
ii Others	8,974.69	434.64	4.84%	6,724.86	384.26	5.71%
Total of Personal Loan	**15,274.49**	**556.03**	**3.64%**	**11,203.25**	**525.29**	**4.69%**
5) Others, if any	-	-	-	-	-	-
TOTAL	**221,667.66**	**12,081.15**	**5.45%**	**183,338.42**	**11,382.18**	**6.21%**

104.03: Intra-group exposures

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
i) Total amount of intra-group exposures	1,585.62	1,587.61
ii) Total amount of top 20 intra-group exposures	1,585.62	1,587.61
iii) Percentage of intra-group exposures to total exposure of the Company on borrowers/ customers	0.72%	0.87%

104.04: Exposure to capital market

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
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	1,681.27	1,664.36
ii) All exposures to Alternative Investment Funds:		
(a) Category I	1.52	1.53
(b) Category II	-	-
(c) Category III	-	-
Total exposure to capital market	**1,682.79**	**1,665.89**

104 EXPOSURES (Contd.)

104.05: Unhedged foreign currency exposure

The Company does not have any unhedged foreign currency exposures for the financial years ended March 31, 2024 and March 31, 2023. Please refer to note 54 - Risk management for the Company policies to manage currency induced risk.

104.06: Details of financing of parent company products

The Company does not have any parent company, hence not applicable.

104.07: Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Company has not exceeded the prudential exposure limits for Single Borrower Limit (SGL)/ Group Borrower Limit (GBL) during the financial years ended March 31, 2024 and March 31, 2023.

104.08: Unsecured advances

The Company has not granted unsecured advances against collateral of intangible securities such as charge over the rights, licenses or authority during financial years ended March 31, 2024 and March 31, 2023.

105 COMPULSORILY CONVERTIBLE DEBENTURES ISSUED BY SUBSIDIARY COMPANY

The Company's subsidiary has issued Compulsorily Convertible Debentures of Rs. 400 crores to an external investor. The Company has a right to purchase the said instrument (before or after conversion) from the investor at price computed based on pre-agreed formula, and similarly the investor has a put right written by the Company. The said arrangement is accounted as derivative and valued at zero, in accordance with accounting norms and policy. For further details on the transaction, please refer to the note 49 - Related Party Transactions disclosure.

106 BREACH OF COVENANT

There were no instances of default or breaches of covenant in respect of loan availed or debt securities issued during the financial years ended March 31, 2024 and March 31, 2023.

107 DIVERGENCE IN ASSET CLASSIFICATION AND PROVISIONING

The RBI has neither assessed any additional provisioning requirements in excess of 5% of the reported profits before tax and impairment loss on financial instruments for the financial year ended March 31, 2023, nor identified any additional Gross NPAs in excess of 5% of the reported gross NPAs for the said period.

108 NOTE 108: DISCONTINUED OPERATIONS

The Company had no discontinuing operations during the financial years ended March 31, 2024 and March 31, 2023.

109 WHISTLE- BLOWER COMPLAINTS

There were no whistle blower complaints received by the Company during the financial years ended March 31, 2024 and March 31, 2023.

As per our report of even date
For KKC & Associates LLP
(formerly Khimji Kunverji & Co LLP)
Chartered Accountants
ICAI Firm Registration No.: 105146W/W100621

Devang Doshi
Partner

Membership No.: 140056
Mumbai
April 26, 2024

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

P Menakshi Sundaram
Partner

Membership No.: 217914
Mumbai
April 26, 2024

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

Jugal Kishore Mohapatra
Chairman
DIN: 03190289
Mumbai
April 26, 2024

Y. S. Chakravarti
Managing Director & CEO
DIN: 00052308
Mumbai
April 26, 2024

Parag Sharma
Joint Managing Director & CFO
DIN: 02916744
Mumbai
April 26, 2024

U Balasundararao
Company Secretary
Mumbai
April 26, 2024

As required in Annex. VIII of Master Direction - RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 on Disclosure requirements under Scale Based Regulation for NBFCs dated October 19, 2023 as amended.

Schedule to the Balance Sheet

(Rs. in crores)

Liabilities side :		**As at March 31, 2024**	
(1)	**Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:**	**Amount Outstanding**	**Amount Overdue**
	(a) Debentures : Secured	31,547.38	7.37#
	: Unsecured	90.42	Nil
	(Other than falling within the meaning of public deposits*)		
	(b) Deferred Credits	Nil	Nil
	(c) Term Loans	74,775.84	Nil
	(d) Inter-corporate Loans and Borrowings	Nil	Nil
	(e) Commercial Paper	Nil	Nil
	(f) Public Deposits* @	42,948.54	146.26#
	(g) Other Loans - Subordinated Debts	4,307.03	6.96#
	- Cash Credit	906.04	Nil
	- Bank overdrafts	1,999.87	Nil
	- Deposits from Corporates	1,642.08	0.70#
	- External Commercial Borrowing - Secured	14,467.05	Nil
	- External Commercial Bond - Secured	10,948.31	Nil
	- Commercial papers	2,369.87	Nil
	@ Excludes Deposits from Corporates		
	* Please see note 1 below		
	# Represent amounts unclaimed		

(Rs. in crores)

(2)	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**	**Amount Outstanding**	**Amount Overdue**
	(a) In the form of Unsecured Debentures	Nil	Nil
	(b) In the form of Partly Secured Debentures i.e debentures where there is a shortfall in the value of security	Nil	Nil
	(c) Other Public Deposits @	42,948.54	146.26 #
	@ Excludes Deposits from Corporates		
	* Please see note 1 below		
	# Represent amounts unclaimed		

(Rs. in crores)

	Assets side :	**As at March 31, 2024**
(3)	**Break-up of loans and advances including bills receivables (other than those included in (4) below):**	**Amount Outstanding**
	(a) Secured	204,033.67
	(b) Unsecured	17,633.99

Schedule to the Balance Sheet (Contd.)

	Assets side :	As at March 31, 2024
(4)	**Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities €**	**Amount Outstanding**
	(i) Lease assets including lease rentals under sundry debtors :	
	(a) Financial lease	Nil
	(b) Operating lease	Nil
	(ii) Stock on hire including hire charges under sundry debtors :	
	(a) Assets on hire	Nil
	(b) Repossessed Assets	Nil
	(iii) Other loans counting towards asset financing activities : €	
	(a) Loans where assets have been repossessed	Nil
	(b) Loans other than (a) above	Nil

€ The Company has not disclosed amount outstanding under assets financing activities under note 4(iii) and included entire loan amount outstanding under note 3 as RBI has merged Asset Financing Companies, Loan Companies and Investment Companies in to a new category "NBFC - Investment and Credit Company" vide its circular no. DNBR (PD) CC. No. 097/03.10.001/2018-19 dated February 22, 2019.

(5)	**Break-up of Investments : $**	**Amount Outstanding**
	Current Investments :	
	1 Quoted :	
	(i) Shares :	
	(a) Equity	Nil
	(b) Preference	Nil
	(ii) Debentures and Bonds	Nil
	(iii) Units of Mutual Funds	Nil
	(iv) Government Securities	Nil
	(v) Others	Nil
	2 Unquoted :	
	(i) Shares:	
	(a) Equity	Nil
	(b) Preference	Nil
	(ii) Debentures and Bonds	Nil
	(iii) Units of Mutual Funds	Nil
	(iv) Government Securities	Nil
	(v) Others	Nil

Break-up of Investments : $	**Amount Outstanding**
Long Term Investments :	
1 Quoted :	
(i) Shares :	
(a) Equity	79.84
(b) Preference	Nil
(ii) Debentures and Bonds	Nil
(iii)Units of Mutual Funds	300.38
(iv) Government Securities	6,468.36
(v) Others	Nil
2 Unquoted :	
(i) Shares:	
(a) Equity	1,601.43
(b) Preference	Nil
(ii) Debentures and Bonds	Nil
(iii) Units of Mutual Funds	Nil
(iv) Government Securities	Nil
(v) Others	
- Venture Capital Fund	1.52
- Investment in PTC	2,205.11

$ The Company has not disclosed the breakup of investment into long term investment and current investment as the classification is not required under Indian Accounting Standards issued by MCA for NBFCs.

Schedule to the Balance Sheet (Contd.)

(Rs. in crores)

	Assets side :	**As at March 31, 2024**		
(6)	**Borrower group-wise classification of assets, financed as in (3) and (4) above :** Please see note 2 below	**Amount (Net of provisions)**		
	Category	**Secured**	**Unsecured**	**Total**
1	Related Parties **			
	(a) Subsidiaries	Nil	Nil	Nil
	(b) Companies in the same group	Nil	Nil	Nil
	(c) Other Related Parties	Nil	Nil	Nil
2	Other than Related Parties	191,737.00	16,192.41	207,929.41
	Total	**191,737.00**	**16,192.41**	**207,929.41**

(Rs. in crores)

		As at March 31, 2024	
(7)	**Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): $** Please see note 3 below	**Market Value/ Break up of fair value or NAV***	**Book Value (Net of Provisions)**
	Category		
1	Related Parties **		
	(a) Subsidiaries	1,278.79	1,562.24
	(b) Companies in the same group	10.01	10.01
	(c) Other Related Parties	74.30	13.37
2	Other than Related Parties	9,036.51	9,071.03
	Total	**10,399.61**	**10,656.64**

* Disclosure is made in respect of available information. NAV is disclosed.

** As per Indian Accounting Standard issued by MCA (Please see note 3).

$ The Company has not disclosed the breakup of investment into long term investment and current investment as the classification is not required under Indian Accounting Standards issued by MCA.

(Rs. in crores)

(8)	**Other information**	**Amount**
(i)	Gross Non-Performing Assets ¥	
	(a) Related Parties	Nil
	(b) Other than Related Parties	12,081.15
(ii)	Net Non-Performing Assets ¥	
	(a) Related Parties	Nil
	(b) Other than Related Parties	5,824.44
(iii)	Assets acquired in satisfaction of debt	Nil

¥ NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

Notes :

1) As defined in paragraph 5.1.26 of the Directions.

2) Provisioning norms shall be applicable as prescribed in these directions.

3) All notified Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/ fair value/ NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term (amortised cost in the case of Ind AS) or current (fair value in case of Ind AS) in (5) above.

FORM AOC-1

(Pursuant to first proviso to sub- section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part A: Subsidiaries (Refer note 44) (Rs. in crores)

Sr. No.	Particulars	
1	**Name of the subsidiary**	**Shriram Housing Finance Limited (from April 01, 2022)**
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA
4	Share capital	330.08
5	Reserves & surplus	1,593.65
6	Total assets	11,858.59
7	Total liabilities	9,934.85
8	Investments (included in total assets)	199.33
9	Turnover	1,429.57
10	Profit before taxation	290.32
11	Provision for taxation	72.88
12	Profit after taxation	217.43
13	Proposed dividend	-
14	% of shareholding	83.78%

Note:

1. Names of subsidiaries which are yet to commence operations: Nil

2. Names of subsidiaries which have been liquidated or sold during the year: Nil

Part B: Associates and joint venture (Refer note 44)

Sr. No.	Particulars - Associate	Shriram Automall India Limited
1	Latest audited balance sheet date#	March 31, 2024
2	Shares of associate held by the Company on the year end	
	No.	13,369,565
	Amount of investment in associate (Rs. in crores)	13.37
	Extent of holding %	44.56%
3	Description of how there is significant influence	By virtue of holdings being 20% or more - Associate Company
4	Reason why the associate is not consolidated	NA

Part B: Associates and joint venture (Contd.)

Sr. No.	Particulars - Associate	Shriram Automall India Limited
5	Networth attributable to shareholding as per latest audited balance sheet (Rs. in crores)*	191.30
6	Profit/ (Loss) for the year (Rs. in crores)*	
i	Considered in consolidation	7.78
ii	Not considered in consolidation	9.68

#The financial statements for the associate are as per the unaudited financial statements provided by the management.

*on consolidated basis.

The Company does not have any joint venture.

Note:

1. Names of associates or joint ventures which are yet to commence operations: NIL
2. Names of associates or joint ventures which have been liquidated or sold during the year: NIL

For and on behalf of the Board of Directors of

Shriram Finance Limited
(formerly Shriram Transport Finance Company Limited)

Jugal Kishore Mohapatra
Chairman
DIN: 03190289
Mumbai
April 26, 2024

Y. S. Chakravarti
Managing Director & CEO
DIN: 00052308
Mumbai
April 26, 2024

Parag Sharma
Joint Managing Director & CFO
DIN: 02916744
Mumbai
April 26, 2024

U Balasundararao
Company Secretary
Mumbai
April 26, 2024

To

The Members of

Shriram Finance Limited (formerly known as Shriram Transport Finance Company Limited)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

1. We have audited the accompanying Consolidated Financial Statements of Shriram Finance Limited (formerly known as Shriram Transport Finance Company Limited) ('the Parent') and its subsidiary (the parent and its subsidiary together referred to as 'the Group'), its associate, which comprise the Consolidated Balance Sheet as at 31 March 2024 and the Consolidated Statement of Profit (including Other Comprehensive Income/loss), the Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year ended on that date, and notes to the Consolidated Financial Statements, including a summary of material accounting policy information and other explanatory information ('the Consolidated Financial Statements').

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditor on separate financial statements of such subsidiary as were audited by the other auditor, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the Consolidated State of Affairs of the Group and its associate as at 31 March 2024, and its Consolidated Profit And Other Comprehensive Income/loss, Consolidated Changes in Equity and its Consolidated Cash Flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained along with the consideration of audit reports of the other auditor referred to in the 'Other Matters' paragraph below is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

Key Audit Matters

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

5. We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Financial statement.

<table>
<tr><th>Key Audit Matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>

Impairment Loss Allowance of loans and advances

(Reference to Note 13 read with Statement of Accounting Policies Note 7.1(ix) forming part of Consolidated Financial Statements– Schedule to the Consolidated Financial Statements).

(in INR Crores)

Gross Advances	232,509.69
Provisions*	13,814.08
Net Advances	218,695.61

Significant estimates and judgment involved Key Audit Matter

Reserve Bank of India has issued Master circular and other clarifications on Income Recognition and Asset Classification and Provisioning pertaining to Advances ("IRAC"). These guidelines prescribe the prudential norms for identifying and classifying of advances as Stage 3 / NPAs.

The Company has applied significant judgement to determine the identification and classification of such assets as Stage 3 / NPAs by applying quantitative as well as qualitative factors. The risk of identification of such assets as Stage 3 / NPAs is affected by factors like stress and liquidity concerns of such assets.

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

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Audit Procedures included but were not limited to the following:

Auditors of one subsidiary and 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.

Auditors of one subsidiary and we also assessed whether the impairment methodology used by the Company is in accordance with the assumptions and methodology approved by the Board of Directors of the Company which is based on and in compliance with Ind AS 109 "Financial Instruments".

Accordingly, Auditors of one subsidiary and we assessed the approach of the Company regarding definition of Default, Probability of Default (PD), Loss Given Default (LGD) and incorporation of forward-looking information for the calculation of ECL. For loans and advances which are assessed for impairment on a portfolio basis auditors of one subsidiary and we performed particularly the following procedures:

- Read the Company's policies for identification, classification and assessing compliance for Stage 3 / NPAs customers in line with the IRAC norms;
- Auditors of one subsidiary and We understood the design, reliability and operating effectiveness of key data inputs and related management controls;
- Auditors of one subsidiary and We performed substantial audit procedure relating to identification and classification of Stage 3 / NPAs by the company.
- Auditors of one subsidiary and We tested the identification / grouping of the loan accounts mapped with the customer code as identified by the management;
- We performed analytical procedures to identify possible cases of evergreening of loans and tested these on sample basis.
- Auditors of one subsidiary and We checked the stage classification as at the balance sheet date as per the definition of Default of the Company and Reserve Bank of India circulars issued from time to time;
- We validated the ECL Model and its calculation by involving our Information Technology Expert;
- Auditors of one subsidiary and We have checked on sample basis that the stage classification for the borrowers has been given in accordance with the Resolution Framework issued by Reserve Bank of India (the 'RBI') and the Board approved policy for ECL provisioning and stage classification with respect to such accounts;
- Auditors of one subsidiary and We have verified whether the ECL provision is made in accordance with the Board Approved Policy in this regard;
- Auditors of one subsidiary and We have also calculated the ECL provision manually for selected samples;
- Auditors of one subsidiary and We have assessed the assumptions made by the Company in making accelerated provision considering forward looking information.

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. We have also relied on such other audit procedures performed by the auditors of one subsidiary as disclosed under Key Audit Matter in their Independent Auditors Report.

</td></tr>
</table>

Other Information

6. The Parent's Board of Directors are responsible for the other information. The other information comprises the information included in the Parent's annual report but does not include the Consolidated Financial Statements and our auditors' report thereon.

7. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

8. In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done / audit report of other auditor, we conclude that there is a material misstatement of this other information, we are required to report that fact.

9. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

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

10. The Parent's Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements, that give a true and fair view of the Consolidated State of Affairs, Consolidated Profit and Other Comprehensive Income/loss, Consolidated Changes in Equity and Consolidated Cash Flows of the Group including its associate is in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

11. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associate and for preventing and detecting frauds and other irregularities; selection of the appropriate accounting software for ensuring compliance with applicable laws and regulations including those related to retention of audit logs; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Parent, as aforesaid.

12. In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

13. The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of the Group and of its associate.

Auditor's responsibilities for the audit of the Consolidated Financial Statements

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

15. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional

skepticism throughout the audit. We also:

15.1. Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

15.2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls with reference to the Consolidated Financial Statements and the operating effectiveness of such controls.

15.3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

15.4. Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

15.5. Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

15.6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

16. We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

19. We did not audit the financial statements of one subsidiary, whose financial statements reflect total

assets of Rs. 11,858.59 Crore as at 31 March 2024, total revenues of Rs. 1429.57 Crore and net cash flows amounting to Rs. 3,205.93 Crore for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditor.

20. The Consolidated Financial Statements also include the Group's share of net profit of Rs. 7.78 Crore for the year ended 31 March 2024, as considered in the Consolidated Financial Statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management of the Parent and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of section 143(3) of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

21. Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor in case of the subsidiary and on the financial statements furnished to us by the Management of the Parent in case of the associate.

Report on Other Legal and Regulatory Requirements

22. As required by section 143(3) of the Act, based on our audit and on the consideration of audit reports of the other auditor on separate financial statements of such subsidiary as were audited by other auditor and the financial statements furnished to us by the management of such associates, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

22.1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

22.2. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.

22.3. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

22.4. In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act read with the relevant rules thereunder.

22.5. On the basis of the written representations received from the directors of the Parent as on 31 March 2024, taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

22.6. With respect to the adequacy of internal financial controls with reference to the Consolidated Financial Statements of the Parent and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'. We do not comment on the adequacy and operating effectiveness of the internal Financial controls with reference to Financial statements of the associate company, incorporated in India, whose Financial statements are unaudited, which have been furnished to us by the management of the Parent and is not material to the Group.

22.7. In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary company incorporated in India which were not audited by us, the remuneration paid during the current year by the Parent, its subsidiary company incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Parent and its subsidiary company incorporated in India is not in excess of the limit laid down under Section 197 of the Act.

23. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of audit reports of the other auditor on separate financial statements of such subsidiary, as noted in the 'Other Matters' paragraph:

23.1. The Consolidated Financial Statements disclose the impact of pending litigations as at 31 March 2024 on the consolidated financial position of the Group and its associate – Refer Note 48 to the consolidated financial statements.

23.2. Provision has been made in the Consolidated Financial Statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 11 to the Consolidated Financial Statements in respect of such items as it relates to the Group

23.3. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent and/ or its subsidiary company incorporated in India during the year ended 31 March 2024.

23.4. The respective managements of the Parent and its subsidiary incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary , to best of their knowledge and belief, that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiary to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiary ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

23.5. The respective managements of the Parent and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary , to best of their knowledge and belief, that no funds have been received by the Parent or any of such subsidiary and associate from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiary and associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

23.6. Based on such audit procedures, that have been considered reasonable and appropriate in the circumstances, performed by us and those performed by auditors of the subsidiary incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or other auditor to believe that the representation under para 23.4 and 23.5 contain any material misstatement.

23.7. In our opinion and according to the information and explanations given to us, the dividend declared and paid during the year by the Parent is in compliance with Section 123 of the Act.

23.8. Based on our examination which included test checks and that performed by respective auditors of the subsidiary, which are the companies incorporated in India whose financial statements have been audited under the Act, the Parent and subsidiary have used an accounting software for maintaining its books of accounts which has a feature of recording audit trail facility (edit log) and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we and respective auditors of the above referred subsidiary did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31 March 2024.

24. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ('CARO') issued by Central Government in terms of Section 143(11) of the Act, to be included in Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and based on our consideration of CARO reports issued by respective auditors of the subsidiary included in consolidated financial statements, we report that there are no qualifications or adverse remarks in these CARO reports.

For **Sundaram & Srinivasan**
Chartered Accountants

Firm Registration Number - 004207S

P Menakshi Sundaram
Partner
ICAI Membership Number: 217914
UDIN: 24217914BKBOSY4911
Place: Mumbai
Date: 26 April 2024

For **KKC & Associates LLP**
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number: 105146W/W100621

Devang Doshi
Partner
ICAI Membership Number: 140056
UDIN: 24140056BKFFOW7587
Place: Mumbai
Date: 26 April 2024

Annexure 'A' to the Independent Auditors' report on the Consolidated Financial Statements of Shriram Finance Limited (formerly Shriram Transport Finance Company Limited) for the year ended 31 March 2024

(Referred to in paragraph 22.6 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to the aforesaid Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

Opinion

1. In conjunction with our audit of the Consolidated Financial Statements of Shriram Finance Limited (formerly Shriram Transport Finance Company Limited) as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to the Consolidated Financial Statements of Shriram Finance Limited ('the Parent Company') and its subsidiary company which are companies incorporated in India, as of that date.

2. In our opinion and based on the consideration of the reports of the other auditor on internal financial controls with reference to Consolidated Financial Statements of the subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to the Consolidated Financial Statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal controls over financial reporting criteria established by the respective company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('the Guidance Note').

Management's responsibility for Internal Financial Controls

3. The respective Board of Directors of the Parent Company, its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal controls over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

4. Our responsibility is to express an opinion on the Parent Company and its subsidiary which are companies incorporated in India, internal financial controls with reference to the Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('SA'), prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Consolidated Financial Statements. Those SAs and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Consolidated Financial Statements were established and maintained and if such controls operated effectively in all material respects.

5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to the Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

6. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditor in terms of their reports referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to the Consolidated Financial Statements.

Meaning of Internal Financial controls with reference to the Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to the consolidated Financial Statements

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

Other Matters

9. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls system with reference to the Consolidated Financial Statements in so far as it relates to one subsidiary company, which are companies incorporated in India, is based on the corresponding reports of the auditor of such subsidiary incorporated in India.

For **Sundaram & Srinivasan**
Chartered Accountants

Firm Registration Number - 004207S

P Menakshi Sundaram
Partner
ICAI Membership Number: 217914
UDIN: 24217914BKBOSY4911
Place: Mumbai
Date: 26 April 2024

For **KKC & Associates LLP**
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number: 105146W/W100621

Devang Doshi
Partner
ICAI Membership Number: 140056
UDIN: 24140056BKFFOW7587
Place: Mumbai
Date: 26 April 2024

CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 2024

(Rs. in crores)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	9	6,182.36	9,932.84
(b) Bank balance other than (a) above	10	4,990.44	6,374.11
(c) Derivative financial instruments	11	326.48	669.37
(d) Receivables	12		
(I) Trade receivables		51.63	17.00
(II) Other receivables		340.53	429.69
(e) Loans	13	218,695.61	178,685.14
(f) Investments	14	9,471.82	7,430.07
(g) Other financial assets	15	370.56	77.47
Total financial assets		**240,429.44**	**203,615.69**
(2) Non-financial assets			
(a) Current tax assets (net)	16	593.03	728.26
(b) Deferred tax assets	43	3,069.38	1,954.05
(c) Investment property	17	0.99	2.62
(d) Property, plant and equipment	18	941.07	751.49
(e) Intangible assets under development	19A	-	66.08
(f) Goodwill	19B	1,740.94	1,740.94
(g) Other intangible assets	19C	1,034.87	1,218.46
(h) Other non-financial assets	20	456.22	495.10
Total non-financial assets		**7,836.50**	**6,957.00**
Total assets		**248,265.94**	**210,572.69**
LIABILITIES AND EQUITY			
Liabilities			
(1) Financial liabilities			
(a) Payables	21		
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		0.02	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		245.89	313.19
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		2.25	0.36
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		3.16	1.09
(b) Debt securities	22	46,450.68	44,924.03
(c) Borrowings (other than debt securities)	23	100,152.44	78,544.75
(d) Deposits	24	44,443.66	36,139.83
(e) Subordinated liabilities	25	4,449.30	4,593.63
(f) Other financial liabilities	26	2,030.24	1,675.90
Total financial liabilities		**197,777.64**	**166,192.78**
(2) Non-financial liabilities			
(a) Current tax liabilities (net)	27	237.79	160.89
(b) Provisions	28	304.78	214.50
(c) Other non-financial liabilities	29	269.04	204.98
Total non-financial liabilities		**811.61**	**580.37**
Total liabilities		**198,589.25**	**166,773.15**
(3) Equity			
(a) Equity share capital	30	375.79	374.43
(b) Other equity	31	48,571.38	43,138.43
Total equity		**48,947.17**	**43,512.86**
Non-controlling interest		**729.52**	**286.68**
Total liabilities and equity		**248,265.94**	**210,572.69**

See accompanying notes forming an integral part of the Consolidated Financial Statements.

As per our report of even date
For KKC & Associates LLP
(formerly Khimji Kunverji & Co LLP)
Chartered Accountants
ICAI Firm Registration No. 105146W/W100621

Devang Doshi
Partner

Membership No.: 140056
Mumbai
April 26, 2024

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

P Menakshi Sundaram
Partner

Membership No.: 217914
Mumbai
April 26, 2024

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

Jugal Kishore Mohapatra
Chairman
DIN: 03190289
Mumbai
April 26, 2024

Y. S. Chakravarti
Managing Director & CEO
DIN: 00052308
Mumbai
April 26, 2024

Parag Sharma
Joint Managing Director & CFO
DIN: 02916744
Mumbai
April 26, 2024

U Balasundararao
Company Secretary
Mumbai
April 26, 2024

(Rs. in crores)

	Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
	Revenue from operations			
	(i) Interest income	32	34,698.41	29,205.87
	(ii) Dividend income		1.45	6.52
	(iii) Rental income		0.14	0.24
	(iv) Fees and commission income	33	542.24	266.57
	(v) Net gain on fair value changes	34	144.70	363.80
	(vi) Net gain on derecognition of financial instruments under amortised cost category		504.80	279.51
	(vii) Other operating income	35	487.78	354.27
(I)	**Total Revenue from operations**		**36,379.52**	**30,476.78**
(II)	**Other Income**	36	33.47	31.61
(III)	**Total Income (I + II)**		**36,412.99**	**30,508.39**
	Expenses			
	(i) Finance cost	37	15,521.76	12,931.27
	(ii) Fees and commission expenses	38	441.41	314.08
	(iii) Impairment on financial instruments	39	4,552.33	4,169.06
	(iv) Employee benefits expenses	40	3,471.52	2,636.42
	(v) Depreciation, amortisation and impairment (Refer note 17, 18 and 19)	41	587.60	600.69
	(vi) Other expenses	42	1,878.20	1,643.15
(IV)	**Total Expenses**		**26,452.82**	**22,294.67**
(V)	**Profit before exceptional items and tax (III - IV)**		**9,960.17**	**8,213.72**
(VI)	**Exceptional items**		-	-
(VII)	**Profit before tax (V+ VI)**		**9,960.17**	**8,213.72**
(VIII)	**Tax expense:**			
	(1) Current tax	43	3,451.04	2,922.98
	(2) Deferred tax	43	(881.98)	(720.73)
(IX)	**Profit for the year from continuing operations (VII - VIII)**		**7,391.11**	**6,011.47**
(X)	Share of profit of associate		7.78	8.56
(XI)	**Profit for the year**		**7,398.89**	**6,020.03**
(XII)	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	Remeasurement gain/(loss) on defined benefit plan		(78.43)	(8.51)
	Gain / (loss) on Fair valuation of quoted investments in equity shares		16.49	(11.80)
	Share of other comprehensive income from associates		(0.08)	(0.35)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		15.67	5.11
	Tax on share of other comprehensive income from associates		0.02	0.09
	Subtotal (A)		**(46.33)**	**(15.46)**
	B (i) Items that will be reclassified to profit or loss			
	Cash flow hedge reserve			
	Gain/(loss) on effective portion of hedging instruments in a cash flow hedge		(55.98)	(14.73)
	(ii) Income tax relating to items that will be reclassified to profit or loss		14.08	3.71
	Subtotal (B)		**(41.90)**	**(11.02)**
	Other comprehensive income (A + B)		**(88.23)**	**(26.48)**
(XIII)	**Total Comprehensive income for the year (XI + XII)**		**7,310.66**	**5,993.55**
(XIV)	**Profit / (Loss) for the period attributable to**			
	- Owners of the Company		**7,366.38**	**6,011.04**
	- Non - Controlling Interests		**32.51**	**8.99**
(XV)	**Other comprehensive income / (loss) for the period attributable to**			
	- Owners of the Company		**(88.25)**	**(26.42)**
	- Non - Controlling Interests		**0.02**	**(0.06)**
(XVI)	**Total comprehensive income / (loss) for the period attributable to**			
	- Owners of the Company		**7,278.13**	**5,984.62**
	- Non - Controlling Interests		**32.53**	**8.93**
(XVII)	**Earnings per equity share (face value Rs. 10/- per equity share)**	44		
	Basic (Rs.)		196.32	160.54
	Diluted (Rs.)		195.69	159.83

See accompanying notes forming an integral part of the Consolidated Financial Statements.

As per our report of even date
For KKC & Associates LLP
(formerly Khimji Kunverji & Co LLP)
Chartered Accountants
ICAI Firm Registration No. 105146W/W100621

Devang Doshi
Partner

Membership No.: 140056
Mumbai
April 26, 2024

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

P Menakshi Sundaram
Partner

Membership No.: 217914
Mumbai
April 26, 2024

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

Jugal Kishore Mohapatra
Chairman

DIN: 03190289
Mumbai
April 26, 2024

Y. S. Chakravarti
Managing Director & CEO
DIN: 00052308
Mumbai
April 26, 2024

Parag Sharma
Joint Managing Director & CFO
DIN: 02916744
Mumbai
April 26, 2024

U Balasundararao
Company Secretary

Mumbai
April 26, 2024

A. **Equity Share Capital**

(1) **Current Reporting Period**

(Rs. in crores)

Balance at the beginning of the current reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
As at April 01, 2023				As at March 31, 2024
374.43	-	374.43	1.36	375.79

(2) **Previous Reporting Period**

(Rs. in crores)

Balance at the beginning of the previous reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
As at April 01, 2022			(Refer Note 51)	As at March 31, 2023
270.52	-	270.52	103.91	374.43

B. **Other Equity**

(1) **Current Reporting Period**

(Rs. in crores)

Particulars	Share Application Money Pending Allotment	Reserves And Surplus											Other Comprehensive Income		Total	Non Controlling Interest
		Capital Reserve	Securities Premium	Other Reserves												
				Statutory reserve (Pursuant to Section 45-IC of The RBI Act, 1934)	Statutory reserve (Pursuant to Section 29C of the NHB Act, 1987)	Debenture Redemption Reserve #	Capital Redemption Reserve	General reserve	Remeasurement gain/(loss) on defined benefit Plan	Retained Earnings	Share Options Outstanding	Amalgamation Adjustment Reserves	Gain/(loss) on fair valuation of investments in equity shares	Effective Portion of Cash Flow Hedges		
Balance at the beginning of the Current Reporting Period (As at April 01, 2023)	-	104.57	17,396.27	7,610.66	79.53	419.13	53.88	3,532.05	(17.39)	15,699.95	199.84	(1,706.81)	(8.83)	(224.42)	43,138.43	286.68
Changes in Accounting Policy/ Prior Period Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effects of business combination (Refer note 51)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the Current Reporting Period	-	104.57	17,396.27	7,610.66	79.53	419.13	53.88	3,532.05	(17.39)	15,699.95	199.84	(1,706.81)	(8.83)	(224.42)	43,138.43	286.68
Profit for the year	-	-	-	-	-	-	-	-	-	7,362.16	-	-	-	-	7,362.16	32.51
Other Comprehensive income for the year	-	-	-	-	-	-	-	-	(58.64)	-	-	-	12.34	(41.92)	(88.22)	(0.01)
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	(58.64)	7,362.16	-	-	12.34	(41.92)	7,273.94	32.50
Dividends (interim)	-	-	-	-	-	-	-	-	-	(1,126.55)	-	-	-	-	(1,126.55)	-
Dividends	-	-	-	-	-	-	-	-	-	(749.67)	-	-	-	-	(749.67)	-
Transferred to/ (from) (Refer Note 31 - Other Equity)	-	-	-	(268.71)	35.47	(284.88)	-	719.05	-	(1,870.72)	-	1,706.81	-	-	37.02	0.29
Any Other Change:																
Securities Premium proceeds received on issue of Equity Shares (Refer Note 30 - Equity and Note 31 - Other Equity)	-	-	160.93	-	-	-	-	-	-	-	-	-	-	-	160.93	-

(Rs. in crores)

Particulars	Share Application Money Pending Allotment	Reserves And Surplus: Capital Reserve	Reserves And Surplus: Securities Premium	Other Reserves: Statutory reserve (Pursuant to Section 45-IC of The RBI Act, 1934)	Other Reserves: Statutory reserve (Pursuant to Section 29C of the NHB Act, 1987)	Other Reserves: Debenture Redemption Reserve #	Other Reserves: Capital Redemption Reserve	Other Reserves: General reserve	Other Reserves: Remeasurement gain/(loss) on defined benefit Plan	Other Reserves: Retained Earnings	Other Reserves: Share Options Outstanding	Other Reserves: Amalgamation Adjustment Reserves	Other Comprehensive Income: Gain/(loss) on fair valuation of investments in equity shares	Other Comprehensive Income: Effective Portion of Cash Flow Hedges	Total	Non Controlling Interest
Share Issue Expenses (Refer Note 30 - Equity and Note 31 - Other Equity)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.20)
Expenses on Employee Stock Option Plan	-	-	-	-	-	-	-	-	-	-	10.47	-	-	-	10.47	(0.33)
Exercise of Employee Stock Option Plan	-	-	-	-	-	-	-	-	-	-	(137.86)	-	-	-	(137.86)	4.03
Movement of dilution on account of SHFL ESOP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10.07
Share premium impact	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.00)
Share application money received during the current period; pending Allotment	0.06	-	-	-	-	-	-	-	-	-	-	-	-	-	0.06	0.06
Transferred to/ (from) (Refer note 31) on account of share forfeiture	-	-	-	-	-	-	-	-	-	0.03	-	-	-	-	0.03	-
Transferred to/ (from) MI on account of transfer between reserves	-	-	-	-	-	-	-	-	-	8.04	-	-	-	-	8.04	-
Transfer from Retained earnings / transfer (to) NHB Resserve	-	-	-	-	-	-	-	-	-	(43.51)	-	-	-	-	(43.51)	-
Fresh Issue of Compulsory Convertible Debentures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	397.41
Balance at the end of the Current Reporting Period (As at March 31, 2024)	**0.06**	**104.57**	**17,557.20**	**7,341.95**	**115.00**	**134.25**	**53.88**	**4,251.10**	**(76.03)**	**19,279.73**	**72.45**	**-**	**3.51**	**(266.34)**	**48,571.38**	**729.52**

(2) **Previous Reporting Period**

(Rs. in crores)

Particulars	Share Application Money Pending Allotment	Reserves And Surplus: Capital Reserve	Reserves And Surplus: Securities Premium	Other Reserves: Statutory reserve (Pursuant to Section 45-IC of The RBI Act, 1934)	Other Reserves: Statutory reserve (Pursuant to Section 29C of the NHB Act, 1987)	Other Reserves: Debenture Redemption Reserve #	Other Reserves: Capital Redemption Reserve	Other Reserves: General reserve	Other Reserves: Remeasurement gain/(loss) on defined benefit Plan	Other Reserves: Retained Earnings	Other Reserves: Share Options Outstanding	Other Reserves: Amalgamation Adjustment Reserves	Other Comprehensive Income: Gain/(loss) on fair valuation of investments in equity shares	Other Comprehensive Income: Effective Portion of Cash Flow Hedges	Total	Non Controlling Interest
Balance at the beginning of the Current Reporting Period (As at April 01, 2022)	-	27.64	5,662.38	4,707.98	-	307.28	53.88	2,934.07	(11.56)	12,355.47	-	-	-	(213.40)	25,823.74	-
Changes in Accounting Policy/ Prior Period Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effects of business combination (Refer note 51)	-	76.93	-	1,706.81	56.11	-	-	-	-	-	-	(1,706.81)	-	-	133.04	275.30
Restated balance at the beginning of the Current Reporting Period	-	104.57	5,662.38	6,414.79	56.11	307.28	53.88	2,934.07	(11.56)	12,355.47	-	(1,706.81)	-	(213.40)	25,956.78	275.30
Profit for the year	-	-	-	-	-	-	-	-	-	6,011.04	-	-	-	-	6,011.04	8.99

(Rs. in crores)

Particulars	Share Application Money Pending Allotment	Reserves And Surplus											Other Comprehensive Income		Total	Non Controlling Interest
		Capital Reserve	Securities Premium	Other Reserves												
				Statutory reserve (Pursuant to Section 45-IC of The RBI Act, 1934)	Statutory reserve (Pursuant to Section 29C of the NHB Act, 1987)	Debenture Redemption Reserve #	Capital Redemption Reserve	General reserve	Remeasurement gain/(loss) on defined benefit Plan	Retained Earnings	Share Options Outstanding	Amalgamation Adjustment Reserves	Gain/(loss) on fair valuation of investments in equity shares	Effective Portion of Cash Flow Hedges		
Other Comprehensive income for the year	-	-	-	-	-	-	-	-	(5.83)	-	-	-	(8.83)	(11.02)	**(25.68)**	**(0.06)**
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	**(5.83)**	**6,011.04**	-	-	**(8.83)**	**(11.02)**	**5,985.36**	**8.93**
Dividends (interim)	-	-	-	-	-	-	-	-	-	(561.64)	-	-	-	-	**(561.64)**	-
Dividends (Final for the year ended March 31, 2023)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred to/ (from) (Refer Note 31 - Other Equity)	-	-	-	1,195.87	23.42	111.85	-	597.94	-	(2,104.92)	86.47	-	-	-	**(89.37)**	-
Any Other Change:													-			
Securities Premium proceeds received on issue of Equity Shares (Refer Note 30 - Equity and Note 31 - Other Equity)	-	-	11,733.89	-	-	-	-	-	-	-	-	-	-	-	**11,733.89**	-
Expenses on Employee Stock Option Plan	-	-	-	-	-	-	-	-	-	-	167.63	-	-	-	**167.63**	-
Exercise of Employee Stock Option Plan	-	-	-	-	-	-	-	-	-	-	(54.22)	-	-	-	**(54.22)**	**0.77**
Movement of dilution on account of SHFL ESOP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**1.68**
Transferred to/ (from) (Refer note 31) on account of share forfeiture	-	-	-	-	-	-	-	0.04	-	-	(0.04)	-	-	-	-	-
Balance at the end of the Current Reporting Period (As at March 31, 2023)	-	**104.57**	**17,396.27**	**7,610.66**	**79.53**	**419.13**	**53.88**	**3,532.05**	**(17.39)**	**15,699.95**	**199.84**	**(1,706.81)**	**(8.83)**	**(224.42)**	**43,138.43**	**286.68**

 # Refer note 31 - Other equity

See accompanying notes forming an integral part of the Consolidated Financial Statements.

As per our report of even date
For KKC & Associates LLP
(formerly Khimji Kunverji & Co LLP)
Chartered Accountants
ICAI Firm Registration No. 105146W/W100621

Devang Doshi
Partner
Membership No.: 140056
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April 26, 2024

For Sundaram & Srinivasan

Chartered Accountants
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P Menakshi Sundaram
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For and on behalf of the Board of Directors of

Shriram Finance Limited
(formerly Shriram Transport Finance Company Limited)

Jugal Kishore Mohapatra
Chairman
DIN: 03190289
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Joint Managing Director & CFO
DIN: 02916744
Mumbai
April 26, 2024

U Balasundararao
Company Secretary

Mumbai
April 26, 2024

(Rs. in crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	9,960.17	8,213.72
Adjustments for:		
Depreciation, amortisation and impairment	587.60	600.69
Interest on income tax refund	(8.22)	(14.66)
Share based payments to employees	10.47	168.03
Interest income on loans	(33,562.78)	(28,079.03)
Finance costs	15,536.26	12,938.04
Loss/(profit) on sale of property plant and equipments (net)	(1.25)	1.00
Fair value adjustments to investments	0.78	1.85
Impairment on loans	4,512.01	4,132.75
Impairment on investments	35.67	4.70
Impairment on undrawn loan commitment	(5.13)	(0.40)
Impairment on other assets	9.78	32.01
Net (gain)/loss on fair value changes on investment	(193.81)	(397.35)
Net (gain)/loss on fair value changes on direct assignment	49.11	33.55
Net gain on derecognition of financial instruments under amortised cost category	(504.80)	(279.51)
Cash inflow from interest on loans	32,121.39	26,902.11
Cash outflow towards finance costs	(13,633.81)	(11,555.67)
Mortgage guarantee fee written off	0.42	-
Interest income on fair valuation of security deposit & gain on lease concessions and remeasurements	(0.61)	-
Operating profit before working capital changes	**14,913.26**	**12,701.83**
Movements in Working capital:		
Decrease/(increase) in loans	(42,621.20)	(29,538.15)
Decrease/(increase) in investments	(1,859.35)	1,355.72
Decrease/(increase) in receivables	168.03	173.39
Decrease/(increase) in bank deposits	1,387.61	776.09
Decrease/(increase) in other financial assets	40.78	(45.65)
Decrease/(increase) in other non-financial assets	21.77	110.00
Increase/(decrease) in payables	(81.46)	66.16
Increase/(decrease) in other financial liabilities	269.15	(16.15)
Increase/(decrease) in non-financial liabilities	82.85	2.58
Increase/(decrease) other provision	19.65	55.50
Cash used in operations	**(27,658.90)**	**(14,358.68)**
Direct taxes paid (net of refunds)	(3,442.49)	(3,266.57)
Net cash flows from/(used in) operating activities (A)	**(31,101.39)**	**(17,625.25)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(185.41)	(122.94)
Proceeds from sale of property, plant and equipment and intangible assets	5.68	1.65
Purchase of intangible assets under development	-	(66.08)
Purchase of other intangible assets	(80.08)	(7.57)
Proceeds from sale of other intangible assets	-	1.90
Proceeds from sale of investment property	1.60	-
Net cash generated from/(used in) investing activities (B)	**(258.21)**	**(193.04)**

(Rs. in crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital (including share premium and net of share issue expenses)	30.46	12.93
Proceeds from Issue of Compulsory Convertible Debentures	397.41	-
Payment for employee stock option plan	-	-
Proceeds/(repayment) on settlement of derivative contracts	338.33	(467.41)
Proceeds from sale of security receipts	3.70	1.76
Increase / (decrease) in Fixed deposits (net)	7,747.81	6,778.56
Amounts received from debt securities	24,346.10	10,054.43
Repayments of debt securities	(23,234.59)	(14,134.87)
Proceeds/(repayment) of subordinated debts	(186.67)	(66.34)
Amounts received from borrowings other than debt securities	81,307.11	64,820.16
Repayments of borrowings other than debt securities	(61,033.62)	(54,415.28)
Payment principal portion of lease liabilities	(231.84)	(154.34)
Payment interest portion of lease liabilities	-	(47.29)
Dividend paid	(1,875.07)	(562.80)
Net cash flows from financing activities (C)	**27,609.12**	**11,819.51**
Net increase in cash and cash equivalents (A+B+C)	(3,750.48)	(5,998.78)
Cash and cash equivalents at the beginning of the year	9,932.84	10,662.44
Cash and bank balances taken over on account of amalgamation	-	5,269.18
Cash and cash equivalents at the end of the period	**6,182.36**	**9,932.84**

(Rs. in crores)

Components of cash and cash equivalents	Year ended March 31, 2024	Year ended March 31, 2023
Cash and cash equivalents at the end of the period		
i) Cash on hand	182.95	153.43
ii) Cheques on hand	2.45	4.87
iii) Balances with banks (of the nature of cash and cash equivalents)	3,020.18	4,144.56
iv) Call Money (CBLO)	-	499.72
v) Bank deposit with original maturity upto three months or less	2,976.78	5,130.26
Total	**6,182.36**	**9,932.84**

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

See accompanying notes forming an integral part of the Consolidated Financial Statements.

As per our report of even date
For KKC & Associates LLP
(formerly Khimji Kunverji & Co LLP)
Chartered Accountants
ICAI Firm Registration No. 105146W/W100621

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

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

Devang Doshi
Partner
Membership No.: 140056
Mumbai
April 26, 2024

P Menakshi Sundaram
Partner
Membership No.: 217914
Mumbai
April 26, 2024

Jugal Kishore Mohapatra
Chairman
DIN: 03190289
Mumbai
April 26, 2024

Y. S. Chakravarti
Managing Director & CEO
DIN: 00052308
Mumbai
April 26, 2024

Parag Sharma
Joint Managing Director & CFO
DIN: 02916744
Mumbai
April 26, 2024

U Balasundararao
Company Secretary
Mumbai
April 26, 2024

1 CORPORATE INFORMATION

Shriram Finance Limited (formerly known as Shriram Transport Finance Company Limited) ('the Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its equity shares and non-convertible debentures are listed on BSE Limited and National Stock Exchange of India Limited.

The Company is registered with the Reserve Bank of India (RBI), Ministry of Corporate Affairs (MCA), Insurance Regulatory and Development Authority of India (IRDA) and Association of Mutual Funds in India (AMFI). The registration details are as follows:

RBI	: 07-00459
Corporate Identity Number (CIN)	: L65191TN1979PLC007874
IRDA	: CA0197
AMFI	: 269340

Shriram Capital Private Limited (formerly known as Shriram Financial Ventures (Chennai) Private Limited) and Shriram Ownership Trust are the Promoters of the Company. The Company is a Deposit Accepting Non-Banking Finance Company ('NBFC'), NBFC- Investment and Credit Company (NBFC-ICC) holding a Certificate of Registration from the RBI dated April 17, 2007 which was endorsed in the new name on January 31, 2023. The RBI, under Scale Based Regulations (SBR) had categorised the Company in Upper Layer (NBFC-UL) vide its circular dated September 30, 2022.

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

The Company is primarily engaged in the business of financing commercial vehicles, passenger vehicles, construction equipment, farm equipment, micro, small and medium enterprises, two-wheelers, gold and personal loans. The subsidiary of the Company is primarily engaged in the business of providing loans for construction or purchase of residential property and loans against property. The associate of the Company is a market leader in physical bidding for acquisition and disposal of pre-owned vehicles and equipment.

Pursuant to the Hon'ble National Company Law Tribunal, Chennai Bench ("NCLT") approval of the Composite Scheme of Arrangement and Amalgamation, Shriram Capital Limited (SCL) with its remaining undertaking and Shriram City Union Finance Limited (SCUF) with its entire undertaking amalgamated with the Company.

The Consolidated financial statements of the Company for the year ended March 31, 2024 were approved for issue in accordance with the resolution of the Board of Directors on April 26, 2024.

2 BASIS OF PREPARATION

The Consolidated financial statements relate to M/s. Shriram Finance Limited (the "Company"), its subsidiary and its associate (together hereinafter referred to as "the Group"). The Consolidated financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under the Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Companies Act, 2013. The consolidated financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards, except for the assets and liabilities acquired under business combination are measured at fair value. The Consolidated financial statements have been prepared as per the guidelines issued by the RBI as applicable to a NBFCs and other accounting principles generally accepted in India. Any applicable guidance / clarifications / directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

The Consolidated financial statements have been prepared on going concern basis in accordance with the Ind AS 1. The Management is of the view that the Group shall be able to continue its business for the near future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The preparation of Consolidated financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Group are discussed in Note 8 - Significant accounting judgements, estimates and assumptions.

The Consolidated financial statements are presented in Indian Rupees in crores (INR crores or Rs. in crores) which is also the functional currency of the Group and all values are rounded to the nearest crore, except when otherwise indicated.

3 BASIS OF CONSOLIDATION

(i) The financial statements of the subsidiary and associate company used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended March 31, 2024 and are prepared based on the accounting policies consistent with those used by the Group.

(ii) The Financial statements of the Group have been prepared in accordance with the Ind AS 110 - 'Consolidated Financial Statements' as per the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under Section 133 of the Companies Act, 2013 ("the Act") and the other relevant provisions of the Act.

(iii) The consolidated financial statements have been prepared on the following basis:

a) The financial statements of the Company and its subsidiary has been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions have been fully eliminated except where losses are realised.

b) The financial statements of subsidiaries acquired or disposed off during the year are included in the consolidated Statement of Profit and Loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

c) Non-controlling interest, if any, in the net assets of consolidated subsidiary consists of the amount of equity attributable to the non-controlling shareholders at the dates on which investments are made by the Group in the subsidiary and further movements in their share in the equity, subsequent to the dates of investments as stated above.

d) Investment made by the Company in an associate company is accounted under the equity method, in accordance with the Indian Accounting Standard 28 on 'Investments in Associates and Joint Ventures'.

e) The policies of the subsidiary and associate company are consistent with those of the Company.

(iv) The subsidiary and associate company considered in the consolidated financial statements are as below:

Name	Relationship	Country of incorporation	Share of ownership interest as at March 31, 2024	Share of ownership interest as at March 31, 2023
Shriram Housing Finance Limited (SHFL) (Refer Note 51)	Subsidiary	India	83.78%	84.82%
Shriram Automall India Limited (SAMIL)	Associate	India	44.56%	44.56%

4 PRESENTATION OF FINANCIAL STATEMENT

The consolidated financial statements of the Group are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to Non-banking Finance Companies (NBFCs), as notified by the MCA. The Statement of Cash Flows is presented as per the requirements of Ind AS 7 - Statement of Cash Flows. The Group classifies its assets and liabilities as financial and non-financial and presents them in the order of liquidity. An analysis regarding expected recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in notes to the financial statements. Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

i. The normal course of business

ii. The event of default

iii. The event of insolvency or bankruptcy of the Group and/or its counterparties

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

5 STATEMENT OF COMPLIANCE

These consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under Section 133 of the Companies Act, 2013 and the other relevant provisions of the Act.

6 RECENT ACCOUNTING DEVELOPMENTS

Ministry of Corporate Affairs (MCA), vide notification dated March 31, 2023, has made the following amendments to Ind AS which are effective April 01, 2023:

a. Amendments to Ind AS 1, Presentation of Financial Statements where the companies are now required to disclose material accounting policies rather than their significant accounting policies.

b. Amendments to Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors where the definition of 'change in account estimates' has been replaced by revised definition of 'accounting estimate'.

c. Amendments to Ind AS 12, Income Taxes where the scope of Initial Recognition Exemption (IRE) has been narrowed down.

7 MATERIAL ACCOUNTING POLICIES

The material accounting policies related to preparation of the consolidated financial statements are given below:

7.1 Financial instruments

(i) Classification of financial instruments

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

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

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

Business model assessment

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

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

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

- At initial recognition of a financial asset, the Group determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Group reassesses its business models each reporting period to determine whether the business model/(s) have changed since the preceding period. For the current and prior reporting period the Group has not identified a change in its business model.

The Solely Payments of Principal and Interest (SPPI) test

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

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

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

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

(ii) Financial assets measured at amortised cost

Debt instruments

These financial assets comprise bank balances, loans, trade receivables, investments and other financial assets.

Debt instruments are measured at amortised cost where they have:

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

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

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost. However, trade receivables that do not contain a significant financing component are initially measured at transaction price.

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

Debt instruments

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

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

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

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in the Statement of Profit and Loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the Statement of

Profit and Loss. As at the reporting date, the Group does not have any debt instruments measured at fair value through other comprehensive income.

Equity instruments

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Group in a business combination to which Ind AS 103 'Business Combination' applies, are measured at fair value through other comprehensive income, where an irrevocable election has been made by management and when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation. Such classification is determined on an instrument-by-instrument basis. Amounts presented in other comprehensive income are not subsequently transferred to the Statement of Profit and Loss. Dividends on such investments are recognised in the Statement of Profit and Loss.

The Group has accounted for its investment in subsidiary at fair value at the time of acquisition due to business combination. The investment is subsequently measured at cost.

(iv) Financial assets measured at fair value through profit or loss

Items at fair value through profit or loss comprise:

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

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

Financial instruments held for trading

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

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

Equity Investments

Investment in Associate is carried at cost in the Separate Financial Statements as permitted under Ind AS 27. The Company has accounted for its investment in subsidiary at fair value at the time of acquisition due to business combination. The investment is subsequently measured at cost. All other equity investments are measured at fair value through profit or loss.

Financial liability designated at fair value through profit or loss

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

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

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

(v) Derivatives

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

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.

The Group enters into derivative transactions with various counterparties to hedge its foreign currency risks and interest rate risks. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Group undertakes derivative transactions for hedging on-balance sheet liabilities.

Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The notional amount and fair value of such derivatives are disclosed separately. Changes in the fair value of derivatives are included in net gain on fair value changes.

Hedge accounting

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

Hedges that meet the criteria for hedge accounting and qualify as cash flow hedges are accounted as follows:

Cash flow hedge

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

(vi) Debt securities and other borrowed funds

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

(vii) Reclassification of financial assets and liabilities

The Group does not reclassify its financial assets subsequent to their initial recognition. Financial liabilities are never reclassified. The Group did not reclassify any of its financial assets or liabilities in 2022-23 and until the year ended March 31, 2024.

(viii) Recognition and Derecognition of financial assets and liabilities

Recognition

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

b) Investments are initially recognised on the settlement date.

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

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

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

The Group 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 Group 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 Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

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

i. The Group has transferred its contractual rights to receive cash flows from the financial asset, or

ii. It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement.

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

i. The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.

ii. The Group cannot sell or pledge the original asset other than as security to the eventual recipients.

iii. The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

i. The Group has transferred substantially all the risks and rewards of the asset, or

ii. The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the Statement of Profit and Loss. Accordingly, gain or loss on sale or derecognition of assigned portfolio are recorded upfront in the Statement of Profit and Loss as per Ind AS 109. Also, the Group recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset. As per the guidelines of RBI, the Group is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ('MRR'). Therefore, it continues to recognise the portion retained by it as MRR.

b) Financial liabilities

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

(ix) Impairment of financial assets

Overview of the ECL principles

The Group records allowance for expected credit losses for all loans and other financial assets not held at fair value through profit or loss (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 grouped its loan portfolio into commercial vehicles, construction equipments, farm equipments, MSME, gold loan, personal loans and passenger vehicles.

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

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

Stage 1

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

Stage 2

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

Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have becomes 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 Group may classify the financial asset in Stage 3 accordingly.

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

In line with Reserve Bank of India Master Circular on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances and Clarifications dated November 12, 2021, borrower accounts shall be flagged as overdue as part of the day-end processes for the due date, irrespective of the time of running such processes. Similarly, classification of borrower accounts as Non-Performing Asset / Stage 3 shall be done as part of day-end process for the relevant date i.e. more than 90 days overdue and NPA/Stage 3 classification date shall be the calendar date for which the day end process is run. In other words, the date of Non-Performing Asset / Stage 3 shall reflect the asset classification status of an account at the day-end of that calendar date.

Upgradation of accounts classified as Stage 3/Non-performing assets (NPA) - The Group upgrades loan accounts classified as Stage 3/ NPA to 'standard' asset category only if the entire arrears of interest, principal and other amount are paid by the borrower and there is no change in the accounting policy followed by the Group in this regard. With regard to upgradation of accounts classified as NPA due to restructuring, the instructions as specified for such cases as per the said RBI guidelines shall continue to be applicable.

Credit-impaired financial assets

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

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

a) Significant financial difficulty of the borrower or issuer;

b) A breach of contract such as a default or past due event;

c) The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

e) The disappearance of an active market for a security because of financial difficulties.

ECL on Investment in Government securities

The Group has invested in Government of India loans. Investment in Government securities are classified under stage 1. No ECL has been applied on these investments as there is no history of delay in servicing of interest/ repayments. The Group does not expect any delay in interest/redemption servicing in future.

ECL on Loans secured by the Company's fixed deposit

No ECL has been applied on loans given against the Company's fixed deposit as they are fully secured by the Company's fixed deposits.

ECL on Fixed Deposits with Banks

No ECL is applied on fixed deposit held with banks as there is no history of default. However, in case of any downgrade in the credit rating of the banks where fixed deposit is held, the Company would provide for ECL computed in an appropriate methodology.

Simplified approach for trade/ other receivables and contract assets

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade/ other receivables that do not contain a significant financing component. The application of simplified approach does not require the Group to track changes in credit risk. It recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. At every reporting date, the historical observed default rates are updated for changes in the forward-looking estimates. For trade receivables that contain a significant financing component a general approach is followed.

ECL on Debt instruments measured at fair value through OCI

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

Undrawn loan commitments

When estimating ECL for undrawn loan commitments, a credit conversion factor of 100% is applied for expected drawdown. The Group discloses ECL allowance on undrawn loan commitments under the head 'Provisions' under non-financial liabilities.

The mechanics of ECL

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

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

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The concept of PD is further explained in note 53.

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date. The concept of EAD is further explained in note 53.

Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The concept of LGD is further explained in note 53.

Forward looking information

While estimating the expected credit losses, the Group reviews macro-economic developments occurring in the economy and the market it operates in. Macro-economic regression models are built to identify the key macro-economic factors (independent variables) that drive the default rates. The best possible single variable linear regression model is identified basis the R-square and the economic intuition of the relationship between the independent variable and the default rates.

The Group considers various external factors such as GDP growth, inflation, weighted average lending rate of Scheduled Commercial Banks etc., as macro-economic factors affecting the Company's ECL estimates and the most relevant macro-economic factor affecting the particular loan product is factored in while arriving at the PD of that product. The Company formulated three different macro-economic stress scenarios under the premise of mild stress, medium stress and severe stress condition. The medium stress scenario largely reflected the current economic conditions, and accordingly was used for ECL modelling.

On a periodic basis, the Company monitors the situation and economic factors affecting the operations of the company and assesses the requirement of any modification to ECL model.

Collateral Valuation

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

Collateral repossessed

In its normal course of business whenever default occurs, the Group may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/ obligors. The Group generally does not use the assets repossessed for the internal operations. The underlying loans in respect of which collaterals have been repossessed and not sold for more than 6 months are considered as Stage 3 assets and fully provided for net of estimated realizable value or written off. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet as it does not meet the recognition criteria in other standards and consequently the Group also does not derecognise the underlying financial asset immediately on repossession. The change in accounting policy is effective from financial year 2021-22. Repossessed house property of SHFL comprises of house & land 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. Asset will have to be sold within three years from possession date and if the investment in such properties (land and buildings) exceeds 20% 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.

Restructured loans

The Group is permitted to restructure customer accounts. Restructuring would normally involve modification of terms of the advances/ securities, which would generally include, among others, alteration of payment period/ payable amount/ the amount of installments/ rate of interest/ sanction of additional credit facility/ release of additional funds for a customer account. The Group considers the modification of the loan only before the loans gets credit impaired. In case of restructuring, the accounts classified as 'standard' shall be immediately downgraded as non-performing assets/ Stage 3 unless and other wise explicitly stated in the Circulars and Directions issued by Reserve Bank of India from time to time. Once an asset has been classified as restructured, it will remain restructured for a period of one year from the date on which it has been restructured until the customer account demonstrates satisfactory performance during the specified period.

For upgradation of accounts classified as Non-Performing Assets due to restructuring, the instructions as specified for such cases as per the said RBI guidelines shall continue to be applicable.

Loan accounts which have been restructured or modified in accordance with RBI Notifications - RBI/2020-21/16 DOR. No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020- Resolution Framework for COVID-19 related Stress and RBI/2021-22/31/DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021- Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses and RBI/2020-21/17 DOR. No.BP.BC/4/21.04.048/2020-21- dated August 06, 2020 - Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances and RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 dated May 5, 2021 Resolution Framework 2.0 – Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs) have been classified as Stage 2 due to significant increase in credit risk.

(x) Write-offs

The Group reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss. Write off in case of standard accounts is done by way of waiver of last one or two instalments in case the borrower pays all the EMIs as per the due dates mentioned in the agreement.

(xi) Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Group measures certain categories of financial instruments (as explained in note 7.1(iii) to 7.1(v)) at fair value on each balance sheet date.

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

i. In the principal market for the asset or liability, or

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

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

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

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

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

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

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

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

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

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

Difference between transaction price and fair value at initial recognition

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

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

7.2 Revenue from operations

(i) Interest Income

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

The EIR in case of a financial asset is computed

a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows.

c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

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

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

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

Interest spread under par structure of direct assignment of loan receivables is recognised upfront. On derecognition of the loan receivables in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognised upfront in the Statement of Profit and Loss.

(ii) Dividend Income

Dividend income is recognised when the right to receive the payment is established.

(iii) Rental Income

Rental income arising from operating leases is recognised on a straight-line basis over the lease term. In cases where the increase is in line with expected general inflation, rental income is recognised as per the contractual terms.

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

(iv) Fees & Commission Income

Fees and commissions are recognised when the Group satisfies the performance obligation, at the amount of transaction price (net of variable consideration) allocated to that performance obligation based on a five-step model as set out below, unless included in the effective interest calculation:

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

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

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

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

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

(v) Net gain/ loss on fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss (refer note 34), held by the Group on the balance sheet date is recognised as an unrealised gain/loss. In cases there is a net gain in the aggregate, the same is recognised in 'Net gains on fair value changes' under Revenue from operations and if there is a net loss the same is disclosed under 'Expenses' in the Statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt or equity instruments measured at FVOCI is recognised in net gain / loss on fair value changes. As at the reporting date, the Group does not have any debt instruments measured at FVOCI.

(vi) Recoveries of financial assets written off

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

(vii) Net gain/ loss on derecognition of financial instruments under amortised cost category

In case where transfer of a part of financial assets qualifies for de-recognition, any difference between the proceeds received on such sale and the carrying value of the transferred asset is recognised as gain or loss on derecognition of such financial asset previously carried under amortisation cost category is presented separately under the respective head in the Statement of Profit and Loss. The resulting interest only strip initially is recognised at FVTPL under interest income.

7.3 Expenses

(i) Finance costs

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

The EIR in case of a financial liability is computed

a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows.

c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest expense with the corresponding adjustment to the carrying amount of the financial 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. These include fees and commissions payable to advisers and other expenses such as external legal costs, rating fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

(ii) Retirement and other employee benefits

Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

Post-employment employee benefits

a) Defined contribution schemes

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

b) Defined benefit schemes

The Group provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which 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 Group fully contributes all ascertained liabilities to the Trustees - Shriram Transport Finance Company Limited Employees' Group Gratuity Assurance Scheme and Shriram City Union Finance Limited Employees' Group Gratuity Assurance Scheme. The merger of the two trusts and subsequent change of name of the trusts to Shriram Finance Limited Employees Group Gratuity Assurance Scheme has received in principle approval from the Income Tax Department and the company is in process of completing the required formalities. Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Companies.

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

Other long-term employee benefits

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

The Group presents the provision for compensated absences under provisions in the Balance Sheet.

Employee Stock Options

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

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

That cost is recognised, together with a corresponding increase in Share Option Outstanding Reserves in equity, over the period in which the performance and/ or service conditions are fulfilled in employee benefits expense/ vesting period. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

The Statement of Profit and Loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. No expense is recognised for awards that do not ultimately vest.

(iii) Leases

The Group as a lessee

The Group has adopted Ind AS 116 'Leases' with the date of initial application being April 01, 2019 (transition date). The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. The Group , at the inception of a contract, assesses whether the contract is a lease or not lease. For arrangements entered into prior to April 01, 2019, the Group has determined whether the arrangement contains a lease on the basis of facts and circumstances existing on the date of transition.

The Group 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 Group's incremental borrowing rate at the transition date in case of leases existing as on the date of transition date and in case of leases entered after transition date, incremental borrowing rate as on the date of lease commencement date. In case of existing leases, the said date would be the date of transition. It is remeasured when there is a change in future lease payments arising from a change in a rate, if the Group changes its assessment of whether it will exercise an extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in Statement of Profit and Loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group 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 Group recognises the lease payments associated with these leases as an expense over the lease term. The Group's lease asset class consist of leases for office premises.

In case of a sub-lease, the Group accounts for its head lease and sub-lease separately.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Rental income arising from operating leases is recognised on a straight-line basis over the lease term. In cases where the increase is in line with expected general inflation, rental income is recognised as per the contractual terms.

(iv) Other income and expenses

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

(v) Impairment of non-financial assets, wherever applicable

The Company assesses at each balance sheet date whether there is any indication that a non-financial asset may be impaired due to events or changes in circumstances indicating that their carrying amounts may not be realised. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the revised recoverable amount, subject to maximum of the depreciated historical cost.

(vi) Taxes

Current Tax

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

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

Deferred tax

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

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

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

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

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

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

ii. When receivables and payables are stated with the amount of tax included.

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

(vii) Dividends on ordinary shares

The Group recognises a liability to make cash distributions to equity shareholders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group . As per the Companies Act, 2013 final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when it is approved by the Board of Directors of the Group . A corresponding amount is recognised directly in equity.

7.4 Foreign currency translation

(i) Functional and presentational currency

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

(ii) Transactions and balances

Initial recognition

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

Conversion

Monetary assets and liabilities denominated in foreign currency, which are outstanding as at the reporting date, are translated at the reporting date at the closing exchange rate and the resultant exchange differences are recognised in the 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.

7.5 Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand, cheques on hand, balances with banks (of the nature of cash and cash equivalents). CBLO and short- term deposits, as defined above.

7.6 Property, plant and equipment

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

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, if it is probable that future economic benefit will flow to the Group from that expenditure and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation

Depreciation is calculated using the straight–line method to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013 except for Leasehold improvements which are amortised on a straight-line basis over the period of lease or estimated period of useful life of such improvement, subject to a maximum period of 60 months. Leasehold improvements include all expenditure incurred on the leasehold premises that have future economic benefits. Land is not depreciated.

The estimated useful lives are as follows:

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

Exceptions to useful lives specified in Schedule II to the Companies Act, 2013 -Vehicles provided to employees as part of Cost-To-Company (CTC) scheme are depreciated using estimated useful life of 8 years without residual value.

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

Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income/ expense in the Statement of Profit and Loss in the year the asset is derecognised.

Depreciation on assets acquired/ sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from/ upto the date of acquisition/ sale.

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.

7.7 Intangible assets

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

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

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

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

The Group's intangible assets consist of computer software and distribution network with definite life and goodwill with indefinite life.

Goodwill is not subject to amortisation and is tested annually for impairment. Goodwill is carried at cost less accumulated impairment losses. The Company has determined the useful life of the intangible asset in the nature of branch network acquired through the scheme of amalgamation and started amortising the same over its useful life.

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

7.8 Investment Property

Properties, held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs.

Depreciation is recognised using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013 or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the Statement of Profit and Loss in the same period.

7.9 Ind AS 101 - First-time Adoption of Indian Accounting Standards

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment, intangible assets and investment property as at March 31, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment, intangible assets and investment property as on April 01, 2017.

7.10 Provisions

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

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the Statement of Profit and Loss net of any reimbursement. As at reporting date, the Group does not have any such provisions where the effect of time value of money is material.

7.11 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group 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 Group does not recognise a contingent liability but discloses its existence in the financial statements. Contingent liabilities are reviewed at each Balance Sheet date.

7.12 Contingent Asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are not recognised nor disclosed in the financial statements. They are disclosed only when an inflow of economic benefits is probable. Contingent assets are reviewed at each Balance Sheet date.

7.13 Earning Per Share

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

7.14 Cash flow Statement

Cash flows are reported under the 'Indirect method' as set out in Ind AS 7 on 'Statement of Cash Flows, whereby net profit after tax is adjusted for the effects of transactions of non-cash nature, tax and any deferrals or accruals of past or future cash receipts or payments. The cash flows are prepared for the operating, investing and financing activities of the Group.

7.15 Business Combination

The Company applies the acquisition method of accounting for business combinations where common control does not exist. The consideration transferred by the Company for the acquisition of business comprises of fair value of the assets transferred, liabilities incurred, and the equity interests issued by the Company as at the acquisition date i.e. the date on which it obtains the control of the acquiree. The acquisition related costs are recognised in the statement of profit and loss as incurred, except to the extent related to the issue of debt or equity securities.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values on the acquisition date.

Intangible assets acquired in a business combination and recognised separately from Goodwill are initially recognised at their fair value at the acquisition date. Subsequent to initial recognition, intangible assets as well as Goodwill acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, respectively.

Goodwill is initially measured at cost, being the excess of the consideration transferred over the fair value of the net identifiable assets acquired. After initial recognition, Goodwill is tested annually for impairment and any impairment loss for Goodwill is recognised in the statement of profit and loss.

Distribution network is the value of the transferor company's branch network. Valuation of Distribution Network is as per With & Without Method. If the consideration transferred is less than the fair value of net identifiable assets acquired, the difference is recognised as capital reserve in other equity.

Further details and impact of this merger on financial statements of the Company is disclosed in note 51.

8 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

8.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

8.2 Defined employee benefit assets and liabilities

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

8.3 Fair value measurement

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

8.4 Impairment of loans portfolio

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

It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary. The impairment loss on loans and advances is disclosed in more detail in note 7.1(ix) Overview of ECL principles.

8.5 Contingent liabilities and provisions other than impairment on loan portfolio

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

8.6 Effective Interest Rate (EIR) method

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

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

8.7 Estimating the incremental borrowing rate

The Group uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to for its incremental borrowings.

8.8 Other estimates

These include contingent liabilities, useful lives of tangible and intangible assets etc. The Group has determined the useful life of the intangible asset in the nature of branch network acquired through the scheme of amalgamation and started amortising the same over its useful life by making a suitable change in the accounting estimate.

(Rs. in crores)

	Particulars	As at March 31, 2024	As at March 31, 2023
9	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	182.95	153.43
	Balances with banks (of the nature of cash and cash equivalents)	3,020.18	4,144.56
	Cheques on hand	2.45	4.87
	Others		
	- Call money (CBLO)	-	499.72
	- Bank deposit with original maturity upto three months or less	2,976.78	5,130.26
	Total	**6,182.36**	**9,932.84**

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

There is no restriction with regard to cash and cash equivalents as at the end of the financial years March 31, 2024 and March 31, 2023.

(Rs. in crores)

	Particulars	As at March 31, 2024	As at March 31, 2023
10	**BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS**		
	Earmarked balances with banks for		
	- Unclaimed dividend accounts	10.60	8.63
	Bank deposit with original maturity for more than three months	6.38	481.03
	Balances with banks to the extent held as credit enhancement or security against the borrowings, guarantees, other commitments*	4,973.46	5,884.45
	Total	**4,990.44**	**6,374.11**

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

*Includes deposits Rs. 4,285.88 crores (March 31, 2023: Rs. 4,857.80 crores) pledged with Banks as margin for credit enhancement, Rs. 1.91 crores (March 31, 2023: Rs. 4.34 crores) as margin for guarantees, Rs. 587.73 crores (March 31, 2023: Rs. 962.72 crores) pledged as lien against borrowings, deposits under lien in favour of Debenture and securitisation trustees Rs. 96.90 crores (March 31, 2023: Rs. 58.27 crores) and deposits under lien with banks for various purposes Rs. 1.04 crores (March 31, 2023: Rs. 1.32 crores).

11 DERIVATIVE FINANCIAL INSTRUMENTS

The Group enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges. The Group has adopted hedge accounting.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

(Rs. in crores)

Particulars	As at March 31, 2024				As at March 31, 2023			
	Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities
Part I								
(i) **Currency derivatives:**								
Spots and forwards	19,632.83	(419.00)	-	-	16,909.59	(193.01)	-	-
Currency swaps	6,514.26	162.27	-	-	2,715.93	121.65	-	-
Cross currency interest rate swaps	981.02	269.89	-	-	3,229.67	588.33	-	-
Sub total (i)	**27,128.11**	**13.16**	-	-	**22,855.19**	**516.97**	-	-

11 DERIVATIVE FINANCIAL INSTRUMENTS (Contd.)

(Rs. in crores)

Particulars	As at March 31, 2024				As at March 31, 2023			
	Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities
(ii) Interest rate derivatives:								
Interest rate swaps	25,284.06	288.05	-	-	17,230.41	116.65	-	-
Interest rate caps	700.00	25.27	-	-	-	35.75	-	-
Sub total (ii)	**25,984.06**	**313.32**	-	-	**17,230.41**	**152.40**	-	-
Total Derivative financial instruments (i)+(ii)	**53,112.17**	**326.48**	-	-	**40,085.60**	**669.37**	-	-
Part II								
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:								
(i) Cash flow hedging:								
Currency derivatives	27,128.11	13.16	-	-	22,855.19	516.97	-	-
Interest rate derivatives	25,984.06	313.32	-	-	17,230.41	152.40	-	-
Total Derivative financial instruments	**53,112.17**	**326.48**	-	-	**40,085.60**	**669.37**	-	-

Hedging activities and derivatives

The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. The Group's risk management strategy and how it is applied to manage risk are explained in Note 53.

Derivatives designated as hedging instruments

The Group designates its derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other. There is an economic relationship between the hedged item and the hedging instrument as the terms of the cross currency swap contract match that of the foreign currency borrowing (notional amount, interest payment dates, principal repayment date etc.). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the hedging instruments is identical to the hedged risk components. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised in the statement of profit and loss.

Derivatives not designated as hedging instruments

There are no undesignated derivatives.

11 DERIVATIVE FINANCIAL INSTRUMENTS (Contd.)

Notes:

1) The interest rate risk and exchange rate risk on the borrowings of the Group are managed using various derivative instruments which are entered into from time to time. The risk management strategy and the use of derivatives are explained in Note 53.

2) The Group has designated the interest rate derivatives which were entered to mitigate interest rate risks on its external commercial bond and external commercial borrowings and borrowings in foreign currencies, as hedging instruments.

The impact of the hedging instrument on the Balance Sheet is as follows:

(Rs. in crores)

Hedged Instrument	As at March 31, 2024				As at March 31, 2023			
	Notional Amount	Carrying Amount	Line item in the Balance sheet	Change in fair value used for measuring ineffectiveness for the year	Notional Amount	Carrying Amount	Line item in the Balance sheet	Change in fair value used for measuring ineffectiveness for the year
Currency derivatives/ Interest rate derivatives	53,112.17	326.48	Derivative Financial Instruments	(55.98)	40,085.60	669.37	Derivative Financial Instruments	(14.73)

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

(Rs. in crores)

Hedged Item	As at March 31, 2024		As at March 31, 2023	
	Change in value used for measuring ineffectiveness	Cash flow hedge reserve as on March 31, 2024	Change in value used for measuring ineffectiveness	Cash flow hedge reserve as on March 31, 2023
External commercial bond, external commercial borrowings, term loan from banks and non-convertible debentures	55.98	(266.34)	14.73	(224.42)

The effect of cash flow hedge in the statement of profit and loss and other comprehensive income is as follows:

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Hedged Item	External commercial bond, external commercial borrowings, term loan from banks and non-convertible debentures	External commercial bond, external commercial borrowings and foreign currency term loans
Total hedging gain/ (loss) recognised in OCI	55.98	14.73
Ineffectiveness recognised in the statement of profit and loss	-	-
Line item in the statement of profit and loss that include the hedge ineffectiveness	NA	NA
Amount reclassified from cash flow hedge reserve to the statement of profit and loss	-	-
Line item in the statement of profit and loss that includes the reclassification adjustment	NA	NA

12 RECEIVABLES

(I) Trade receivables

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	51.63	17.00
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Gross carrying amount	**51.63**	**17.00**
Less: Allowances for impairment loss on trade receivables considered good - unsecured	-	-
Less: Allowances for impairment loss on trade receivables which have significant increase in credit risk	-	-
Less: Allowances for impairment loss on credit impaired trade receivables	-	-
Net carrying amount	**51.63**	**17.00**

The Group's impairment assessment and measurement approach for trade receivables is mentioned at Note 7.1.(ix) of material accounting policies.

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

There are no dues from Directors or other officers of the Group or any firm or private company in which any Director is a partner, a Director or a member.

Trade receivables ageing

As at March 31, 2024

(Rs. in crores)

Particulars	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables								
Considered good	-	-	51.63	-	-	-	-	**51.63**
Which have significant increase in credit risk	-	-	-	-	-	-	-	**-**
Credit impaired	-	-	-	-	-	-	-	**-**
Disputed trade receivables								
Considered good	-	-	-	-	-	-	-	**-**
Which have significant increase in credit risk	-	-	-	-	-	-	-	**-**
Credit impaired	-	-	-	-	-	-	-	**-**
Gross carrying amount	**-**	**-**	**51.63**	**-**	**-**	**-**	**-**	**51.63**

As at March 31, 2023

(Rs. in crores)

Particulars	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables								
Considered good	-	-	17.00	-	-	-	-	**17.00**

12 RECEIVABLES (Contd.)

(Rs. in crores)

Particulars	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Which have significant increase in credit risk	-	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables								
Considered good	-	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-	-
Gross carrying amount	-	-	17.00	-	-	-	-	17.00

(II) Other receivables

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Other receivables considered good-secured	-	-
Other receivables considered good-unsecured	301.92	374.43
Other receivables which have significant increase in credit risk	37.56	49.56
Other receivables - credit impaired	24.71	31.25
Gross carrying amount	**364.19**	**455.24**
Less: Allowances for impairment loss on other receivables considered good - unsecured	9.98	6.35
Less: Allowances for impairment loss on other receivables which have significant increase in credit risk	2.97	4.17
Less: Allowances for impairment loss on credit impaired other receivables	10.71	15.03
Net carrying amount	**340.53**	**429.69**

The Group's impairment assessment and measurement approach for trade receivables is mentioned at Note 7.1.(ix) of material accounting policies.

There are no dues from Directors or other officers of the Group or any firm or private company in which any Director is a partner, a Director or a member.

Other receivables ageing

As at March 31, 2024

(Rs. in crores)

Particulars	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed other receivables								
Considered good	-	294.02	7.96	-	-	-	-	**301.92**
Which have significant increase in credit risk	-	37.56	-	-	-	-	-	**37.56**
Credit impaired	-	21.99	0.29	2.43	-	-	-	**24.71**

12 RECEIVABLES (Contd.)

As at March 31, 2024

(Rs. in crores)

Particulars	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Disputed other receivables								
Considered good	-	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-	-
Gross carrying amount	**-**	**353.57**	**8.25**	**2.43**	**-**	**-**	**-**	**364.19**

As at March 31, 2023

(Rs. in crores)

Particulars	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed other receivables								
Considered good	192.78	-	181.65	-	-	-	-	**374.43**
Which have significant increase in credit risk	49.56	-	-	-	-	-	-	**49.56**
Credit impaired	26.79	-	1.50	2.96	-	-	-	**31.25**
Disputed other receivables								
Considered good	-	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-	-
Gross carrying amount	**269.13**	**-**	**183.15**	**2.96**	**-**	**-**	**-**	**455.24**

Reconciliation of impairment loss allowance on other receivables:

(Rs. in crores)

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as per April 01, 2022	**2.61**
Add: Addition during the year	22.95
(Less): Reduction during the year	0.01
Impairment allowance as on March 31, 2023	**25.55**
Add: Addition during the year	2.75
(Less): Reduction during the year	4.64
Impairment allowance as on March 31, 2024	**23.66**

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
13 LOANS		
Loans (at amortised cost)		
(A)		
i) Term loans	214,868.66	178,436.91
ii) Others @	17,641.03	11,636.12
Total (A) - Gross	**232,509.69**	**190,073.03**
Less : Impairment loss allowance	13,814.08	11,387.89
Total (A) - Net	**218,695.61**	**178,685.14**
(B)		
i) Secured by tangible assets	214,748.14	178,316.99
ii) Secured by deposits/Book debts	109.60	119.01
iii) Secured by Shares	10.92	-
iv) Unsecured	17,641.03	11,637.03
Total (B) - Gross	**232,509.69**	**190,073.03**
Less : Impairment loss allowance	13,814.08	11,387.89
Total (B) - Net	**218,695.61**	**178,685.14**
(C)		
Loans outside India	-	-
Loans in India		
i) Public sector	-	-
ii) Others		
Retail	229,415.14	188,211.47
Corporates	3,094.55	1,861.56
Total (C) - Gross	**232,509.69**	**190,073.03**
Less : Impairment loss allowance	13,814.08	11,387.89
Total (C) - Net	**218,695.61**	**178,685.14**

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

@ includes unsecured working capital loans, loans to employees, trade advances, personal loans, loans to MSME and part disbursement to customers.

Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in note 53.02 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in note 53.02.02.07.

(Rs. in crores)

Particulars	As at March 31, 2024				As at March 31, 2023			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Internal rating grade								
Performing								
High grade	161,774.48	-	-	**161,774.48**	132,910.17	-	-	**132,910.17**
Standard grade	43,385.30	-	-	**43,385.30**	29,287.21	-	-	**29,287.21**
Sub-standard grade	-	11,709.08	-	**11,709.08**	-	12,438.12	-	**12,438.12**
Past due but not impaired	-	3,448.29	-	**3,448.29**	-	3,996.83	-	**3,996.83**
Non- performing	-	-	12,192.54	**12,192.54**	-	-	11,440.70	**11,440.70**
Total	**205,159.78**	**15,157.37**	**12,192.54**	**232,509.69**	**162,197.38**	**16,434.95**	**11,440.70**	**190,073.03**

13 LOANS (Contd.)

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

(Rs. in crores)

Particulars	Year ended March 31, 2024				Year ended March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**162,197.38**	**16,434.95**	**11,440.70**	**190,073.03**	**103,492.98**	**13,318.50**	**8,887.55**	**125,699.03**
Portfolio additions on account of business combination	-	-	-	-	30,592.57	3,719.39	897.16	**35,209.12**
Restated balance	**162,197.38**	**16,434.95**	**11,440.70**	**190,073.03**	**134,085.55**	**17,037.89**	**9,784.71**	**160,908.15**
New assets originated or purchased	141,142.93	6,780.31	1,851.62	**149,774.87**	105,917.59	8,137.07	1,939.83	**115,994.49**
Assets derecognised or repaid (excluding write offs and includes interest accruals adjusted)	(88,977.79)	(10,461.34)	(4,959.55)	**(104,398.67)**	(71,088.57)	(9,018.50)	(4,108.19)	**(84,215.26)**
Transfers to stage 1	12,978.26	(10,453.33)	(2,524.93)	-	11,934.10	(9,899.55)	(2,034.55)	-
Transfers to stage 2	(14,928.77)	15,412.49	(483.72)	-	(11,920.23)	12,788.59	(868.36)	-
Transfers to stage 3	(6,230.81)	(2,346.36)	8,577.17	-	(5,882.80)	(2,482.83)	8,365.63	-
Amounts written off	(1,021.43)	(209.35)	(1,708.75)	**(2,939.53)**	(848.26)	(127.72)	(1,638.37)	**(2,614.35)**
Gross carrying amount closing balance	**205,159.78**	**15,157.37**	**12,192.54**	**232,509.69**	**162,197.38**	**16,434.95**	**11,440.70**	**190,073.03**

Reconciliation of ECL balance is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2024				Year ended March 31, 2023			
	General approach				General approach			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**4,560.19**	**1,108.43**	**5,719.27**	**11,387.89**	**3,381.35**	**1,211.03**	**4,441.50**	**9,033.88**
New assets originated or purchased	4,256.10	532.23	631.24	**5,419.57**	2,716.88	641.57	717.96	**4,076.41**
Transfers to stage 1	2,003.02	(935.66)	(1,067.36)	-	1,747.73	(876.53)	(871.20)	-
Transfers to stage 2	(496.44)	698.04	(201.60)	-	(385.82)	755.67	(369.85)	-
Transfers to stage 3	(209.94)	(206.69)	416.63	-	(200.50)	(213.26)	413.76	-
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery	(3,337.12)	15.16	2,629.45	**(692.51)**	(2,435.63)	(238.76)	2,792.38	**117.99**
Provision no longer required	(361.77)	(93.61)	(1,845.49)	**(2,300.86)**	(263.82)	(171.29)	(1,405.28)	**(1,840.39)**
ECL allowance - closing balance	**6,414.05**	**1,117.89**	**6,282.14**	**13,814.08**	**4,560.19**	**1,108.43**	**5,719.27**	**11,387.89**

The contractual amount outstanding on loans that have been written off during the financial year, but were still subject to enforcement activity was Rs.1,485.28 crores (March 31, 2023 : Rs.1,463.57 crores).

14 INVESTMENTS

(Rs. in crores)

Particulars	As at March 31, 2024					As at March 31, 2023				
	Amortised Cost	At Fair Value		Others (at cost)	Total	Amortised Cost	At Fair Value		Others (at cost)	Total
		Through OCI	Through Profit or Loss				Through OCI	Through Profit or Loss		
Quoted										
i) Investments in mutual funds	-	-	300.38	-	**300.38**	-	-	587.35	-	**587.35**
ii) Investments in government securities (refer note 62)	6,623.82	-	-	-	**6,623.82**	5,318.01	-	-	-	**5,318.01**
iii) Investments in equity instruments	-	79.84	-	-	**79.84**	-	63.35	-	-	**63.35**
Unquoted										
i) Investments in equity instruments	-	-	25.82	-	**25.82**	-	-	25.40	-	**25.40**
ii) Investments in associate (refer note 45)	-	-	-	191.46	**191.46**	-	-	-	183.74	**183.74**
iii) Investments in pass through certificates	2,322.71	-	-	-	**2,322.71**	1,218.64	-	-	-	**1,218.64**
iv) Investments in commercial papers	-	-	-	-	**-**	19.07	-	-	-	**19.07**
v) Investment in market linked debentures	-	-	-	-	**-**	47.32	-	-	-	**47.32**
vi) Investment in security receipts	-	-	2.73	-	**2.73**	-	-	6.44	-	**6.44**
vii) <u>Others</u>										
Venture Capital Fund	-	-	1.52	-	**1.52**	-	-	1.53	-	**1.53**
Total Gross (A)	**8,946.53**	**79.84**	**330.45**	**191.46**	**9,548.28**	**6,603.04**	**63.35**	**620.72**	**183.74**	**7,470.85**
i) Investments outside India	-	79.84	-	-	**79.84**	-	63.35	-	-	**63.35**
ii) Investments in India	8,946.53	-	330.45	191.46	**9,468.44**	6,603.04	-	620.72	183.74	**7,407.50**
Total Gross (B)	**8,946.53**	**79.84**	**330.45**	**191.46**	**9,548.28**	**6,603.04**	**63.35**	**620.72**	**183.74**	**7,470.85**
Less : Allowance for impairment loss (C)	76.46	-	-	-	**76.46**	40.78	-	-	-	**40.78**
Total - Net D = (A) - (C)	**8,870.07**	**79.84**	**330.45**	**191.46**	**9,471.82**	**6,562.26**	**63.35**	**620.72**	**183.74**	**7,430.07**

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

There are no investments measured at designated at FVTPL.

The dividends of Rs.1.45 crores (March 31, 2023: Rs. 6.52 crores) received from investments in shares are recorded as dividend income.

14 INVESTMENTS (Contd.)

Investments carried at amortised cost

The table below shows the credit quality and the maximum exposure to credit risk per based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system for investments carried at amortised cost are explained in note 53.02.

(Rs. in crores)

Particulars	As at March 31, 2024				As at March 31, 2023			
	Stage 1 individual	Stage 2 individual	Stage 3	Total	Stage 1 individual	Stage 2 individual	Stage 3	Total
Internal rating grade								
Performing								
High grade	8,905.38	-	-	**8,905.38**	6,592.11	-	-	**6,592.11**
Standard grade	41.15	-	-	**41.15**	10.93	-	-	**10.93**
Non-performing								
Individually Impaired	-	-	-	-	-	-	-	-
Total	**8,946.53**	-	-	**8,946.53**	**6,603.04**	-	-	**6,603.04**

An analysis of changes in gross carrying amount and the corresponding ECLs on investments carried at amortised cost which are subject to ECL is as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2024				Year ended March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount – opening balance	**6,603.04**	-	-	**6,603.04**	**4,461.06**	-	-	**4,461.06**
Effects of business combination (Refer note 51)	-	-	-	-	904.93	-	-	**904.93**
New assets originated or purchased	5,257.20	-	-	**5,257.20**	3,079.02	-	-	**3,079.02**
Assets derecognised or matured (excluding write-offs)	(2,913.71)	-	-	**(2,913.71)**	(1,841.97)	-	-	**(1,841.97)**
Closing balance	**8,946.53**	-	-	**8,946.53**	**6,603.04**	-	-	**6,603.04**

Reconciliation of ECL balance is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2024				Year ended March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance in ECL	**40.78**	-	-	**40.78**	**36.00**	-	-	**36.00**
Effects of business combination (Refer note 51)	-	-	-	-	0.14	-	-	**0.14**
New assets originated or purchased	-	-	-	-	0.06	-	-	**0.06**
Changes to models and inputs used for ECL calculations	35.68	-	-	**35.68**	4.70	-	-	**4.70**
Assets derecognised or matured (excluding write-offs)	-	-	-	-	(0.12)	-	-	**(0.12)**
Closing balance in ECL	**76.46**	-	-	**76.46**	**40.78**	-	-	**40.78**

14 INVESTMENTS (Contd.)

Reconciliation of gross carrying value of investment in associate is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening balance	**183.74**	**175.44**
Share of profit of associate	7.78	8.56
Share of other comprehensive income from associates (net of tax)	(0.06)	(0.26)
Closing balance	**191.46**	**183.74**

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
15 OTHER FINANCIAL ASSETS		
Security deposits (at amortised cost)		
Gross	79.11	80.57
Less: Impairment loss allowance	5.13	4.08
Net	**73.98**	**76.49**
Lease receivables	-	0.05
Other financial assets*	296.58	0.93
Total	**370.56**	**77.47**

* Other financial assets include advances to employees and fee receivables.

Reconciliation of ECL balance in relation to other financial assets is given below:

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
ECL allowance - opening balance	**4.08**	**0.39**
Add: Addition during the year	1.29	3.69
(Less): Reduction during the year	0.24	-
ECL allowance - closing balance	**5.13**	**4.08**

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
16 CURRENT TAX ASSETS (NET)		
Advance income tax [net of provision for income tax Rs. 11,125.43 crores (March 31, 2023: Rs. 7,693.77 crores)]	593.03	728.26
Total	**593.03**	**728.26**

(Rs. in crores)

Particulars	Freehold land	Building	Total
17 INVESTMENT PROPERTY			
Gross block*			
As at April 01, 2022	**0.70**	**1.45**	**2.15**
Additions	-	-	-
Transfer from property, plant and equipment	-	0.77	**0.77**
Disposals	-	-	-

17 INVESTMENT PROPERTY (Contd.)

(Rs. in crores)

Particulars	Freehold land	Building	Total
As at March 31, 2023	**0.70**	**2.22**	**2.92**
Additions	-	-	-
Transfer from property, plant and equipment	-	-	-
Disposals	0.70	1.20	**1.90**
As at March 31, 2024	**0.01**	**1.02**	**1.03**
Accumulated depreciation and impairment losses			
As at April 01, 2022	-	**0.18**	**0.18**
Charge for the year	-	0.05	**0.05**
Transfer from property, plant and equipment	-	0.07	**0.07**
Disposals	-	-	-
As at March 31, 2023	-	**0.30**	**0.30**
Charge for the year	-	0.04	**0.04**
Transfer from property, plant and equipment	-	-	-
Disposals	-	0.30	**0.30**
As at March 31, 2024	-	**0.04**	**0.04**
Net carrying amount as at March 31, 2023	**0.70**	**1.92**	**2.62**
Net carrying amount as at March 31, 2024	**0.01**	**0.98**	**0.99**

*Refer note 7.9 of material accounting policies for exemption applied during first-time adoption of Indian Accounting Standards.

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

(Rs. in crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Rental income from investment property	0.13	0.24
Direct operating expenses arising from investment property that generated rental income during the year	0.02	0.02
Direct operating expenses arising from investment property that did not generate rental income during the year	0.03	0.00
Profit from investment property before depreciation	**0.08**	**0.22**
Depreciation charge for the year	0.04	0.05
Profit from investment property after depreciation	**0.04**	**0.17**

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

(ii) Contractual obligations

The Group has no contractual obligations to purchase, construct or develop investment property. However, the responsibility for its repairs, maintenance or enhancements is with the Group.

(iii) Fair value

The fair value of the investment property as at March 31, 2024 is Rs. 4.11 crores (March 31, 2023 is Rs. 6.47 crores).

(iv) Pledged details

Carrying value of investment property pledged as collateral for liabilities as at March 31, 2024 is Rs. Nil (March 31, 2023 is Rs. 0.91 crores).

(v) Estimation of fair value

The fair values of investment property is determined by guidance value given by the local government of the area where the investment properties are located.

(vi) Leasing arrangements

Investment properties are leased out to tenants. Agreements provide for cancellation by either party or contain clause for escalation and renewal of agreements. The non-cancellable operating lease agreement is for a period of 108 months.

18 PROPERTY, PLANT AND EQUIPMENT

(Rs. in crores)

Particulars	Freehold land	Building	Plant and equipment	Computers	Office equipment	Furniture and fixtures	Vehicles	Leasehold improvement	Right-of-use Asset		Total
									Lease premises	Furniture & fixtures	
Gross block*											
As at April 01, 2022	**0.59**	**2.39**	**11.46**	**57.85**	**32.60**	**32.29**	**0.06**	**113.63**	**617.02**	-	**250.87**
Effects of business combination (Refer note 51)	0.02	0.13	34.25	86.13	39.18	31.54	0.67	151.52	24.10	3.82	**371.36**
Restated as at April 01, 2022	**0.61**	**2.52**	**45.71**	**143.98**	**71.78**	**63.83**	**0.73**	**265.15**	**884.34**	**3.82**	**1,482.47**
Additions	-	-	5.26	47.30	10.24	17.23	0.53	37.20	210.24	2.87	**330.86**
Transferred to Investment property	-	(0.77)	-	-	-	-	-	-	-	-	**(0.77)**
Disposals	-	-	2.62	17.23	3.63	2.37	0.38	9.32	16.15	2.54	**54.25**
As at March 31, 2023	**0.61**	**1.75**	**48.35**	**174.05**	**78.39**	**78.69**	**0.88**	**293.03**	**1,078.43**	**4.14**	**1,758.30**
Additions	-	-	7.56	64.38	19.03	19.39	1.03	79.22	292.78	-	**483.39**
Transferred to Other intangible assets	-	-	3.42	(4.52)	0.01	-	-	-	-	-	**(1.09)**
Disposals	-	0.27	4.46	15.84	7.91	5.23	0.04	10.89	31.56	-	**76.20**
As at March 31, 2024	**0.61**	**1.48**	**54.87**	**218.06**	**89.52**	**92.85**	**1.87**	**361.36**	**1,339.65**	**4.14**	**2,164.41**
Accumulated depreciation and impairment losses											
As at April 01, 2022	-	**0.07**	**4.83**	**27.88**	**18.69**	**11.31**	**(0.11)**	**77.64**	-	-	**140.31**
Effects of business combination (Refer note 51)	-	0.04	17.71	65.19	32.65	19.71	0.27	129.83	-	-	**265.40**
Restated as at April 01, 2022	-	**0.11**	**23.52**	**96.76**	**51.37**	**31.30**	**0.16**	**210.97**	**393.19**	**3.38**	**810.75**
Charge for the year	-	0.02	4.91	23.35	9.02	5.96	0.16	27.95	157.26	0.48	**229.10**
Transferred to Investment property	-	(0.07)	-	-	-	-	-	-	-	-	**(0.07)**
Disposals	-	-	2.33	15.94	3.36	1.69	0.31	9.28	0.03	-	**32.94**
As at March 31, 2023	-	**0.06**	**26.10**	**104.16**	**57.03**	**35.57**	**0.01**	**229.63**	**550.41**	**3.86**	**1,006.83**
Charge for the year	-	0.03	4.40	34.31	8.12	7.38	0.17	32.22	171.04	0.07	**257.75**
Transferred to Other intangible assets	-	-	3.15	(4.20)	0.01	-	-	-	-	-	**(1.04)**
Disposals	-	0.04	3.77	14.14	7.50	3.95	0.04	10.76	-	-	**40.21**
As at March 31, 2024	-	**0.05**	**29.88**	**120.13**	**57.66**	**39.00**	**0.14**	**251.09**	**721.45**	**3.94**	**1,223.34**
Net carrying amount as at March 31, 2023	**0.61**	**1.69**	**22.26**	**69.88**	**21.36**	**43.11**	**0.87**	**63.39**	**528.02**	**0.28**	**751.49**
Net carrying amount as at March 31, 2024	**0.61**	**1.43**	**25.00**	**97.93**	**31.86**	**53.85**	**1.73**	**110.27**	**618.20**	**0.20**	**941.07**

*Refer note 7.9 of material accounting policies for exemption applied during first-time adoption of Indian Accounting Standards.

Carrying value of property, plant and equipment pledged as collateral for liabilities as at March 31, 2024 is Rs. 0.17 crores (March 31, 2023 is Rs. 0.35 crores).

The Group has not revalued any of its property, plant and equipment during the years ended March 31, 2024 March 31, 2023. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is nil.

19 INTANGIBLE ASSETS UNDER DEVELOPMENT, GOODWILL AND OTHER INTANGIBLE ASSETS

(A) Intangible assets under development

(Rs. in crores)

Particulars	Amount
Gross block	
As at April 01, 2022	-
Additions	66.08
Disposals	-
As at March 31, 2023	**66.08**
Additions	-
Disposals	-
Transferred to Other intangible assets	(66.08)
As at March 31, 2024	-
Accumulated amortisation and impairment losses	
As at April 01, 2022	-
Charge for the year	-
Disposals	-
As at March 31, 2023	-
Charge for the year	-
Disposals	-
As at March 31, 2024	-
Net carrying amount as at March 31, 2023	**66.08**
Net carrying amount as at March 31, 2024	-

Intangible assets under development aging

As at March 31, 2024

Intangible assets under development were Rs. Nil for the financial year ended March 31, 2024.

As at March 31, 2023

(Rs. in crores)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	66.08	-	-	-	**66.08**
Projects temporarily suspended	-	-	-	-	-

19 INTANGIBLE ASSETS UNDER DEVELOPMENT, GOODWILL AND OTHER INTANGIBLE ASSETS # (Contd.)

(B) Goodwill

(Rs. in crores)

Particulars	Amount
Gross block	
As at April 01, 2022	-
Effects of business combination (Refer note 51)	1,742.14
Restated as at April 01, 2022	**1,742.14**
Additions	-
Effects of business combination (Refer note 51)	(1.20)
Disposals	-
As at March 31, 2023	**1,740.94**
Additions	-
Disposals	-
As at March 31, 2024	**1,740.94**
Accumulated amortisation and impairment losses	
As at April 01, 2022	-
Effect of business combination (Refer note 51)	-
Restated as at April 01, 2022	-
Charge for the year	-
Disposals	-
As at March 31, 2023	-
Additions	-
Disposals	-
As at March 31, 2024	-
Net carrying amount as at March 31, 2023	**1,740.94**
Net carrying amount as at March 31, 2024	**1,740.94**

(C) Other intangible assets

(Rs. in crores)

Particulars	Computer software (A)	Distribution network (B)	Other intangible assets (C) = (A)+(B)
Gross block *			
As at April 01, 2022	**7.27**	-	**7.27**
Effects of business combination (Refer note 51)	51.82	1,574.60	**1,626.42**
Restated as at April 01, 2022	**59.09**	**1,574.60**	**1,633.69**
Additions	6.18	-	**6.18**
Effects of business combination (Refer note 51)	-	1.20	**1.20**
Disposals	-	-	-
As at March 31, 2023	**65.27**	**1,575.80**	**1,641.07**
Additions	80.08	-	**80.08**
Disposals	1.09	-	**1.09**
Transfer from Property, plant and equipment	1.10	-	**1.10**
Transfer from Intangible assets under development	66.08	-	**66.08**
As at March 31, 2024	**211.44**	**1,575.80**	**1,787.24**

19 INTANGIBLE ASSETS UNDER DEVELOPMENT, GOODWILL AND OTHER INTANGIBLE ASSETS # (Contd.)

(Rs. in crores)

Particulars	Computer software (A)	Distribution network (B)	Other intangible assets (C) = (A)+(B)
Gross block *			
Accumulated amortisation and impairment losses			
As at April 01, 2022	**4.23**	-	**4.23**
Effects of business combination (Refer note 51)	46.84	-	**46.84**
Restated as at April 01, 2022	**51.07**	-	**51.07**
Charge for the year	6.06	365.48	**371.54**
Disposals	-	-	-
As at March 31, 2023	**57.13**	**365.48**	**422.61**
Additions	27.23	302.58	**329.81**
Disposals	1.09	-	**1.09**
Transfer from Property, plant and equipment	1.04	-	**1.04**
As at March 31, 2024	**84.31**	**668.06**	**752.37**
Net carrying amount as at March 31, 2023	**8.14**	**1,210.32**	**1,218.46**
Net carrying amount as at March 31, 2024	**127.13**	**907.74**	**1,034.87**

Other than internally generated

*Refer note 7.9 of material accounting policies for exemption applied during first-time adoption of Indian Accounting Standards.

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

The Group has not revalued any of its intangible assets during the financial year ended March 31, 2024 and March 31, 2023. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is Nil.

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
20 OTHER NON-FINANCIAL ASSETS		
Goods and services tax credit (input) receivable	237.92	327.53
Prepaid expenses	38.60	27.66
Capital advances	7.40	8.64
Duties paid under protest	49.44	43.13
Repossessed house property *	70.37	54.69
Other non-financial assets **	52.49	33.45
Total	**456.22**	**495.10**

* Net of allowance for impairement loss recognised on Repossessed House Property Rs.7.80 crores (Mar 31,2023 Rs. 5.00 crores).

Measurement:

The non-recurring fair value measurement for the repossessed house property has been categorized as a Level 2 fair value based on the inputs to the valuation techniques used. For the assets classified as "Repossessed house property" 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. The diminution in the value as identified by the independent valuers is written off in the books of accounts.

**Other non-financial assets include advances to employees, vendors and towards rent.

21 PAYABLES

(I) Trade payables

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) total outstanding dues of micro enterprises and small enterprises (refer note 54)	0.02	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises *	245.89	313.19
Total	**245.91**	**313.19**

*Includes payable to associate Rs. 3.24 crores (March 31, 2023: Rs. 1.06 crores).

Trade payables ageing

As at March 31, 2024 (Rs. in crores)

Particulars	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME*	-	-	0.02	-	-	-	**0.02**
(ii) Others	44.37	28.02	170.31	1.29	0.83	1.07	**245.89**
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**44.37**	**28.02**	**170.33**	**1.29**	**0.83**	**1.07**	**245.91**

As at March 31, 2023 (Rs. in crores)

Particulars	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME*	-	-	-	-	-	-	-
(ii) Others	78.60	-	231.09	0.96	1.24	1.30	**313.19**
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**78.60**	-	**231.09**	**0.96**	**1.24**	**1.30**	**313.19**

*The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Subsidiary.

(II) Other payables

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) total outstanding dues of micro enterprises and small enterprises (refer note 54)	2.25	0.36
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	3.16	1.09
Total	**5.41**	**1.45**

(Rs. in crores)

	Particulars	As at March 31, 2024	As at March 31, 2023
22	**DEBT SECURITIES**		
	At amortised cost		
	Secured		
	Redeemable non-convertible debentures		
	- Public issue ¥	1,128.46	2,508.89
	- Privately placed ¥¥	31,568.47	28,840.67
	External commercial bond	10,948.31	12,513.28
	Senior secured notes	-	894.73
	Unsecured		
	Redeemable non-convertible debentures		
	- Privately placed	125.13	147.34
	Commercial papers	2,680.31	19.12
	Total	**46,450.68**	**44,924.03**
	Debt securities in India	35,502.37	31,516.02
	Debt securities outside India	10,948.31	13,408.01
	Total	**46,450.68**	**44,924.03**

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

¥ includes Rs. 76.56 crores (March 31, 2023 Rs. 87.68 crores) issued to related parties.

¥¥ includes Rs. 511.02 crores (March 31, 2023 Rs. 370.13 crores) issued to related parties.

Term of repayment, nature of security, etc

A) Redeemable Non-Convertible Debenture (NCD) - Secured

i) Public issue of Non-Convertible Debentures (NCD) of Rs. 1,000/- each

As at March 31, 2024 (Rs. in crores)

Sl.	Particulars	Amount Utilised	Redeemable at par/ premium (from the date of the Balance Sheet) (Rate of interest <10%)						Total	Date of redemption	Amount redeemed
			Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years			
i.	(IPO 2018 - 1)	3,648.52	-	-	-	-	-	499.93	**499.93**	July 12, 2023	780.85
										July 12, 2021	2,285.45
										December 26, 2019	107.40
ii.	(IPO 2018 - 2)	606.79	-	-	-	-	-	72.16	**72.16**	November 02, 2021	284.39
										November 02, 2022	251.08
iii.	(IPO 2018 - 3)	537.31	-	-	-	-	-	60.40	**60.40**	February 06, 2022	247.04
										February 06, 2024	229.75
iv.	(IPO 2019 - 2)	193.67	72.98	-	-	26.70	-	-	**99.68**	January 28, 2023	100.65
	Total								732.17		

22 DEBT SECURITIES (Contd.)

As at March 31, 2023 (Rs. in crores)

Sl.	Particulars	Amount Utilised	Redeemable at par/ premium (from the date of the Balance Sheet) (Rate of interest <10%)						Total	Date of redemption	Amount redeemed
			Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years			
i.	(IPO 2018 - 1)	3,648.52	865.47	-	-	-	-	498.94	**1,364.41**	July 12, 2021	2,285.45
										December 26, 2019	107.40
ii.	(IPO 2018 - 2)	606.79	275.95	-	-	-	-	71.99	**347.94**	November 02, 2021	284.39
iii.	(IPO 2018 - 3)	537.32	249.73	-	-	-	-	60.26	**309.99**	February 06, 2022	247.04
iv.	(IPO 2019 - 2)	193.67	-	70.71	-	26.57	-	-	**97.28**	January 28, 2023	100.65
	Total								**2,119.62**		

Nature of security

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

2) Public issue of Non-Convertible Debentures (NCD) of Rs. 1,000/- each (IPO 2019 - 1)

Terms of repayment

As at March 31, 2024 (Rs. in crores)

Sl.	Particulars	Rate of interest	Amount Utilised	Redeemable at par/ premium (from the date of the Balance Sheet)						Total	Date of redemption	Amount redeemed
				Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years			
i.	(IPO 2019 - 1)	< 10%	129.41	61.14	-	42.54	-	-	-	**103.68**	February 22, 2023	42.23
		>= 10% < 12%	210.51	49.88	-	27.49	-	-	-	**77.37**	February 22, 2022	53.11
											February 22, 2023	84.02
ii.	(IPO 2019 - April)	>= 10% < 12%	252.51	140.32	-	-	-	-	-	**140.32**	April 30, 2022	130.36
iii.	(IPO 2019 - September)	< 10%	48.35	11.12	-	-	-	-	-	**11.12**	September 25, 2022	37.29
		>= 10% < 12%	57.92	63.80	-	-	-	-	-	**63.80**	-	-
	Total									**396.29**		

As at March 31, 2023 (Rs. in crores)

Sl.	Particulars	Rate of interest	Amount Utilised	Redeemable at par/ premium (from the date of the Balance Sheet)						Total	Date of redemption	Amount redeemed
				Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years			
i.	(IPO 2019 - 1)	< 10%	129.41	-	58.47	-	40.45	-	-	**98.92**	February 22, 2022	42.23
		>=10% < 12%	210.53	-	49.59	-	27.38	-	-	**76.97**	February 22, 2023	53.11
											February 22, 2023	84.02
ii.	(IPO 2019 - April) *	>=10% < 12%	252.51	-	138.55	-	-	-	-	**138.55**	April 30, 2022	130.36
iii.	(IPO 2019 - September) *	< 10%	48.35	-	11.23	-	-	-	-	**11.23**	September 25, 2022	37.29
		>=10% < 12%	57.92	-	63.59	-	-	-	-	**63.59**	-	-
	Total									**389.26**		

*Effects of business combination (Refer note 51)

22 DEBT SECURITIES (Contd.)

Nature of security

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

3) Privately placed Redeemable Non-Convertible Debenture of Rs. 1,000,000/- each

Terms of repayment

As at March 31, 2024 (Rs. in crores)

Particulars	Rate of interest	Redeemable at par/ premium (from the date of the Balance Sheet)						Total
		Upto 1 year ^ # $	1-2 years ^	2-3 years ^ $	3-4 years $	4-5 years	Over 5 years	
Privately placed Redeemable Non-Convertible Debenture of Rs. 1,000,000/- each	< 10% ^ $	3,182.71	1,435.21	445.87	-	-	11,815.36	**16,879.15**
	>= 10% < 12%^ #	3,287.86	-	-	-	-	161.51	**3,449.37**
Total		**6,470.57**	**1,435.21**	**445.87**	**-**	**-**	**11,976.87**	**20,328.52**

^ NCD amounting to Rs.2,027.70 crores issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

includes NCD of Rs. 250 crores partly paid to the extent of Rs. 12.50 crores.

$ Out of above NCD having put/ call option are as under

Sr. No.	Put/ Call Option Date	Rate of interest	Amount (Rs. In crores)
1	May 22, 2024	9.06%	200.00
2	September 12, 2025	8.93%	190.00
3	September 12, 2025	8.93%	300.00
4	September 12, 2025	9.09%	345.00
5	October 31, 2025	9.14%	50.00
6	November 01, 2026	8.96%	325.00
7	April 02, 2027	8.48%	100.00
Total			**1,510.00**

As at March 31, 2023 (Rs. in crores)

Particulars	Rate of interest	Redeemable at par/ premium (from the date of the Balance Sheet)						Total
		Upto 1 year ^ # $	1-2 years ^	2-3 years ^ $	3-4 years $	4-5 years	Over 5 years	
Privately placed Redeemable Non-Convertible Debenture of Rs. 1,000,000/- each	< 10% ^ $	8,041.92	4,068.44	1,043.31	445.54	-	11,947.62	**25,546.83**
	>= 10% < 12%^ #	308.37	1,759.01	-	-	-	-	**2,067.38**
Total		**8,350.29**	**5,827.45**	**1,043.31**	**445.54**	**-**	**11,947.62**	**27,614.21**

^ NCD amounting to Rs. 4,067.70 crores issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

includes NCD of Rs. 250.00 crores partly paid to the extent of Rs. 216.67 crores.

22 DEBT SECURITIES (Contd.)

$ Out of above NCD having put/ call option are as under

Sr No.	Put/ Call Option Date	Rate of interest	Amount (Rs. in crores)
1	August 12, 2023	7.95%	260.00
2	October 31, 2025	9.14%	50.00
3	April 02, 2027	8.48%	100.00
Total			**410.00**

Nature of security

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

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Group.

4) Privately placed Redeemable Non-Convertible Debenture of Rs. 100,000/- each (Effects of business combination - Refer note 51)

Terms of repayment

As at March 31, 2024 (Rs. in crores)

Particulars	Rate of interest	Redeemable at par/ premium (from the date of the Balance Sheet)						Total
		Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	
Privately placed Redeemable Non-Convertible Debenture of Rs. 100,000/- each	< 10%	1,045.04	2,128.59	3,939.88	154.65	1,604.02	921.21	**9,793.39**
	>= 10% < 12%	340.55	-	259.74	-	809.93	-	**1,410.22**
Total		**1,385.59**	**2,128.59**	**4,199.62**	**154.65**	**2,413.95**	**921.21**	**11,203.61**

As at March 31, 2023 (Rs. in crores)

Particulars	Rate of interest	Redeemable at par/ premium (from the date of the Balance Sheet)						Total
		Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	
Privately placed Redeemable Non-Convertible Debenture of Rs. 100,000/- each	< 10%	-	-	476.02	124.16	-	239.13	**839.31**
	>= 10% < 12%	-	336.06	-	-	-	-	**336.06**
Total		**-**	**336.06**	**476.02**	**124.16**	**-**	**239.13**	**1,175.37**

Nature of security

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

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the group.

22 DEBT SECURITIES (Contd.)

5) Privately placed Redeemable Non-Convertible Debenture of Rs. 625,000 (as at March 31, 2023: 875,000) - each (Effects of business combination - Refer note 51)

Terms of repayment

As at March 31, 2024 (Rs. in crores)

Particulars	Rate of interest	Redeemable at par/ premium (from the date of the Balance Sheet)						Total
		Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	
Privately placed Redeemable Non-Convertible Debenture of Rs. 625,000/- each	< 10%	14.88	14.37	7.08	-	-	-	**36.33**
	>= 10% < 12%	-	-	-	-	-	-	-
Total		**14.88**	**14.37**	**7.08**	**-**	**-**	**-**	**36.33**

As at March 31, 2023 (Rs. in crores)

Particulars	Rate of interest	Redeemable at par/ premium (from the date of the Balance Sheet)						Total
		Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	
Privately placed Redeemable Non-Convertible Debenture of Rs. 875,000/- each	< 10%	16.01	14.87	14.48	5.73	-	-	**51.09**
	>= 10% < 12%	-	-	-	-	-	-	-
Total		**16.01**	**14.87**	**14.48**	**5.73**	**-**	**-**	**51.09**

Nature of security

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

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the group.

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Public issue (1+2)	1,128.46	2,508.89
Privately placed (3+4+5)	31,568.47	28,840.67
Total Non-Convertible Debentures - Secured	**32,696.93**	**31,349.56**

22 DEBT SECURITIES (Contd.)

B) External Commercial Bond (ED) - Secured

i) Privately placed Redeemable External Commercial Bond

Terms of repayment

As at March 31, 2024 (Rs. in crores)

Particulars	Rate of interest	Redeemable at par/ premium (from the date of the Balance Sheet)						Total	Date of redemption	Amount redeemed
		Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years			
Privately placed Redeemable External Commercial Bond	< 10%	-	3,391.22	1,239.85	6,317.24	-	-	10,948.31	March 13, 2024	1,630.35
									March 13, 2024	3,672.50
									October 24, 2022	3,991.97
									February 28, 2022	2,849.90
	>= 10% < 12%	-	-	-	-	-	-	-	July 16, 2023	1,758.28
Total		**-**	**3,391.22**	**1,239.85**	**6,317.24**	**-**	**-**	**10,948.31**		**13,903.00**

As at March 31, 2023 (Rs. in crores)

Particulars	Rate of interest	Redeemable at par/ premium (from the date of the Balance Sheet)						Total	Date of redemption	Amount redeemed
		Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years			
Privately placed Redeemable External Commercial Bond	< 10%	6,030.31	-	3,305.98	1,219.57	-	-	**10,555.86**	October 24, 2022	3,991.97
									February 28, 2022	2,849.90
	>= 10% < 12%	1,957.42	-	-	-	-	-	**1,957.42**	-	-
Total		**7,987.73**	**-**	**3,305.98**	**1,219.57**	**-**	**-**	**12,513.28**	**-**	**6,841.87**

Issue details of External Commercial Bonds outstanding as at March 31, 2024

(Rs. in crores)

Date of Issue	Product	ROI	Amount		Program	Listed on	Due dates	Utilisation
			USD	Rs. in crores				
January 22, 2024	Senior Secured Notes	6.625%	750,000,000	6,238.50	USD 3,500,000,000 Global Medium Term Note (GMTN) Programme	Indian International Exchange ("INX") January 24, 2024	2027	The proceeds of the issue of the notes have been utilised in accordance with the Company's Social Finance Framework and as may be permitted by the RBI ECB guidelines for onward lending and other activities
March 29, 2023	Senior Secured Floating Rate Notes	6.370%	150,000,000	1,233.00		Indian International Exchange ("INX") March 29, 2023	2026	
January 18, 2022	Senior Secured Notes (Social Bonds)	4.150%	475,000,000	3,512.86		Singapore Stock Exchange (SGX-ST) on January 19, 2022	2025	
March 31, 2021	Senior Secured Notes (Social Bonds)	4.400%	225,000,000	1,630.35	USD 500,000,000 Global Medium Term Note (GMTN) Programme	Singapore Stock Exchange (SGX-ST) on April 01, 2021	2024	
January 13, 2021	Senior Secured Notes (Social Bonds)	4.400%	500,000,000	3,672.50	USD 3,000,000,000 Global Medium Term Note (GMTN) Programme	Singapore Stock Exchange (SGX-ST) on January 14, 2021		
January 16, 2020	Senior Secured Notes (Social Bonds)	5.100%	500,000,000	3,643.25		Singapore Stock Exchange (SGX-ST)	2023	

22 DEBT SECURITIES (Contd.)

Nature of security

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

C) Senior Secured Notes

i) Senior Secured Notes of Rs. 10,000,000/- each

Terms of repayment

(Rs. in crores)

Particulars	Amount Utilised	Rate of interest	Tenure (from the date of the Balance Sheet)						Total	Date of redemption	Amount redeemed
			Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years			
As at March 31, 2024	2,510.00	< 10%	-	-	-	-	-	-	-	June 08, 2023	840.00
										March 12, 2021	320.00
										February 18, 2020	1,350.00
As at March 31, 2023	2,510.00	< 10%	894.73	-	-	-	-	-	**894.73**	March 12, 2021	320.00
										February 18, 2020	1,350.00

Nature of security

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

D) Redeemable Non-Convertible Debenture (NCD) - Unsecured

i) Privately placed Redeemable Non-Convertible Debenture of Rs. 1,000,000/- each

Terms of repayment

As at March 31, 2024 (Rs. in crores)

Particulars	Rate of interest	Redeemable at par/ premium (from the date of the Balance Sheet)						Total
		Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	
Privately placed Redeemable Non-Convertible Debenture of Rs. 1,000,000/- each	< 10%	-	-	-	-	-	34.71	**34.71**
	>= 12% < 14%	90.42	-	-	-	-	-	**90.42**
Total		**90.42**	-	-	-	-	**34.71**	**125.13**

As at March 31, 2023 (Rs. in crores)

Particulars	Rate of interest	Redeemable at par/ premium (from the date of the Balance Sheet)						Total
		Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	
Privately placed Redeemable Non-Convertible Debenture of Rs. 1,000,000/- each	< 10%	-	-	-	-	-	33.08	**33.08**
	>= 12% < 14%	-	87.61	-	-	-	-	**87.61**
Total		-	**87.61**	-	-	-	**33.08**	**120.69**

22 DEBT SECURITIES (Contd.)

ii) Privately placed Redeemable Non-Convertible Debenture of Rs. 100,000/- each

Terms of repayment

(Rs. in crores)

Particulars		Rate of interest	Redeemable at par/ premium (from the date of the Balance Sheet)						Total
			Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	
Privately placed Redeemable Non-Convertible Debenture of Rs. 1,000,000/- each	As at March 31, 2024	>= 12% < 14%	-	-	-	-	-	-	-
	As at March 31, 2023	>= 12% < 14%	26.65	-	-	-	-	-	26.65

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Praivately Placed (1+2)	125.13	147.34
Total Non Convertible Debentures Unsecured	**125.13**	**147.34**

E) Commercial paper (CP) - unsecured

Privately placed redeemable commercial paper of Rs. 500,000/- each

Terms of repayment

(Rs. in crores)

Particulars	Rate of interest	As at March 31, 2024	As at March 31, 2023
Commercial paper	< 10%	2,680.31	19.12

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
23 BORROWINGS (OTHER THAN DEBT SECURITIES)		
At amortised cost		
Secured		
Term loan from banks - INR	42,205.39	36,352.93
Term loan from financial institutions/corporates - INR	10,539.23	9,427.80
External commercial borrowing - FCNR	14,467.05	9,828.01
Loans repayable on demand from banks (Cash credit from banks)	906.04	459.10
Bank Overdrafts	1,999.87	-
Other loans - INR -Securitisation liabilities	30,034.86	22,476.91
Total	**100,152.44**	**78,544.75**
Borrowings in India	85,685.39	68,716.74
Borrowings outside India	14,467.05	9,828.01
Total	**100,152.44**	**78,544.75**

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

The borrowings have not been guaranteed by directors or others. The Group has not defaulted in repayment of principal and interest to its lenders.

The Group has utilised the funds raised from banks and financial institutions for the specific purpose for which they were borrowed.

The Group has borrowed funds from banks and financial institutions on the basis of security of current assets. It has filed quarterly returns or statements of current assets with banks and financial institutions and the said returns/statements are in agreement with books of accounts.

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

Term of repayment, nature of security, etc

A) Term loans from banks - Secured (INR)

Terms of repayment #

As at March 31, 2024

(Rs. in crores)

Particulars	Repayment details	Rate of interest	Tenure (from the date of the Balance Sheet)						Total
			Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	
Term loans from banks - Secured (INR)	2 to 17 installments of monthly, quarterly and specific frequency	3.90% to 9.20%	-	-	-	-	-	549.18	**549.18**
	2 to 60 installments of monthly, quarterly and specific frequency	2.94% to 10.32%	-	-	-	-	11,406.10	-	**11,406.10**
	1 to 60 installments of monthly, quarterly and specific frequency	2.94% to 10%	-	-	-	7,603.73	-	-	**7,603.73**
	1 to 60 installments of bullet, monthly, quarterly and specific frequency	2.94% to 10.72%	-	-	9,059.75	-	-	-	**9,059.75**
	1 to 60 installments of bullet, monthly, quarterly and specific frequency	2.94% to 11.29%	-	5,567.15	-	-	-	-	**5,567.15**
	1 to 48 installments of bullet, monthly, quarterly and specific frequency	2.94% to 13.12%	8,019.48	-	-	-	-	-	**8,019.48**
Total			**8,019.48**	**5,567.15**	**9,059.75**	**7,603.73**	**11,406.10**	**549.18**	**42,205.39**

As at March 31, 2023

(Rs. in crores)

Particulars	Repayment details	Rate of interest	Tenure (from the date of the Balance Sheet)						Total
			Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	
Term loans from banks - Secured (INR)	20 to 39 quarterly installments	2.94% to 9.75%	-	-	-	-	-	862.62	**862.62**
	9 to 60 installments of monthly, quarterly and half-yearly frequency	2.94% to 9.75%	-	-	-	-	6,371.94	-	**6,371.94**
	1 to 60 installments of bullet, monthly, half-yearly and quarterly frequency	2.94% to 11.15%	-	-	-	7,934.52	-	-	**7,934.52**
	6 to 60 installments of monthly, quarterly, half-yearly and specific frequency	2.94% to 10.72%	-	-	7,704.60	-	-	-	**7,704.60**
	1 to 60 installments of bullet, monthly, quarterly and half-yearly frequency	2.94% to 11.29%	-	5,670.15	-	-	-	-	**5,670.15**
	1 to 60 installments of bullet, monthly, quarterly, half-yearly and specific frequency	2.94% to 13.12%	7,809.10	-	-	-	-	-	**7,809.10**
Total			**7,809.10**	**5,670.15**	**7,704.60**	**7,934.52**	**6,371.94**	**862.62**	**36,352.93**

Loans are classified in respective time buckets based on option date.

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

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

B) Term loans from financial institutions/corporates - Secured (INR)

As at March 31, 2024

(Rs. in crores)

Particulars	Repayment details	Rate of interest	Tenure (from the date of the Balance Sheet)						Total
			Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	
Term loans from financial institutions/ corporates - Secured (INR)	20 to 21 installments of monthly and quarterly frequency	8.61% to 11.50%	-	-	-	-	-	614.48	**614.48**
	1 to 21 installments of monthly, quarterly and specific frequency	8.30% to 11.50%	-	-	-	-	3,950.33	-	**3,950.33**
	11 to 21 installments of monthly and quarterly frequency	8.50% to 11.50%	-	-	-	872.74	-	-	**872.74**
	11 to 20 installments of monthly and quarterly frequency	7.34% to 11.50%	-	-	2,255.97	-	-	-	**2,255.97**
	11 to 20 installments of monthly and quarterly frequency	7.20% to 11.50%	-	2,040.34	-	-	-	-	**2,040.34**
	10 to 12 installments of monthly, quarterly , half yearly and specific frequency	7.52% to 12.86%	805.36	-	-	-	-	-	**805.36**
Total			**805.36**	**2,040.34**	**2,255.97**	**872.74**	**3,950.33**	**614.48**	**10,539.23**

As at March 31, 2023

(Rs. in crores)

Particulars	Repayment details	Rate of interest	Tenure (from the date of the Balance Sheet)						Total
			Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	
Term loans from financial institutions/ corporates - Secured (INR)	21 to 120 installments of monthly and quarterly frequency	8.30% to 11.25%	-	-	-	-	-	1,021.03	**1,021.03**
	21 to 120 installments of monthly and quarterly frequency	8.50% to 11.25%	-	-	-	-	1,076.36	-	**1,076.36**
	19 to 120 installments of monthly and quarterly frequency	7.34% to 11.25%	-	-	-	2,299.16	-	-	**2,299.16**
	11 to 120 installments of monthly and quarterly frequency	7.20% to 11.25%	-	-	3,136.74	-	-	-	**3,136.74**
	10 to 120 installments of monthly, quarterly, half-yearly and specific frequency	7.52% to 11.25%	-	1,775.91	-	-	-	-	**1,775.91**
	11 to 120 installments of monthly, quarterly and specific frequency	8.70% to 11.25%	118.60	-	-	-	-	-	**118.60**
Total			**118.60**	**1,775.91**	**3,136.74**	**2,299.16**	**1,076.36**	**1,021.03**	**9,427.80**

Loans are classified in respective time buckets based on option date.

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

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

C) External commercial borrowing

Terms of repayment

As at March 31, 2024

(Rs. in crores)

Particulars	Repayment details	Rate of interest	Tenure (from the date of the Balance Sheet)						Total
			Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	
External commercial borrowing	16 installments of specific frequency	9.20%	-	-	-	-	-	2,088.37	2,088.37
	9 to 11 installments of half-yearly and specific frequency and bullet payments	9.10% to 9.40%	-	-	-	1,947.93	-	-	1,947.93
	11 to 13 installments of half-yearly and specific frequency and bullet payments	8.63% to 10.86%	-	-	7,463.63	-	-	-	7,463.63
	bullet frequency	8.84% to 10.29%	-	2,754.47	-	-	-	-	2,754.47
	bullet frequency	8.12%	212.64	-	-	-	-	-	212.64
	bullet frequency	9.83% to 10.02%	-	-	-	-	-	-	-
Total			**212.64**	**2,754.47**	**7,463.63**	**1,947.93**	**-**	**2,088.37**	**14,467.05**

As at March 31, 2023

(Rs. in crores)

Particulars	Repayment details	Rate of interest	Tenure (from the date of the Balance Sheet)						Total
			Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	
External commercial borrowing	16 installments of specific frequency	9.20%	-	-	-	-	-	2,053.32	2,053.32
	9 to 11 installments of half-yearly and specific frequency	9.10% to 9.40%	-	-	-	-	1,294.92	-	1,294.92
	11 to 13 installments of half-yearly and specific frequency	8.63% to 10.86%	-	-	-	729.55	-	-	729.55
	bullet frequency	8.84% to 10.29%	-	-	2,655.29	-	-	-	2,655.29
	bullet frequency	8.12%	-	208.71	-	-	-	-	208.71
	bullet frequency	9.83% to 10.02%	2,886.22	-	-	-	-	-	2,886.22
Total			**2,886.22**	**208.71**	**2,655.29**	**729.55**	**1,294.92**	**2,053.32**	**9,828.01**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

D) Loans repayable on demand from banks (Cash credit from banks)

Terms of repayment

(Rs. in crores)

Particulars	Rate of interest	As at March 31, 2024	As at March 31, 2023
Loans repayable on demand from banks (Cash credit from banks)	6.10% to 10.80%	-	459.10
	7.45% to 10.95%	906.04	-

Nature of security

Secured by hypothecation of specific assets covered under hypothecation loan agreements.

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

E) Bank overdrafts

Terms of repayment

(Rs. in crores)

Particulars	Rate of interest	As at March 31, 2024	As at March 31, 2023
Bank overdrafts	7.90%	1,999.87	-

Nature of security

Secured by hypothecation of specific assets covered under hypothecation loan agreements.

F) Other loans - INR - Securitisation liabilities

As at March 31, 2024

(Rs. in crores)

Particulars	Repayment details	Rate of interest	Tenure (from the date of the Balance Sheet)						Total
			Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	
Other loans - INR - Securitisation liabilities	1 to 353 installments of monthly frequency	8.64% - 10.50%	-	-	-	-	-	4,181.37	4,181.37
	1 to 353 installments of monthly frequency	7.74% - 10.50%	-	-	-	-	11,450.49	-	11,450.49
	1 to 353 installments of monthly frequency	6.15% - 10.50%	-	-	-	6,932.22	-	-	6,932.22
	1 to 353 installments of monthly frequency	5.91% - 11.63%	-	-	4,445.93	-	-	-	4,445.93
	1 to 353 installments of monthly frequency	6.11% - 10.50%	-	2,815.64	-	-	-	-	2,815.64
	1 to 353 installments of monthly frequency	5.71% - 10.50%	209.20	-	-	-	-	-	209.20
Total			**209.20**	**2,815.64**	**4,445.93**	**6,932.22**	**11,450.49**	**4,181.37**	**30,034.85**

As at March 31, 2023

(Rs. in crores)

Particulars	Repayment details	Rate of interest	Tenure (from the date of the Balance Sheet)						Total
			Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	
Other loans - INR - Securitisation liabilities	1 to 361 installments of monthly frequency	7.70% to 9.65%	-	-	-	-	-	2,930.16	2,930.16
	1 to 361 installments of monthly frequency	6.10% to 9.65%	-	-	-	-	7,679.45	-	7,679.45
	1 to 361 installments of monthly frequency	5.90% to 9.90%	-	-	-	6,550.84	-	-	6,550.84
	1 to 361 installments of monthly frequency	6.05% to 9.65%	-	-	4332.8	-	-	-	4,332.80
	1 to 361 installments of monthly frequency	5.95% to 9.65%	-	472.09	-	-	-	-	472.09
	1 to 361 installmentls of monthly frequency	6.50% to 9.65%	511.57	-	-	-	-	-	511.57
Total			**511.57**	**472.09**	**4,332.80**	**6,550.84**	**7,679.45**	**2,930.16**	**22,476.91**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

(Rs. in crores)

	Particulars	As at March 31, 2024	As at March 31, 2023
24	**DEPOSITS**		
	At amortised cost		
	Unsecured		
	i. Public deposits (refer note 62) *	42,802.28	34,671.99
	ii. From Banks	-	-
	iii. From Others		
	- Deposits from corporates **	1,641.38	1,467.84
	Total	**44,443.66**	**36,139.83**

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

* includes Rs. 4.73 crores (March 31, 2023 Rs. 3.47 crores) accepted from related parties including Director.

** includes Rs. 194.69 crores (March 31, 2023 Rs. 171.87 crores) accepted from related parties.

Term of repayment, nature of security, etc

A) Deposits from public - Unsecured - [Refer note 62]

Terms of repayment

(Rs. in crores)

Particulars	Rate of interest	Redeemable at par (from the date of the Balance Sheet)					Total deposits from Public
		Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	
As at March 31, 2024	< 10%	10,584.95	10,937.10	9,569.50	6,691.62	5,019.11	**42,802.28**
As at March 31, 2023		8,612.75	8,259.06	9,646.19	3,540.37	4,613.62	**34,671.99**

B) Deposits from corporates - Unsecured

Terms of repayment

(Rs. in crores)

Particulars	Rate of interest	Redeemable at par (from the date of the Balance Sheet)					Total deposits from corporates
		Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	
As at March 31, 2024	< 10%	840.00	350.57	357.25	58.78	34.78	**1,641.38**
As at March 31, 2023		701.82	454.39	223.18	48.74	39.71	**1,467.84**

(Rs. in crores)

	Particulars	As at March 31, 2024	As at March 31, 2023
25	**SUBORDINATED LIABILITIES**		
	At amortised cost		
	Others		
	Unsecured		
	Subordinated debts - Debentures #	4,449.30	4,593.63
	Total	**4,449.30**	**4,593.63**
	Subordinated debts in India	4,449.30	4,593.63
	Subordinated debts outside India	-	-
	Total	**4,449.30**	**4,593.63**

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

includes Rs.330.21 crores (March 31, 2023 Rs. 523.20 crores) issued to related parties.

25 SUBORDINATED LIABILITIES (Contd.)

Term of repayment, nature of security, etc

A) Subordinated liabilities - Unsecured - Debentures

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

Terms of repayment

As at March 31, 2024 (Rs. in crores)

Particulars	Rate of interest	Redeemable at par (from the date of the Balance Sheet)						Total
		Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	
Privately placed subordinated liabilities of Rs. 1,000,000/- each	<10%	41.13	39.97	137.92	1,396.89	-	-	**1,615.91**
	>=10% <12%	555.45	57.31	-	-	79.07	-	**691.83**
	>=12% <14%	1,773.36	-	-	-	-	-	**1,773.36**
Total		**2,369.94**	**97.28**	**137.92**	**1,396.89**	**79.07**	**-**	**4,081.10**

As at March 31, 2023 (Rs. in crores)

Particulars	Rate of interest	Redeemable at par (from the date of the Balance Sheet)						Total
		Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	
Privately placed subordinated liabilities of Rs. 1,000,000/- each	<10%	-	41.08	39.92	137.76	1,395.94	-	**1,614.70**
	>=10% <12%	333.26	548.28	57.11	-	-	79.00	**1,017.65**
	>=12% <14%	-	1,723.84	-	-	-	-	**1,723.84**
Total		**333.26**	**2,313.20**	**97.03**	**137.76**	**1,395.94**	**79.00**	**4,356.19**

ii) Privately placed subordinated liabilities of Rs. 10,000,000/- each

Terms of repayment

(Rs. in crores)

Particulars	Rate of interest	Redeemable at par (from the date of the Balance Sheet)						Total
		Upto 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	
As at March 31, 2024	<10%	-	-	-	-	-	368.20	**368.20**
As at March 31, 2023		-	-	-	-	-	237.44	**237.44**

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Privately Placed (i) + (ii)	4,449.30	4,593.63
Total Subordinated Liabilities	**4,449.30**	**4,593.63**

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
26 OTHER FINANCIAL LIABILITIES		
Investor education and protection fund shall be credited by the following amounts (as and when due)		
- Unclaimed dividend	10.60	9.45
- Unclaimed matured deposits and interest accrued thereon	146.96	134.20
- Unclaimed matured debentures and interest accrued thereon	7.37	12.92
- Unclaimed matured subordinated debts and interest accrued thereon	6.96	11.20

26 OTHER FINANCIAL LIABILITIES (Contd.)

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Temporary credit balance in bank accounts	142.91	56.99
Payable on account of assignment	308.08	210.08
Payable to dealers	23.11	36.02
Payable to employees	332.77	233.08
Retention money and other sundry liabilities	208.11	210.14
Lease liability**	699.35	602.08
Other liabilities *	144.02	159.74
Total	**2,030.24**	**1,675.90**

*Other liabilities include amount payable to Banks for credit card payments, settlement dues payable to resigned employees, etc.

****Disclosures as required by Ind AS 116 'Leases' are stated below**

A) Lease liability movement

(Rs. in crores)

Particulars	Amount
As at April 01, 2022	**364.14**
Effects of business combination (Refer note 51)	191.76
Restated as at April 01, 2022	**555.90**
Add : Addition during the year	206.95
: Interest on lease liability	49.95
Less : Deletion during the year	190.26
: Lease rental payments	20.46
As at March 31, 2023	**602.08**
Add : Addition during the year	284.48
: Interest on lease liability	58.76
Less : Deletion during the year	38.37
: Lease rental payments	207.60
As at March 31, 2024	**699.35**

B) Maturity analysis of lease liability

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Less than 1 year		
1 to 2 years	143.19	135.02
2 to 3 years	106.69	86.85
3 to 4 years	91.68	30.28
4 to 5 years	71.55	69.01
More than 5 years	167.70	164.92
Total	**699.35**	**602.08**

26 OTHER FINANCIAL LIABILITIES (Contd.)

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

D)

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Amounts recognised in the Statement of Profit and Loss		
Depreciation charge of right-of-use assets (included in depreciation, amortisation and impairment)	171.11	157.74
Interest expense (included in finance costs)	58.76	49.95
Expense relating to short-term leases (included in other expenses)	13.71	7.64
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other expenses)	4.39	3.71
Expense relating to variable lease payments not included in lease liabilities (included in other expenses)	-	-
The Group had remeasured lease liability in respect of certain leases during the year and income on such remeasurement of leases as per Ind AS 116 is included in other income	6.77	(0.13)
Income from subleasing right-of-use assets (included in other income)	4.51	5.11
Gains or losses arising from sale and leaseback transactions	-	-
The total cash outflow for leases during the year	**182.36**	**182.57**

E) The Group does not face a significant liquidity risk with regard to its lease liabilities as the assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

F) **This note provides information for leases where the Group is a lessor.**

The Group had given office premises under lease. The income from lease recognised in the Statement of Profit and Loss is Rs.0.14 crores (March 31, 2023: Rs. 0.24 crores). Agreements provide for cancellation by either party or contain clause for escalation and renewal of agreements. There were no non-cancellable operating lease agreements as on March 31, 2024.

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
27 CURRENT TAX LIABILITIES (NET)		
For taxation [net of advance tax Rs. 5,673.54 crores (March 31, 2023: Rs. 5,512.85 crores)]	237.79	160.89
Total	**237.79**	**160.89**

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
28 PROVISIONS		
For employee benefits		
- Gratuity (refer note 50)	37.64	2.88
- Compensated absences (leave encashment and availment)	171.45	101.48
For others		
- Expected credit loss towards undrawn loan commitment	6.50	11.55
- Taxes - contested	89.19	98.59
Total	**304.78**	**214.50**

28 PROVISIONS (Contd.)

Loan Commitments

Credit quality of exposure

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in Note 53.02 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 53.02.02.07.

(Rs. in crores)

Particulars	As at March 31, 2024				As at March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	839.71	-	-	**839.71**	835.62	-	-	**835.62**
Standard grade	0.99	-	-	**0.99**	2.46	-	-	**2.46**
Sub-standard grade	-	0.55	-	**0.55**	-	1.23	-	**1.23**
Past due but not impaired	-	0.17	-	**0.17**	-	0.32	-	**0.32**
Non- performing	-	-	-	-	-	-	-	-
Total	**840.70**	**0.72**	-	**841.42**	**838.08**	**1.55**	-	**839.63**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to other undrawn loan commitments is, as follows:

Gross exposure reconciliation

(Rs. in crores)

Particulars	Year ended March 31, 2024				Year ended March 31, 2023			
	General Approach				General Approach			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance of outstanding exposure	**838.08**	**1.55**	-	**839.63**	**92.43**	-	-	**92.43**
Effects of business combination (Refer note 51)	-	-	-	-	526.75	1.29	-	**528.04**
Restated opening balance	**838.08**	**1.55**	-	**839.63**	**619.18**	**1.29**	-	**620.47**
New exposures	773.85	0.20	-	**774.05**	776.01	1.25	-	**777.26**
Exposures cancelled or disbursed (excluding write-offs)	(770.92)	(1.34)	-	**(772.26)**	(556.40)	(1.70)	-	**(558.10)**
Transfers to Stage 1	0.58	(0.58)	-	-	(0.71)	0.71	-	-
Transfers to Stage 2	(0.89)	0.89	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Closing balance of outstanding exposure	**840.70**	**0.72**	-	**841.42**	**838.08**	**1.55**	-	**839.63**

28 PROVISIONS (Contd.)

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

(Rs. in crores)

Particulars	Year ended March 31, 2024				Year ended March 31, 2023			
	General Approach				General Approach			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**11.53**	**0.02**	-	**11.55**	**6.70**	-	-	**6.70**
Effects of business combination (Refer note 51)	-	-	-	-	4.91	0.05	-	**4.97**
Restated opening balance	**11.53**	**0.02**	-	**11.55**	**11.61**	**0.05**	-	**11.67**
New exposures	5.49	0.01	-	**5.50**	11.21	0.02	-	**11.23**
Exposures cancelled or disbursed (excluding write-offs)	(10.54)	-	-	**(10.54)**	(11.29)	(0.05)	-	**(11.34)**
Transfers to Stage 1	0.01	(0.01)	-	-	(0.01)	0.01	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Impact on year end ECL of exposures transferred between stages during the year	-	(0.01)	-	**(0.01)**	-	-	-	-
ECL allowance - closing balance	**6.49**	**0.01**	-	**6.50**	**11.53**	**0.02**	-	**11.55**

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
29 OTHER NON-FINANCIAL LIABILITIES		
Statutory dues payable	249.61	167.62
Advance from customers	19.43	37.36
Total	**269.04**	**204.98**

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
30 EQUITY SHARE CAPITAL		
Authorised:		
2,975,500,000 (March 31, 2023: 2,975,500,000) equity shares of Rs.10/- each	2,975.50	2,975.50
129,000,000 (March 31, 2023: 129,000,000) preference shares of Rs.100/- each	1,290.00	1,290.00
	4,265.50	**4,265.50**
Issued share capital		
375,792,810 (March 31, 2023: 374,427,276) equity shares of Rs. 10/- each	375.79	374.43
Subscribed share capital		
375,792,810 (March 31, 2023: 374,427,276) equity shares of Rs. 10/- each	375.79	374.43
Paid up (fully paid up)		
Equity shares		
375,792,810 (March 31, 2023: 374,427,276) equity shares of Rs. 10/- each fully paid up	375.79	374.43
Total Equity	**375.79**	**374.43**

30 EQUITY SHARE CAPITAL (Contd.)

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	Number of shares	(Rs. in crores)
As at April 01, 2022	**270,519,713**	**270.52**
Cancellation of SCL shares @	(70,437,147)	(70.44)
Fresh issue to shareholders of SCL @	105,113,114	105.11
Fresh issue to shareholders of SCUF @	69,231,596	69.23
Restated as at April 01, 2022	**374,427,276**	**374.43**
Issued during the year	-	-
As at March 31, 2023	**374,427,276**	**374.43**
Shares issued on exercise of ESOP	1,365,534	1.37
As at March 31, 2024	**375,792,810**	**375.79**

@ Refer note 51 - Business Combination

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The final dividend is subject to the approval of the shareholders in the ensuing annual general meeting.

The Company has allotted 1,365,534 equity shares of face value of Rs. 10/- each fully paid up at an exercise price of Rs. 193.55 per equity share (including premium of Rs.183.55 per equity share) under the Shriram Finance Limited Employee Stock Option Scheme 2023 (No.1) on various dates during the financial year ended March 31, 2024.

The Board of Directors in their meeting held on April 26,2024 has recommended a final dividend of Rs. 15/- per equity share of nominal face value of Rs. 10/- each fully paid up i.e. 150%, for the financial year 2023-24 subject to approval by Members in the ensuing 45th Annual General Meeting (45th AGM) of the Company. This is in addition to the interim dividend and second interim dividend of Rs. 20/- per equity share and Rs. 10/- per equity share of Rs. 10/- each fully paid-up (300%) for the financial year 2023-24 declared by the Company on October 26, 2023 and January 25, 2024 respectively. With this the total dividend for the financial year 2023-24 will be Rs. 45/- per share (i.e. 450%). Pursuant to Regulation 42 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to the confirmation by the Stock Exchanges, the book closure period for the purpose of payment of the final dividend and 45th AGM will be from July 24, 2024 to July 30, 2024 (both days inclusive). The final dividend will be paid to eligible Members on or before August 28, 2024 subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders.

The Board of Directors in their meeting held on January 25, 2024 declared second interim dividend of 100% i.e. Rs. 10/- per equity share of face value of Rs. 10/- each fully paid up for the financial year 2023-24 amounting to Rs. 3,756,523,400/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible members. The record date for payment of second interim dividend was February 06, 2024. The second interim dividend was paid to eligible members of the Company on February 17, 2024.

The Board of Directors in their meeting held on October 26, 2023 had declared an interim dividend of 200% i.e. Rs. 20/- per equity share of face value Rs. 10/- each fully paid up for the financial year 2023-24 amounting to Rs. 7,508,945,440/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible members. The record date for payment of interim dividend was November 06, 2023. The interim dividend was paid to eligible members of the Company on November 20, 2023.

The Board of Directors in their meeting held on April 27, 2023 had recommended a final dividend of Rs. 20/- per equity share of nominal face value of Rs.10/- each fully paid up i.e. 200%, for the financial year 2022-23 subject to approval by shareholders in the ensuing 44th Annual General Meeting (44th AGM) of the Company. The Company paid the final dividend amounting to Rs.7,496,735,680/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders on July 06, 2023. This was in addition to the interim dividend of Rs. 15/- per equity share of Rs. 10/- each fully paid-up i.e. 150% for the financial year 2022-23 declared by the Company on December 24, 2022, amounting to Rs. 5,616,409,140/- (gross) subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders.

30 EQUITY SHARE CAPITAL (Contd.)

The interim dividend was paid to eligible shareholders on January 13, 2023. With this the total dividend for the financial year 2022-23 is Rs. 35/- per share i.e. 350%.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

The aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date were Nil (March 31, 2023: Nil). Refer note 51 - Business combination.

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

Details of shareholding	As at March 31, 2024		As at March 31, 2023	
Name of the shareholder	Number of shares	% holding	Number of shares	% holding
Equity shares of Rs. 10/- each				
Shriram Capital Private Limited (formerly known as Shriram Financial Ventures (Chennai) Private Limited)	67,145,784	17.87%	67,145,784	17.93%
Piramal Enterprises Limited	-	-	31,221,449	8.34%
Government of Singapore	22,926,619	6.10%	-	-
Shriram Value Services Limited	20,771,461	5.53%	¥	¥

¥ holding less than 5% equity shares

e. Refer note 65- Capital management for the Group's objectives, policies and processes for managing capital.

f. Proposed dividends on equity shares

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Proposed dividend on equity shares for the year ended on March 31, 2024: Rs. 15/- per share (March 31, 2023: Rs. 20/- per share)	563.69	748.85
Total	**563.69**	**748.85**

g. Shareholding of Promoters

Promoter & Promoter Group	Relationship	Shares held at the end of the year		% Change during the year *
		No. of Shares	% of Total Shares	
As at March 31, 2024				
Shriram Capital Private Limited (formerly known as Shriram Financial Ventures (Chennai) Private Limited)	Promoter	67,145,784	17.87%	0.00%
Shriram Ownership Trust	Promoter	62,080	0.02%	-99.21%
Shriram Value Services Limited	Promoter	20,771,461	5.53%	59.86%
Sanlam Life Insurance Limited	Promoter	7,536,951	2.01%	0.00%
As at March 31, 2023				
Shriram Capital Private Limited (formerly known as Shriram Financial Ventures (Chennai) Private Limited)	Promoter	67,145,784	17.93%	0.00%
Shriram Ownership Trust	Promoter	7,840,080	2.09%	13677.25%
Shriram Value Services Limited	Promoter group	12,993,461	3.47%	1130.00%
Sanlam Life Insurance Limited	Promoter group	7,536,951	2.01%	0.00%

* percentage change is computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue.

30 EQUITY SHARE CAPITAL (Contd.)

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

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Second interim dividend for the year ended March 31, 2024 (Rs. per share)	10.00	-
First interim dividend for the year ended March 31, 2024 (Rs. per share)	20.00	-
Final dividend for the year ended March 31, 2023 (Rs. per share)	-	20.00
Interim dividend for the year ended March 31, 2023 (Rs. per share)	-	15.00

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
31 OTHER EQUITY		
Share application money pending allotment	**0.06**	-
Statutory reserve (Pursuant to Section 45-IC of The RBI Act, 1934)		
Opening balance	**7,610.66**	**4,707.98**
Add/(Less): Amalgamation adjustment account	(1,706.81)	1,706.81
Add: Transfer from retained earnings	1,438.10	1,195.87
Closing balance	**7,341.95**	**7,610.66**
Statutory reserve (Pursuant to Section 29C of the NHB Act, 1987)		
Opening balance	**79.53**	-
Add: Effects of business combination (Refer note 51)	-	56.11
Add: Transfer from retained earnings	35.47	23.42
Closing balance	**115.00**	**79.53**
Securities premium		
Opening balance	**17,396.27**	**5,662.38**
Add: Premium on shares issued during the year	160.93	11,733.89
Closing balance	**17,557.20**	**17,396.27**
Capital reserve		
Opening balance	**104.57**	**27.64**
Add: Effects of business combination (Refer note 51)	-	76.93
Closing balance	**104.57**	**104.57**
Capital redemption reserve	**53.88**	**53.88**
Debenture redemption reserve		
Opening Balance	419.13	307.28
Add: Creation due to business combinations	-	55.07
Add: Transfer from retained earnings	53.32	93.23
Less: Transfer to retained earnings on account of redemption	(338.20)	(36.45)
Closing balance	**134.25**	**419.13**
General reserve		
Opening balance	**3,532.05**	**2,934.07**
Add: Transfer from retained earnings	719.05	597.94
Add: Amount transferred from share option outstanding on account of forfeiture of share options	-	0.04
Closing balance	**4,251.10**	**3,532.05**

31 OTHER EQUITY (Contd.)

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Share Option Outstanding		
Opening balance	**199.84**	-
Add: Expenses on Employee Stock Option Plan (Refer note 64)	10.47	167.63
Less: Adjustment on exercise of Employee Stock Option Plan	(137.86)	(54.22)
Add: Transfer to general reserve on account of forfeiture of share options	-	(0.04)
Add: Effects of business combination (Refer note 51)	-	86.47
Closing balance	**72.45**	**199.84**
Amalgamation adjustment account		
Opening balance	**(1,706.81)**	-
Add/ (Less):Statutory reserve of transferor company	1,706.81	(1,706.81)
Closing balance	**-**	**(1,706.81)**
Other comprehensive income		
Remeasurement gain / (loss) on defined benefit plan (net of tax)		
Opening balance	**(17.39)**	**(11.56)**
Add: Addition during the year	(58.58)	(5.57)
Add: Share of other comprehensive income from associates (net of tax)	(0.06)	(0.26)
Closing balance	**(76.03)**	**(17.39)**
Gain / (loss) on fair valuation of quoted investments in equity shares		
Opening balance	**(8.83)**	-
Add: Addition during the year	12.34	(8.83)
Closing balance	**3.51**	**(8.83)**
Effective portion of cash flow hedges		
Opening balance	**(224.42)**	**(213.40)**
Add: Addition during the year	(41.92)	(11.02)
Closing balance	**(266.34)**	**(224.42)**
Retained earnings		
Opening balance	**15,699.95**	**12,355.47**
Add: Profit for the current year	7,366.38	6,011.04
Add /(Less): Appropriations		
Transfer to statutory reserve as per Section 45-IC of The RBI Act, 1934	(1,438.10)	(1,195.87)
Transfer to statutory reserve as per Section 29C of the NHB Act, 1987	(35.47)	(23.42)
Transfer to general reserve	(719.05)	(597.94)
Effects of Business combination	-	(176.74)
Amount transferred from share option outstanding on account of forfeiture of share options	0.03	0.90
Transferred (to)/from debenture redemption reserve	284.88	(111.85)
Reversal of deemed investment	1.55	-
Interim dividend [March 31, 2024: Rs. 30.00 per share (March 31, 2023: Rs. 15.00 per share)]	(1,126.55)	(561.64)
Final dividend (For March 31, 2023: Rs. 20.00 per share)	(749.67)	-
ESOP related Dilution and Merger Fair value Impacts on current year profits	(4.22)	-
Total appropriations	**(3,786.60)**	**(2,666.56)**
Closing balance	**19,279.73**	**15,699.95**
Compulsory convertible Debentures (Refer Note 31m)	**-**	**-**
Total	**48,571.38**	**43,138.43**

31 OTHER EQUITY (Contd.)

Nature and purpose of reserves

a) **Share application money pending allotment:** The amount received on the application for equity shares of the Company on which allotment is not yet made, to the extent not refundable.

b) **Securities premium:** The amount received in excess of face value of the equity shares is recognised in Securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

c) **Capital reserve:** Capital reserve is the excess of net assets taken over cost of consideration paid during amalgamation. (Refer note 51: Business combination)

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

e) **Debenture redemption reserve:**

(1) Pursuant to Section 71 of the Companies Act, 2013 and circular 04/2013, read with notification issued date June 19, 2016 issued by Ministry of Corporate Affairs, the Company is required to transfer 25% of the value of the outstanding debentures issued through public issue as per the present SEBI (Issue and Listing of Debt Securities) Regulation, 2008 to Debenture redemption reserve (DRR) and no DRR is required in case of privately placed debenture. Also the Company is required before 30th day of April of each year to deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debenture issued through public issue maturing within one year from the balance sheet date.

(2) As per the notification G.S.R. 574(E) dated August 16, 2019, the Ministry of Corporate Affairs has amended the Companies (Share Capital & Debentures) Rules, DRR need not be created for debentures issued by a Non-Banking Finance Company subsequent to the notification date. The Company has not created DRR on public issue of non-convertible debentures issued after the date of said notification.

(3) In respect of the debentures issued through public issue, the Company has created DRR of Rs. 53.32 crores (March 31, 2023: Rs. 93.23 crores). The Company subsequent to the year end has deposited a sum of Rs. 338.20 crores (March 31, 2023: Rs. 204.00 crores) in the form of fixed deposits with scheduled banks, representing 15% of the debenture issued through public issue, which are due for redemption within one year from the balance sheet date.

(4) On redemption of the debentures for which the DRR is created, the amounts no longer necessary to be retained in this account need to be transferred to the retained earnings.

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

g) **Statutory reserve:**

Statutory reserve (SFL): Every year the Company transfers a sum of not less than twenty per cent of net profit of that year as disclosed in the statement of profit and loss to its Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934.

The conditions and restrictions for distribution attached to statutory reserves as specified in Section 45-IC(1) in The Reserve Bank of India Act, 1934:

(1) Every non-banking financial company (NBFC) shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

(2) No appropriation of any sum from the reserve fund shall be made by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty-one days from the date of such withdrawal:

31 OTHER EQUITY (Contd.)

Provided that the RBI may, in any particular case and for sufficient cause being shown, extend the period of twenty-one days by such further period as it thinks fit or condone any delay in making such report.

(3) Notwithstanding anything contained in sub-section (1), the Central Government may, on the recommendation of the RBI and having regard to the adequacy of the paid-up capital and reserves of a NBFC in relation to its deposit liabilities, declare by order in writing that the provisions of sub-section (1) shall not be applicable to the NBFC for such period as may be specified in the order:

Provided that no such order shall be made unless the amount in the reserve fund under sub-section (1) together with the amount in the share premium account is not less than the paid-up capital of the NBFC.

Statutory Reserve (SHFL): The subsidiary 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 Subsidiary Company transfers at least 20% of the Profit after tax to the Statutory reserve.

h) **Amalgamation adjustment account:** Upon amalgamation of the erstwhile Shriram City Union Finance ("SCUF") the transferor company, with Shriram Transport Finance Limited ("STFC") the transferee company, renamed as Shriram Finance Limited ("SFL"), the statutory reserves (i.e. Reserve under Section 45-IC of the Reserve Bank of India Act, 1934) of Rs. 1,706.81 crores of the Transferor Companies as on April 01, 2022 ("the Appointed Date") were recorded in the books of Shriram Finance Limited with a corresponding debit to Amalgamation Adjustment Account. When the identity of the statutory reserves is no longer required to be maintained, both the statutory reserves and the aforesaid account will be reversed (Refer note 51: Business combination). The Company had sought clarification vide its Letter dated February 21, 2023 in respect of accounting treatment for statutory reserve of SCUF in the books of SFL as the creation and utilisation of Statutory Reserve is governed by RBI Act, 1934. Pending clarification from RBI, the Company had accounted Statutory Reserve as mentioned above for the financial year March 31, 2023. RBI vide its letter no. DOR. ACC. No. S5899/21.04.018 /2023-24 dated January 12, 2024, had advised the Company to comply with the Scheme approved by NCLT in respect of accounting treatment for Statutory Reserve. Accordingly, the Company has reversed the above mentioned accounting entry passed during the previous financial year.

i) **Share option outstanding:** The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

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

k) **Other comprehensive income:** Other comprehensive income includes effective portion of cash flow hedges and Gain/(loss) on fair valuation of investments in quoted equity shares.

Effective portion of cash flow hedges represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges, which shall be reclassified to the statement of profit and loss only when the hedged transaction affects the statement of profit and loss, or included as a basis adjustment to the non-financial hedged item, consistent with the Company accounting policies.

Gain/(loss) on fair valuation of investments in quoted equity shares represents gains and losses from the change in the fair value of investments in quoted equity instruments in accordance with paragraph 5.7.5 of Ind AS 109, Financial Instruments.

l) **Retained earnings:** Retained earnings are the profits that the Group has earned till date, less any transfers to statutory reserve, general reserve and dividend distributed to shareholders.

m) **Compulsorily convertible debentures issued by susbsidiary company:** The Company's subsidiary has issued Compulsorily Convertible Debenture of Rs. 400 crores to an external investor. The Company has a right to purchase the said instrument (before or after conversion) from the investor at price computed based on pre-agreed formula, and similarly the investor has a put right written by the Company. The said arrangement is accounted as derivative and valued at zero, in accordance with accounting norms and policy.

(Rs. in crores)

Particulars	Year ended March 31, 2024			Year ended March 31, 2023		
	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	Total	On financial assets measured at amortised cost	On financial assets classified at fair value through profit or loss	Total
32 INTEREST INCOME						
Interest on loans	33,557.05	-	**33,557.05**	28,079.03	-	**28,079.03**
Interest income from investments	552.85	25.44	**578.29**	425.36	81.91	**507.27**
Interest on deposits with banks						
- Margin money deposit	258.14	-	**258.14**	216.39	-	**216.39**
- Deposits with banks	177.06	-	**177.06**	323.27	-	**323.27**
Other interest income						
- Delayed payments by customers	122.36	-	**122.36**	74.84	-	**74.84**
- Unwinding of security deposit	5.51	-	**5.51**	5.07	-	**5.07**
Total	**34,672.97**	**25.44**	**34,698.41**	**29,123.96**	**81.91**	**29,205.87**

(Rs. in crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
33 FEES AND COMMISSION INCOME		
Income from commission services - life insurance	124.93	41.49
Income from commission services - general insurance	157.82	70.59
Income from loan related and other commission services	259.49	154.49
Total	**542.24**	**266.57**

Revenue from contracts with customers

Set out below is the revenue from contracts with customers and reconciliation to the statement of profit and loss.

(Rs. in crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Type of services or service		
Fees and commission income	542.24	266.57
Total revenue from contract with customers	**542.24**	**266.57**
Geographical markets		
- India	542.24	266.57
- Outside India	-	-
Total revenue from contract with customers	**542.24**	**266.57**
Timing of revenue recognition		
Services transferred at a point in time	542.24	266.57
Services transferred over time	-	-
Total revenue from contracts with customers	**542.24**	**266.57**

33 FEES AND COMMISSION INCOME (Contd.)

Contract balance

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables	51.63	17.00
Contract assets	-	-

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

(Rs. in crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
34 NET GAIN/(LOSS) ON FAIR VALUE CHANGES		
Net gain/(loss) on financial instruments at fair value through profit or loss (A) :		
(i) On trading portfolio		
- Investments	49.05	-
- Derivatives	-	-
- Others	-	-
(ii) On financial instruments designated at fair value through profit or loss	-	-
Others (B):		
- Investment in shares, venture capital fund, mutual funds and certificate of deposits	144.76	397.35
- Direct assignment	(49.11)	(33.55)
Total Net gain/(loss) on fair value changes (C)	**144.70**	**363.80**
Fair value changes:		
- Realised	143.94	21.86
- Unrealised	0.76	341.94
Total Net gain/(loss) on fair value changes (D)	**144.70**	**363.80**

(Rs. in crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
35 OTHER OPERATING INCOME		
Bad debt recovery	487.78	354.27
Total	**487.78**	**354.27**

(Rs. in crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
36 OTHER INCOME		
Interest on income tax refund	8.62	14.73
Interest others	0.12	0.16
Profit on sale of property, plant and equipment	1.26	-
Miscellaneous income	23.47	16.72
Total	**33.47**	**31.61**

(Rs. in crores)

	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
37	**FINANCE COSTS**		
	On financial liabilities measured at amortised cost		
	Interest on deposits	3,334.57	2,347.08
	Interest on borrowings (other than debt securities)		
	- Loans from banks	3,499.85	2,904.63
	- Loans from institutions and others	885.53	776.61
	- External commercial borrowings	1,047.41	524.99
	- Interest paid on securitisation	2,099.58	1,629.69
	Interest on debt securities		
	- Debentures	2,721.08	2,712.15
	- Senior secured notes	17.75	75.32
	- External commercial bond	1,230.57	1,406.70
	- Commercial paper	133.84	0.67
	Interest on subordinated liabilities	492.58	503.41
	Other interest expense		
	- Interest on tax liability	-	0.07
	- Interest on lease liability	58.76	49.95
	- Interest cost on Net defined liability	0.24	-
	Total	**15,521.76**	**12,931.27**

(Rs. in crores)

	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
38	**FEES AND COMMISSION EXPENSES**		
	Brokerage	12.92	30.01
	Commission paid for loan sourcing	328.57	230.25
	Professional charges-resource mobilisation	55.06	34.91
	Processing charges on loans	18.63	8.68
	Professional charges on securitisation	26.23	10.23
	Total	**441.41**	**314.08**

(Rs. in crores)

	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
39	**IMPAIRMENT ON FINANCIAL INSTRUMENTS**		
	On financial instruments measured at amortised cost		
	Loans*	4,509.13	4,128.49
	Investments	35.67	4.64
	Others		
	- Undrawn commitments	(5.05)	(1.09)
	- Other assets	12.58	37.02
	Total	**4,552.33**	**4,169.06**

*Includes loss on disposal of repossessed assets Rs. 228.25 crores for the year ended March 31, 2024 (March 31, 2023: Rs. 293.79 crores).

39 IMPAIRMENT ON FINANCIAL INSTRUMENTS (Contd.)

The table below shows the ECL charges on financial instruments for the year recorded in the statement of profit and loss based on evaluation stage:

Year ended March 31, 2024

(Rs. in crores)

Particulars	General approach			Simplified Approach	Total
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective		
Loans and advances to customers measured at amortised cost	1,245.03	559.78	2,704.32	-	**4,509.13**
Debt instruments measured at amortised cost	35.67	-	-	-	**35.67**
Others					
- Undrawn commitments	(5.04)	(0.01)	-	-	**(5.05)**
- Other assets	-	-	2.80	9.78	**12.58**
Total impairment loss	**1,275.66**	**559.77**	**2,707.12**	**9.78**	**4,552.33**

Year ended March 31, 2023

(Rs. in crores)

Particulars	General approach			Simplified Approach	Total
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective		
Loans and advances to customers measured at amortised cost	537.24	334.69	3,256.56	-	**4,128.49**
Debt instruments measured at amortised cost	4.64	-	-	-	**4.64**
Others					
- Undrawn commitments	(1.06)	(0.03)	-	-	**(1.09)**
- Other assets	-	-	5.00	32.02	**37.02**
Total impairment loss	**540.82**	**334.66**	**3,261.56**	**32.02**	**4,169.06**

(Rs. in crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
40 EMPLOYEE BENEFITS EXPENSES		
Salaries, other allowance and bonus	3,175.01	2,268.33
Contribution to provident and other funds	186.35	136.96
Staff welfare expenses	81.10	48.44
Gratuity expenses (Refer note 50)	17.81	14.35
Share based payments to employees	10.47	168.03
Interest expenses on staff loan	0.78	0.31
Total	**3,471.52**	**2,636.42**

(Rs. in crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
41 DEPRECIATION, AMORTISATION AND IMPAIRMENT		
Depreciation of property, plant and equipment	257.75	229.10
Depreciation of investment property	0.04	0.05
Amortisation of intangible assets	329.81	371.54
Total	**587.60**	**600.69**

(Rs. in crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
42 OTHER EXPENSES		
Rent (Refer note 26)	13.71	7.64
Rates and taxes	5.93	30.88
Energy costs	40.58	31.94
Repairs and maintenance	121.14	111.35
Communication costs	95.12	81.30
Printing and stationery	46.64	42.11
Advertisement and publicity	51.16	33.68
Director's fees, allowances and expenses	2.24	2.40
Auditor fees and expenses (Refer note 55)		
- As Auditor	2.29	1.86
- For taxation matters	0.16	0.15
- For other services (certification)	0.08	0.41
- For reimbursement of expenses	0.09	0.26
Legal and professional charges	209.62	216.26
Other expenditure:		
Travelling and conveyance	148.96	131.25
Business promotion	277.84	188.13
Outsourcing expenses	156.59	131.73
Royalty	397.05	333.50
Insurance	8.62	7.88
Bank charges	65.74	55.89
Loss on sale of property, plant and equipment (net)	0.01	1.00
Service charges	24.38	43.15
CSR expenses (Refer note 59)	93.33	95.48
Miscellaneous expenses	116.92	94.90
Total	**1,878.20**	**1,643.15**

43 INCOME TAX

The components of income tax expense for the financial years ended March 31, 2024 and March 31, 2023 are:

(Rs. in crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current tax	3,433.06	2,911.40
Adjustment in respect of current income tax of prior years	17.98	11.58
Deferred tax relating to origination and reversal of temporary differences	(881.98)	(720.73)
Total tax charge	**2,569.06**	**2,202.25**
Current tax	3,451.04	2,922.98
Deferred tax	(881.98)	(720.73)

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at Indian corporate tax rate.

43 INCOME TAX (Contd.)

A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the financial year is given below:

(Rs. in crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Accounting profit before tax	9,960.17	8,213.72
At India's statutory income tax rate of 25.168% (2023: 25.168%)	2,506.78	2,067.23
Adjustment in respect of current income tax of prior years	17.98	11.58
Income subject to tax at special rate	-	-
Income not subject to tax	-	-
Non-deductible expenses		
Corporate social responsibility expenditure not allowable for tax purpose	23.48	24.03
Adjustment in respect of prior years	(17.98)	(11.58)
Others	38.80	110.99
Income tax expense reported in the statement of profit and loss	**2,569.06**	**2,202.25**
Effective income tax rate	**25.79%**	**26.81%**

Deferred tax

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

(Rs. in crores)

Particulars	Deferred tax assets	Deferred tax liabilities	Statement of profit and loss	OCI
	As at March 31, 2024	As at March 31, 2024	Year ended March 31, 2024	Year ended March 31, 2024
Property, plant and equipment, intangible assets and investment property - carrying amount other than on account of fair valuation	60.78	0.01	6.90	-
Provision for post retirement benefits	53.30	-	(6.30)	(19.84)
Expenses allowable for tax purposes when paid	80.77	-	(31.45)	-
EIR impact on debt instrument in the nature of borrowings measured at amortised cost	-	0.01	(0.03)	-
Cash flow hedge reserve	89.59	0.02	-	(14.08)
Impairment allowance on loans and advances	2,880.34	-	(1,004.17)	-
Impairment allowance for undrawn commitments	33.10	-	(7.77)	-
Fair valuation on derecognition of financial instrument	-	89.27	21.25	-
ESOP compensation expenses	18.54	-	32.19	-
Fair valuation impact of merger	37.35	239.93	47.71	-
Other temporary differences	243.26	98.42	59.69	4.15
Total	**3,497.04**	**427.66**	**(881.98)**	**(29.77)**

43 INCOME TAX (Contd.)

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

(Rs. in crores)

Particulars	Deferred tax assets	Deferred tax liabilities	Statement of profit and loss	OCI
	As at March 31, 2023	As at March 31, 2023	Year ended March 31, 2023	Year ended March 31, 2023
Property, plant and equipment, intangible assets and investment property - carrying amount other than on account of fair valuation	67.30	-	(3.65)	-
Provision for post retirement benefits	27.18	0.01	(9.41)	(2.23)
Expenses allowable for tax purposes when paid	49.33	-	(13.18)	-
EIR impact on debt instrument in the nature of borrowings measured at amortised cost	-	0.05	(4.46)	-
Cash flow hedge reserve	75.48	-	-	(3.71)
Impairment allowance on loans and advances	1,672.59	-	(811.63)	-
Impairment allowance for undrawn commitments	25.34	-	(9.08)	-
Fair valuation on derecognition of financial instrument	-	68.03	17.43	-
ESOP compensation expenses	50.72	-	(28.90)	-
Fair valuation impact of merger	308.57	225.85	152.14	-
Other temporary differences	16.25	44.77	(9.99)	(2.97)
Total	**2,292.76**	**338.71**	**(720.73)**	**(8.91)**

Reconciliation of deferred tax assets/(liabilities)

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	**1,954.05**	**869.38**
Recognised pursuant to merger of erstwhile Shriram City Union Finance Limited	-	184.89
Recognised pursuant to merger of Shriram Housing Finance Limited	-	(31.86)
Effects of business combination	-	202.08
Recognised in statement of profit and loss/adjustment	1,085.58	720.73
Recognised in statement of profit and loss under OCI	29.75	8.83
Closing balance	**3,069.38**	**1,954.05**

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

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Amounts recognised in respect of current tax/deferred tax directly in equity	-	-
Unused tax losses for which no deferred tax asset has been recognised	-	-

44 EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Group by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit for the year attributable to equity holders of Group (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Net profit after tax attributable to equity holders as per Statement of profit and loss (Rs. in crores) **(A)**	7,366.38	6,011.04
Weighted average number of equity shares for calculating basic EPS (in crores) **(B)**	37.52	37.44
Weighted average number of equity shares for calculating diluted EPS (in crores) **(C)**	37.64	37.61
Basic earnings per equity share (in Rupees) (face value of Rs. 10/- per share) **(A) / (B)**	196.32	160.54
Diluted earnings per equity share (in Rupees) (face value of Rs. 10/- per share) **(A) / (C)**	195.69	159.83

45 INVESTMENT IN SUBSIDIARIES AND ASSOCIATES

The Company has invested in the following entities:

Name of the entity	Relationship	Country of incorporation	Principal place of business	Principal activities	% Equity interest	
					As at March 31, 2024	As at March 31, 2023
Shriram Housing Finance Limited (SHFL)	Subsidiary	India	Mumbai	Housing Finance	83.78%	84.82%
Shriram Automall India Limited (SAMIL)	Associate	India	New Delhi	Market leader in physical bidding for acquisition and disposal of pre-owned vehicles and equipment.	44.56%	44.56%

The Company has recognised its investment in associate under equity method and not adjusted to fair value at the end of each reporting period.

The Company's share in the associate is as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2024*	Year ended March 31, 2023
(a) Share in profit or loss from continuing operations	7.78	8.56
(b) Share in post-tax profit or loss from discontinued operations	-	-
(c) Share in other comprehensive income	(0.06)	(0.26)
(d) Share in total comprehensive income	7.72	8.30

*The financial statements of the associate are as per unaudited financial statements provided by the management.

46 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(Rs. in crores)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial Assets						
Cash and cash equivalents	6,182.36	-	**6,182.36**	9,932.84	-	**9,932.84**
Bank balance other than above	4,865.90	124.54	**4,990.44**	6,163.41	210.70	**6,374.11**
Derivative financial instruments	(3.91)	330.39	**326.48**	499.20	170.17	**669.37**
Receivables						
(I) Trade receivables	51.63	-	**51.63**	17.00	-	**17.00**
(II) Other receivables	169.68	170.85	**340.53**	195.47	234.22	**429.69**
Loans	92,494.11	126,201.50	**218,695.61**	73,669.67	105,015.47	**178,685.14**
Investments	1,439.42	8,032.40	**9,471.82**	1,573.05	5,857.02	**7,430.07**
Other financial assets	85.70	284.87	**370.56**	2.96	74.51	**77.47**
Non-Financial Assets						
Current tax asset	20.52	572.51	**593.03**	11.29	716.97	**728.26**
Deferred tax assets (net)	(49.23)	3,118.61	**3,069.38**	0.14	1,953.91	**1,954.05**
Investment property	-	0.99	**0.99**	-	2.62	**2.62**
Property, plant and equipment	-	941.07	**941.07**	-	751.48	**751.49**
Intangible assets under development	-	-	**-**	-	66.08	**66.08**
Goodwill	-	1,740.94	**1,740.94**	-	1,740.94	**1,740.94**
Other intangible assets	-	1,034.87	**1,034.87**	-	1,218.46	**1,218.46**
Other non-financial assets	233.54	222.67	**456.22**	102.26	392.84	**495.10**
Total Assets	**105,489.73**	**142,776.21**	**248,265.94**	**92,167.29**	**118,405.39**	**210,572.69**
Liabilities						
Financial Liabilities						
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	0.02	-	**0.02**	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	245.89	-	**245.89**	313.04	0.15	**313.19**
(II) Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	2.25	-	**2.25**	0.36	-	**0.36**
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	3.16	-	**3.16**	1.09	-	**1.09**
Debt securities	12,071.52	34,379.16	**46,450.68**	19,271.74	25,652.29	**44,924.03**
Borrowings (other than debt securities)	38,392.64	61,759.80	**100,152.44**	32,875.16	45,669.59	**78,544.75**
Deposits	11,430.94	33,012.72	**44,443.66**	9,354.28	26,785.55	**36,139.83**
Subordinated liabilities	2,405.27	2,044.03	**4,449.30**	309.44	4,284.19	**4,593.63**
Other financial liabilities	1,377.13	653.11	**2,030.24**	1,083.84	592.06	**1,675.90**

46 MATURITY ANALYSIS OF ASSETS AND LIABILITIES (Contd.)

(Rs. in crores)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Non-Financial Liabilities						
Current tax liabilities (net)	237.79	-	**237.79**	160.89	-	**160.89**
Provisions	129.60	175.18	**304.78**	213.52	0.98	**214.50**
Other non-financial liabilities	268.99	0.05	**269.04**	204.97	-	**204.98**
Total Liabilities	**66,565.20**	**132,024.05**	**198,589.25**	**63,788.33**	**102,984.81**	**166,773.15**
Net	**38,924.53**	**10,752.16**	**49,676.69**	**28,378.96**	**15,420.58**	**43,799.54**

47 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

(Rs. in crores)

Particulars	As at March 31, 2023	Cash flows	Changes in fair value	Exchange difference	Other	As at March 31, 2024
Debt securities	44,924.03	2,310.54	-	-	(783.89)	46,450.68
Borrowings (other than debt securities)	78,544.75	21,980.38	-	4.20	(376.89)	100,152.44
Deposits	36,139.83	8,379.85	-	-	(76.02)	44,443.66
Subordinated liabilities	4,593.63	(148.78)	-	-	4.45	4,449.30
Lease liability	602.08	(207.60)	-	-	304.87	699.35
Total liabilities from financing activities	**164,804.32**	**32,314.40**	**-**	**4.20**	**(927.48)**	**196,195.43**

(Rs. in crores)

Particulars	As at March 31, 2022	Cash flows	Changes in fair value	Exchange difference	Other	As at March 31, 2023
Debt securities	41,256.55	3,495.32	-	-	172.16	44,924.03
Borrowings (other than debt securities)	46,676.93	31,646.54	-	0.59	220.69	78,544.75
Deposits	21,948.98	14,153.14	-	-	37.71	36,139.83
Subordinated liabilities	4,614.25	(68.30)	-	-	47.68	4,593.63
Lease liability	349.43	(175.56)	-	-	428.21	602.08
Total liabilities from financing activities	**114,846.14**	**49,051.14**	**-**	**0.59**	**906.45**	**164,804.32**

48 CONTINGENT LIABILITIES AND COMMITMENTS

(A) Contingent liabilities

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Claims against the Company not acknowledged as debts		
a. In respect of Income tax demands where the Group has filed appeal before various authorities	102.58	91.68
b. VAT demand where the Group has filed appeal before various appellates	0.02	4.92
c. Service tax demands where the Group has filed appeal before various authorities	2,056.83	2,056.83
d. GST demand where the Group has filed appeals	7.72	-
e. Stamp duty demand raised by District Registrar office against which the Group has filed appeal.	6.69	-

48 CONTINGENT LIABILITIES AND COMMITMENTS (Contd.)

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
f. Penalty levied for Contravention of provisions of Section 6(3)(b) of FEMA, 1999 read with Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000	-	5.00
g. Bank Guarantees/Mortgage Loan	185.14	59.92
Total	**2,358.98**	**2,218.35**

Future cash outflows in respect of above are determinable only on receipt of judgements /decisions pending with various forums/authorities. It is not practicable for the Group to estimate the timings of the cash flows, if any, in respect of the above pending resolution of the respective proceedings. The Group does not expect any reimbursement in respect of the above contingent liabilities. The Group is of the opinion that above demands are not sustainable and expects to succeed in its appeals. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the financial position and results of operations of the Group.

(B) Commitments not provided for

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
a. Estimated amount of contracts remaining to be executed on capital account, net of advances	47.73	102.11
b. Commitments related to loans sanctioned but undrawn	841.42	839.63

49 RELATED PARTY TRANSACTIONS

Related Parties as at March 31, 2024

Relationship	Name of the party
I. Promoter	: Shriram Capital Private Limited (w.e.f. November 24, 2022) Shriram Capital Limited (upto November 23, 2022)
II. Promoter Group	: Shriram Value Services Limited Novac Technology Solutions Private Limited Shriram Fortune Solutions Limited Shriram General Insurance Company Limited Shriram Life Insurance Company Limited Shriram Insight Share Brokers Limited Shriram Asset Management Company Limited Shriram Financial Products Solutions (Chennai) Private Limited (upto March 31, 2023) Insight Commodities and Futures Private Limited (upto May 18, 2022) Shriram Credit Company Limited Shriram Overseas Investments Private Limited Shriram Wealth Limited Bharath Investments Pte. Limited, Singapore SGI Philippines General Insurance Co. Inc. Novac Digital Service Private Limited Shriram LI Holdings Private Limited Shriram GI Holdings Private Limited SEA funds Management India Private Limited

49 RELATED PARTY TRANSACTIONS (Contd.)

II.	Promoter Group	: Way2wealth Insurance Brokers Private Limited Way2wealth Securities Private Limited (upto March 31 2023) Way2wealth Brokers Private Limited Way2wealth Commodities Private Limited Shriram Investment Holdings Limited (upto September 05, 2023) Shriram Investment Holdings Private Limited (w.e.f. September 06, 2023) Shriram Asset Reconstruction Private Limited (w.e.f. December 01, 2022) Novac Technology FZCO (w.e.f February 08, 2023) Novac GT Technology LLC (Dubai) (w.e.f October 18, 2023)
III.	Associates	: Shriram Automall India Limited Cartradeexchange Solutions Private Limited Adroit Inspection Service Private Limited Augeo Asset Management Private Limited
IV.	Key Management Personnel (KMP)	: Mr. Umesh Revankar, Executive Vice Chairman (w.e.f. December 05, 2022) Mr. Umesh Revankar, Vice Chairman & Managing Director (upto December 04, 2022) Mr. Y. S. Chakravarti, Managing Director & CEO (w.e.f. December 05, 2022) Mr. Y. S. Chakravarti, Director (upto December 04, 2022) Mr. Jugal Kishore Mohapatra, Chairman (w.e.f. December 04, 2022) Mr. Parag Sharma, Whole Time Director, Joint Managing Director & CFO Mr. S. Sridhar, Independent Director Mr. Pradeep Kumar Panja, Independent Director Mrs. Maya Sinha, Independent Director (w.e.f. December 04, 2022) Mr. S Ravindran, Non-Executive Independent Director (w.e.f. August 31, 2023) Mr. D. V. Ravi, Director Mr. Ignatius Michael Viljoen, Director Mr. S.Sunder, Joint Managing Director Mr. R. Chandrasekar, Joint Managing Director & Chief Compliance Officer (w.e.f. December 04, 2022) Mr. U Balasundararao, Company Secretary & Compliance officer Mr. Hardeep Singh Tur, Chief Risk Officer Mr. Srinivas K., Joint Managing Director (w.e.f. December 04, 2022 and upto January 25 ,2024) Mr. G. M. Jilani, Joint Managing Director (w.e.f. December 04, 2022 and upto January 25, 2024) Mr. P. Sridharan, Joint Managing Director (upto January 25, 2024) Mr. Sudarshan Holla, Joint Managing Director (upto January 25, 2024) Mr. Nilesh Odedara, Joint Managing Director (upto January 25, 2024) Mr. Aseem Gandhi, Executive Director (w.e.f. December 04, 2022 and upto July 27, 2023) Mr. S. Lakshminarayanan (upto December 04, 2022) Mrs. Kishori Udeshi (upto December 04, 2022)

49 RELATED PARTY TRANSACTIONS (Contd.)

V.	Close members of Key Management Personnel (with whom the company has transactions)	: Mrs. Suchita U. Revankar (Spouse of Mr. Umesh Revankar) Mrs. Geeta G. Revankar (Mother of Mr. Umesh Revankar) Mr. Anil G. Revankar (Brother of Mr. Umesh Revankar) Mr. Shreyas U. Revankar (Son of Mr. Umesh Revankar) Mr. Shrishgovind U. Revankar (Son of Mr. Umesh Revankar) Mrs. Yalamati Sujatha (spouse of Mr. Y. S. Chakravarti) Mr. Sree Bhargav Y. (Son of Mr. Y. S. Chakravarti) Mrs. Rama Sharma (Mother of Mr. Parag Sharma) Ms. Atibhi Sharma (Daughter of Mr. Parag Sharma) Mr. Amit Sharma (Brother of Mr. Parag Sharma) Mrs. P. Suchitra (Sister of Mr. Pradeep Kumar Panja) Mrs. P. Surekha (Sister of Mr. Pradeep Kumar Panja) Mrs. Sujatha Sunder (Spouse of Mr. S. Sunder) Mrs. Barathy Chandrasekar (Spouse of Mr. R. Chandrasekar) (w.e.f. December 04, 2022) Mrs. Deepika Karthik (Daughter of Mr. R. Chandrasekar) (w.e.f. December 04, 2022) Mr. Karthik (Husband of Daugther of Mr. R. Chandrasekar) (w.e.f. December 04, 2022) Mrs. Uma Swaminathan (Mother of Mrs. Maya Sinha) (w.e.f. December 04, 2022) Mrs. S. Arulmozhi (Spouse of Mr. P. Sridharan) (upto January 25, 2024) Ms. S. Karunyalakshmi (Daughter of Mr. P. Sridharan) (upto January 25, 2024) Mr. Jayendra Purshottamdas Udeshi (Spouse of Director Mrs. Kishori Udeshi) (upto December 04, 2022)
VI.	Employees' Benefit Plan	: Shriram Transport Finance Company Limited Employees' Group Gratuity Assurance Scheme Shriram City Union Finance Limited Employees' Group Gratuity Assurance Scheme (w.e.f. April 01, 2022) Shriram Housing Finance Company Limited Employees Group Gratuity Fund Trust (w.e.f. April 01, 2022)

49 RELATED PARTY TRANSACTIONS (Contd.)

Summary of Related Party Transactions

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employee's benefit plan		Key management personnel		Close members of key management personnel		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Payments/ Expenses														
Payment to key management personnel *	-	-	-	-	-	-	-	-	13.48	11.32	-	-	13.48	11.32
Royalty	-	-	364.27	305.95	-	-	-	-	-	-	-	-	364.27	305.95
Service charges	22.37	39.58	-	-	-	-	-	-	-	-	-	-	22.37	39.58
I.T. and BPO charges	-	-	141.97	126.96	-	-	-	-	-	-	-	-	141.97	126.96
Intangible assets under development	-	-	63.00	56.00	-	-	-	-	-	-	-	-	63.00	56.00
Rent	-	-	0.02	0.03	16.04	14.21	-	-	-	-	-	-	16.06	14.24
Business mobilisation expenses	-	-	-	-	0.17	0.04	-	-	-	-	-	-	0.17	0.04
Other administrative expenses	-	-	0.03	10.36	11.63	13.84	-	-	-	-	-	-	11.66	24.20
Insurance premium	-	-	27.51	24.04	-	-	-	-	-	-	-	-	27.51	24.04
Security deposit paid	-	-	0.01	0.45	-	-	-	-	-	-	-	-	0.01	0.45
Commission	-	-	31.46	100.51	1.00	0.32	-	-	-	-	-	-	32.46	100.83
Sales promotion	-	-	11.79	56.01	-	-	-	-	-	-	-	-	11.79	56.01
Direct Selling Agent commission	-	-	0.20	-	-	-	-	-	-	-	-	-	0.20	-
Debt Syndication Services	-	-	0.60	-	-	-	-	-	-	-	-	-	0.60	-
Revenue sharing paid	-	-	-	-	0.42	0.29	-	-	-	-	-	-	0.42	0.29
Valuation charges	-	-	-	-	-	0.00	-	-	-	-	-	-	-	0.00
Investment in mutual fund	-	-	43.00	31.50	-	-	-	-	-	-	-	-	43.00	31.50
Purchase of property, plant and equipment	-	-	-	0.37	-	-	-	-	-	-	-	-	-	0.37
Gratuity & leave encashment paid	-	-	0.02	-	-	-	-	-	-	-	-	-	0.02	-
Interest paid	-	-	106.16	75.81	7.44	2.44	-	-	0.05	0.04	0.12	0.08	113.77	78.38
Equity dividend	335.73	100.72	64.97	18.89	-	-	-	-	0.33	0.10	0.00	0.00	401.03	119.72
Subordinated debts matured	-	-	192.50	33.90	-	-	-	-	-	-	-	-	192.50	33.90
Non-convertible debenture (secured) matured	-	-	52.15	32.11	8.19	1.10	-	-	-	0.10	-	0.07	60.34	33.39
Fixed deposit matured	-	-	22.54	4.07	22.00	8.00	-	-	0.25	0.04	0.98	0.45	45.77	12.55
Employer contribution to employees group gratuity assurance scheme	-	-	-	-	-	-	62.39	17.98	-	-	-	-	62.39	17.98
Inter-corporate deposit repaid	-	-	-	-	-	48.28	-	-	-	-	-	-	-	48.28
Receipts/ Income														
Recovery of common sharing expenses	0.03	0.02	0.21	0.62	0.28	0.24	-	-	-	-	-	-	0.52	0.88
Reimbursement of expenses	-	-	-	0.04	-	-	-	-	-	-	-	-	-	0.04
Dividend received	-	-	-	-	-	5.35	-	-	-	-	-	-	-	5.35
Gratuity, leave encashment, bonus and leave travel allowances received	-	0.03	0.61	5.63	0.28	0.15	-	-	-	-	-	-	0.89	5.81
Sale of property, plant and equipment	-	-	-	0.02	0.00	-	-	-	-	-	-	-	0.00	0.02
Rent and electricity	-	0.10	-	0.10	3.73	4.21	-	-	-	-	-	-	3.73	4.41
Business auxiliary services	0.11	0.07	-	-	-	-	-	-	-	-	-	-	0.11	0.07
Other income	-	-	0.00	0.00	-	-	-	-	-	-	-	-	0.00	0.00
Insurance claims	-	-	0.32	0.54	-	-	-	-	-	-	-	-	0.32	0.54
Insurance premium received	-	0.00	0.07	-	-	-	-	-	-	-	-	-	0.07	0.00
Investment in mutual fund redeemed	-	-	45.19	25.10	-	-	-	-	-	-	-	-	45.19	25.10
Revenue sharing received	-	-	-	-	0.07	0.42	-	-	-	-	-	-	0.07	0.42
Commission received	-	-	246.99	92.39	-	-	-	-	-	-	-	-	246.99	92.39
Fixed deposit received	-	-	10.00	22.07	54.74	19.66	-	-	0.19	1.12	2.05	1.53	66.98	44.39
Inter-corporate deposit received	-	-	-	-	-	20.83	-	-	-	-	-	-	-	20.83
Balance outstanding at the year end														
Equity share capital	67.15	67.15	20.77	12.99	-	-	-	-	0.05	0.07	0.00	0.00	87.97	80.21
Investment in equity shares	-	-	-	-	188.48	183.74	-	-	-	-	-	-	188.48	183.74
Commission and other receivables	-	-	38.28	29.97	-	-	-	-	-	-	-	-	38.28	29.97
Outstanding expenses	5.71	0.02	50.81	90.22	3.24	1.06	-	-	-	-	-	-	59.76	91.30
Investment in mutual fund	-	-	10.01	12.00	-	-	-	-	-	-	-	-	10.01	12.00
Fixed deposit														
- Public deposit	-	-	-	-	-	-	-	-	1.29	1.30	3.44	2.17	4.73	3.47
- Deposit from corporates	-	-	50.34	64.11	144.35	107.76	-	-	-	-	-	-	194.69	171.87

49 RELATED PARTY TRANSACTIONS (Contd.)

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employee's benefit plan		Key management personnel		Close members of key management personnel		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Subordinated debt	-	-	330.21	523.20	-	-	-	-	-	-	-	-	**330.21**	**523.20**
Non-convertible debenture (secured)														
- Public issue	-	-	68.74	70.80	7.82	16.88	-	-	-	-	-	-	**76.56**	**87.68**
- Privately placed	-	-	511.02	370.13	-	-	-	-	-	-	-	-	**511.02**	**370.13**

Income / expenses are presented excluding GST.

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

There were no guarantees given on behalf of related parties during the year.

*Some of the Key management personnel/ Senior management personnel are eligible for superannuation benefits of a trust formed by the promoter group and as the benefits are decided by the committee of the trust, the same neither come within the purview of the Company nor have any impact on the Statement Profit and Loss of the Company and hence are not included as part of remuneration.

The Group has not granted loans or advances to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that is repayable on demand or without specifying any terms or period of repayment for the financial year ended March 31, 2024 and March 31, 2023.

Breakup of Related Party Transactions

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employee's benefit plan		Key management personnel		Close members of key management personnel		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Payments/ Expenses														
Employee benefits for key management personnel *														
- Short term benefits	-	-	-	-	-	-	-	-	10.45	7.99	-	-	**10.45**	**7.99**
- Post employment benefits	-	-	-	-	-	-	-	-	1.73	1.78	-	-	**1.73**	**1.78**
Commission and sitting fee paid to directors														
- Mr. S. Lakshminarayanan	-	-	-	-	-	-	-	-	-	0.32	-	-	**-**	**0.32**
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	-	0.30	-	-	**-**	**0.30**
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.38	0.37	-	-	**0.38**	**0.37**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.38	0.39	-	-	**0.38**	**0.39**
- Mrs. Maya Sinha	-	-	-	-	-	-	-	-	0.24	0.09	-	-	**0.24**	**0.09**
- Mr. S Ravindran	-	-	-	-	-	-	-	-	0.11	-	-	-	**0.11**	**-**
- Mr. Jugal Kishore Mohapatra	-	-	-	-	-	-	-	-	0.19	0.07	-	-	**0.19**	**0.07**
Royalty														
- Shriram Value Services Limited	-	-	364.27	305.95	-	-	-	-	-	-	-	-	**364.27**	**305.95**
Service charges														
- Shriram Capital Limited	-	32.25	-	-	-	-	-	-	-	-	-	-	**-**	**32.25**
- Shriram Capital Private Limited	22.37	7.33	-	-	-	-	-	-	-	-	-	-	**22.37**	**7.33**
Voice call services														
- Novac Technology Solutions Private Limited	-	-	37.19	11.05	-	-	-	-	-	-	-	-	**37.19**	**11.05**
IT and BPO charges														
- Novac Technology Solutions Private Limited	-	-	104.78	115.91	-	-	-	-	-	-	-	-	**104.78**	**115.91**
Intangible assets under development														
- Novac Technology Solutions Private Limited	-	-	63.00	56.00	-	-	-	-	-	-	-	-	**63.00**	**56.00**
Rent														
- Shriram Automall India Limited	-	-	-	-	16.04	14.21	-	-	-	-	-	-	**16.04**	**14.21**
- Shriram Financial Products Solutions (Chennai)Private Limited	-	-	-	0.01	-	-	-	-	-	-	-	-	**-**	**0.01**
- Shriram Fortune Solutions Limited	-	-	-	0.01	-	-	-	-	-	-	-	-	**-**	**0.01**
- Shriram Asset Management Company Limited	-	-	0.02	0.02	-	-	-	-	-	-	-	-	**0.02**	**0.02**
Business mobilisation expenses														
- Shriram Automall India Limited	-	-	-	-	0.17	0.04	-	-	-	-	-	-	**0.17**	**0.04**
Other administrative expenses														
- Shriram Insight Share Brokers Limited	-	-	0.03	0.04	-	-	-	-	-	-	-	-	**0.03**	**0.04**
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	-	10.02	-	-	-	-	-	-	-	-	**-**	**10.02**
- Shriram Credit Company Limited	-	-	-	0.30	-	-	-	-	-	-	-	-	**-**	**0.30**

49 RELATED PARTY TRANSACTIONS (Contd.)

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employee's benefit plan		Key management personnel		Close members of key management personnel		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
- Shriram Automall India Limited	-	-	-	-	11.63	13.84	-	-	-	-	-	-	11.63	13.84
Insurance premium														
- Shriram Life Insurance Company Limited	-	-	17.03	14.44	-	-	-	-	-	-	-	-	17.03	14.44
- Shriram General Insurance Company Limited	-	-	10.48	9.60	-	-	-	-	-	-	-	-	10.48	9.60
Security deposit paid														
- Shriram Life Insurance Company Limited	-	-	-	0.25	-	-	-	-	-	-	-	-	-	0.25
- Shriram Asset Management Company Limited	-	-	0.01	-	-	-	-	-	-	-	-	-	0.01	-
- Shriram General Insurance Company Limited	-	-	-	0.20	-	-	-	-	-	-	-	-	-	0.20
Commission														
- Shriram Fortune Solutions Limited	-	-	-	68.22	-	-	-	-	-	-	-	-	-	68.22
- Adroit Inspection Service Private Limited	-	-	-	-	1.00	0.32	-	-	-	-	-	-	1.00	0.32
- Shriram Financial Products Solutions (Chennai)Private Limited	-	-	-	21.38	-	-	-	-	-	-	-	-	-	21.38
- Shriram Insight Share Brokers Limited	-	-	8.80	8.92	-	-	-	-	-	-	-	-	8.80	8.92
- Shriram Wealth Limited	-	-	0.69	1.61	-	-	-	-	-	-	-	-	0.69	1.61
- Shriram Credit Company Limited			21.37	-									21.37	-
- Way2wealth Securities Private Limited	-	-	0.60	0.38	-	-	-	-	-	-	-	-	0.60	0.38
Sales promotion														
- Shriram Fortune Solutions Limited	-	-	-	40.80	-	-	-	-	-	-	-	-	-	40.80
- Shriram Financial Products Solutions (Chennai)Private Limited	-	-	-	12.75	-	-	-	-	-	-	-	-	-	12.75
- Shriram Insight Share Brokers Limited	-	-	2.21	2.03	-	-	-	-	-	-	-	-	2.21	2.03
- Shriram Wealth Limited	-	-	0.17	0.37	-	-	-	-	-	-	-	-	0.17	0.37
- Shriram Credit Company Limited	-	-	9.28	-									9.28	-
- Way2wealth Securities Private Limited	-	-	0.13	0.08	-	-	-	-	-	-	-	-	0.13	0.08
Direct Selling Agent commission														
- Way2wealth Brokers Private Limited	-	-	0.20	-	-	-	-	-	-	-	-	-	0.20	-
Debt Syndication Services														
- Shriram Credit Company Limited	-	-	0.60	-	-	-	-	-	-	-	-	-	0.60	-
Revenue sharing paid														
- Shriram Automall India Limited	-	-	-	-	0.42	0.29	-	-	-	-	-	-	0.42	0.29
Interest on Inter corporate Deposit														
- Shriram Automall India Limited	-	-	-	-	-	0.55	-	-	-	-	-	-	-	0.55
Valuation charges paid														
- Shriram Automall India Limited	-	-	-	-	-	0.00	-	-	-	-	-	-	-	0.00
Investment in mutual fund														
- Shriram Asset Management Company Limited	-	-	43.00	31.50	-	-	-	-	-	-	-	-	43.00	31.50
Purchase of property, plant and equipment														
- Shriram Life Insurance Company Limited	-	-	-	0.07	-	-	-	-	-	-	-	-	-	0.07
- Shriram Fortune Solutions Limited	-	-	-	0.30	-	-	-	-	-	-	-	-	-	0.30
Gratuity & leave encashment paid														
- Shriram Life Insurance Company Limited	-	-	0.02	-	-	-	-	-	-	-	-	-	0.02	-
Interest on fixed deposit														
- Key management personnel														
- Mr. Parag Sharma	-	-	-	-	-	-	-	-	0.00	0.00	-	-	0.00	0.00
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.01	-	-	-	0.01	-
- Mr. Hardeep Singh Tur	-	-	-	-	-	-	-	-	-	0.00	-	-	-	0.00
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.04	-	-	-	0.04	-
- Close members of key management personnel	-	-	-	-	-	-	-	-	-	-	0.12	0.05	0.12	0.05
- Shriram Automall India Limited	-	-	-	-	5.41	0.34	-	-	-	-	-	-	5.41	0.34
- Shriram Fortune Solutions Limited	-	-	-	0.02	-	-	-	-	-	-	-	-	-	0.02
- Shriram Asset Management Company Limited	-	-	5.87	-	-	-	-	-	-	-	-	-	5.87	-
- Cartradeexchange Solutions Private Limited	-	-	-	-	-	0.06	-	-	-	-	-	-	-	0.06
Interest on subordinated debt														
- Shriram Life Insurance Company Limited	-	-	15.27	13.73	-	-	-	-	-	-	-	-	15.27	13.73
- Shriram General Insurance Company Limited	-	-	32.67	34.33	-	-	-	-	-	-	-	-	32.67	34.33
Interest on non-convertible debenture (secured)														
- Shriram Life Insurance Company Limited	-	-	14.79	11.25	-	-	-	-	-	-	-	-	14.79	11.25

49 RELATED PARTY TRANSACTIONS (Contd.)

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employee's benefit plan		Key management personnel		Close members of key management personnel		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
- Shriram General Insurance Company Limited	-	-	33.37	16.20	-	-	-	-	-	-	-	-	**33.37**	**16.20**
- Shriram Asset Management Company Limited	-	-	0.20	0.27	-	-	-	-	-	-	-	-	**0.20**	**0.27**
- Shriram Insight Share Brokers Limited	-	-	0.01	0.01	-	-	-	-	-	-	-	-	**0.01**	**0.01**
- Shriram Automall India Limited	-	-	-	-	2.03	1.49	-	-	-	-	-	-	**2.03**	**1.49**
- Shriram Value Services Limited	-	-	3.96	-	-	-	-	-	-	-	-	-	**3.96**	-
- Key management personnel														
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	-	0.04	-	-	-	**0.04**
- Close members of key management personnel	-	-	-	-	-	-	-	-	-	-	-	0.03	-	**0.03**
Equity dividend														
- Close members of key management personnel	-	-	-	-	-	-	-	-	-	-	0.00	0.00	**0.00**	**0.00**
- Key management personnel														
- Mr. Parag Sharma	-	-	-	-	-	-	-	-	0.23	0.07	-	-	**0.23**	**0.07**
- Mr. S. Sunder	-	-	-	-	-	-	-	-	0.00	0.00	-	-	**0.00**	**0.00**
- Mr. P. Sridharan	-	-	-	-	-	-	-	-	-	0.00	-	-	-	**0.00**
- Mr. Sudarshan Holla	-	-	-	-	-	-	-	-	0.00	0.00	-	-	**0.00**	**0.00**
- Mr. U Balasundararao	-	-	-	-	-	-	-	-	0.00	0.00	-	-	**0.00**	**0.00**
- Mr. R. Chandrasekar	-	-	-	-	-	-	-	-	0.03	0.01	-	-	**0.03**	**0.01**
- Mr. D. V. Ravi	-	-	-	-	-	-	-	-	0.00	0.00	-	-	**0.00**	**0.00**
- Mr. G. M. Jilani	-	-	-	-	-	-	-	-	0.06	0.02	-	-	**0.06**	**0.02**
- Shriram Capital Private Limited	335.73	100.72	-	-	-	-	-	-	-	-	-	-	**335.73**	**100.72**
- Shriram Value Services Limited	-	-	64.97	18.89	-	-	-	-	-	-	-	-	**64.97**	**18.89**
Subordinated debts matured														
- Shriram General Insurance Company Limited	-	-	165.80	27.90	-	-	-	-	-	-	-	-	**165.80**	**27.90**
- Shriram Life Insurance Company Limited	-	-	26.70	6.00	-	-	-	-	-	-	-	-	**26.70**	**6.00**
Non convertible debenture (secured) matured														
- Shriram Life Insurance Company Limited	-	-	-	31.90	-	-	-	-	-	-	-	-	-	**31.90**
- Shriram Insight Share Brokers Limited	-	-	0.06	-	-	-	-	-	-	-	-	-	**0.06**	-
- Shriram Asset Management Company Limited	-	-	2.09	0.21	-	-	-	-	-	-	-	-	**2.09**	**0.21**
- Shriram Automall India Limited	-	-	-	-	8.19	1.10	-	-	-	-	-	-	**8.19**	**1.10**
- Shriram Value Services Limited	-	-	50.00	-	-	-	-	-	-	-	-	-	**50.00**	-
- Key management personnel														
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	-	0.10	-	-	-	**0.10**
- Close members of key management personnel	-	-	-	-	-	-	-	-	-	-	-	0.07	-	**0.07**
Fixed deposit matured														
- Key management personnel														
- Mr. Parag Sharma	-	-	-	-	-	-	-	-	0.00	0.00	-	-	**0.00**	**0.00**
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.05	-	-	-	**0.05**	-
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.20	-	-	-	**0.20**	-
- Mr. Hardeep Singh Tur	-	-	-	-	-	-	-	-	-	0.03	-	-	-	**0.03**
- Close members of key management personnel	-	-	-	-	-	-	-	-	-	-	0.98	0.45	**0.98**	**0.45**
- Shriram Automall India Limited	-	-	-	-	22.00	5.00	-	-	-	-	-	-	**22.00**	**5.00**
- Shriram Fortune Solutions Limited	-	-	-	4.07	-	-	-	-	-	-	-	-	-	**4.07**
- Shriram Asset Management Company Limited	-	-	22.54	-	-	-	-	-	-	-	-	-	**22.54**	-
- Cartradeexchange Solutions Private Limited	-	-	-	-	-	3.00	-	-	-	-	-	-	-	**3.00**
Employer contribution to employees group gratuity assurance scheme	-	-	-	-	-	-	62.39	17.98	-	-	-	-	**62.39**	**17.98**
Inter-corporate deposit repaid														
- Shriram Automall India Limited	-	-	-	-	-	48.28	-	-	-	-	-	-	-	**48.28**
TOTAL	**358.10**	**140.30**	**1,122.18**	**876.97**	**66.89**	**88.52**	**62.39**	**17.98**	**14.10**	**11.60**	**1.10**	**0.60**	**1,624.76**	**1,135.96**
Receipts/ Income														
Recovery of common sharing expenses														
- Shriram Automall India Limited	-	-	-	-	0.28	0.24	-	-	-	-	-	-	**0.28**	**0.24**
- Shriram Capital Limited	-	0.02	-	-	-	-	-	-	-	-	-	-	-	**0.02**
- Shriram Insight Share Brokers Limited	-	-	0.02	0.03	-	-	-	-	-	-	-	-	**0.02**	**0.03**
- Shriram Fortune Solutions Limited	-	-	0.03	0.50	-	-	-	-	-	-	-	-	**0.03**	**0.50**
- Shriram Credit Company Limited	-	-	0.12	0.09	-	-	-	-	-	-	-	-	**0.12**	**0.09**
- Shriram General Insurance Company Limited	-	-	0.03	-	-	-	-	-	-	-	-	-	**0.03**	-
- Shriram Capital Private Limited	0.03	-	-	-	-	-	-	-	-	-	-	-	**0.03**	-

49 RELATED PARTY TRANSACTIONS (Contd.)

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employee's benefit plan		Key management personnel		Close members of key management personnel		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
- Shriram Asset Management Company Limited	-	-	0.02	-	-	-	-	-	-	-	-	-	0.02	-
Reimbursement of expenses														
- Shriram Fortune Solutions Limited	-	-	-	0.04	-	-	-	-	-	-	-	-	-	0.04
- Shriram Insight Share Brokers Limited	-	-	-	0.01	-	-	-	-	-	-	-	-	-	0.01
Dividend received														
- Shriram Automall India Limited	-	-	-	-	-	5.35	-	-	-	-	-	-	-	5.35
Gratuity, leave encashment, bonus and leave travel allowances received														
- Shriram Automall India Limited	-	-	-	-	0.28	0.15	-	-	-	-	-	-	0.28	0.15
- Shriram Capital Limited	-	0.03	-	-	-	-	-	-	-	-	-	-	-	0.03
- Shriram General Insurance Company Limited	-	-	-	0.55	-	-	-	-	-	-	-	-	-	0.55
- Shriram Life Insurance Company Limited	-	-	0.47	0.80	-	-	-	-	-	-	-	-	0.47	0.80
- Shriram Insight Share Brokers Limited	-	-	0.06	-	-	-	-	-	-	-	-	-	0.06	-
- Shriram Fortune Solutions Limited	-	-	-	4.25	-	-	-	-	-	-	-	-	-	4.25
- Novac Technology Solutions Private Limited	-	-	0.09	0.01	-	-	-	-	-	-	-	-	0.09	0.01
- Shriram Financial Products Solutions (Chennai)Private Limited	-	-	-	0.00	-	-	-	-	-	-	-	-	-	0.00
-Adroit Inspection Service Private Limited	-	-	-	-	0.00	-	-	-	-	-	-	-	0.00	-
- Shriram Value Services Limited	-	-	-	0.01	-	-	-	-	-	-	-	-	-	0.01
Sale of property, plant and equipment														
- Shriram Life Insurance Company Limited	-	-	-	0.02	-	-	-	-	-	-	-	-	-	0.02
- Shriram Automall India Limited	-	-	-	-	0.00	-	-	-	-	-	-	-	0.00	-
Rent and electricity														
- Shriram Fortune Solutions Limited	-	-	-	0.10	-	-	-	-	-	-	-	-	-	0.10
- Shriram Insight Share Brokers Limited	-	-	-	0.01	-	-	-	-	-	-	-	-	-	0.01
- Shriram Capital Limited	-	0.10	-	-	-	-	-	-	-	-	-	-	-	0.10
- Shriram Automall India Limited	-	-	-	-	3.73	4.21	-	-	-	-	-	-	3.73	4.21
Business auxiliary services														
- Shriram Capital Private Limited	0.11	0.07	-	-	-	-	-	-	-	-	-	-	0.11	0.07
Other income														
- Shriram Asset Management Company Limited	-	-	0.00	0.00	-	-	-	-	-	-	-	-	0.00	0.00
Insurance claim														
- Shriram General Insurance Company Limited	-	-	0.32	0.54	-	-	-	-	-	-	-	-	0.32	0.54
Insurance premium received														
- Shriram Capital Limited	-	0.00	-	-	-	-	-	-	-	-	-	-	-	0.00
- Shriram Life Insurance Company Limited	-	-	0.07	-	-	-	-	-	-	-	-	-	0.07	-
Investment in mutual fund redeemed														
- Shriram Asset Management Company Limited	-	-	45.19	25.10	-	-	-	-	-	-	-	-	45.19	25.10
Revenue sharing received														
- Shriram Automall India Limited	-	-	-	-	0.07	0.42	-	-	-	-	-	-	0.07	0.42
Commission received														
- Shriram General Insurance Company Limited	-	-	122.90	50.90	-	-	-	-	-	-	-	-	122.90	50.90
- Shriram Life Insurance Company Limited	-	-	124.09	41.49	-	-	-	-	-	-	-	-	124.09	41.49
Fixed deposit														
- Key management personnel														
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.13	0.10	-	-	0.13	0.10
- Mr. Parag Sharma	-	-	-	-	-	-	-	-	0.00	0.00	-	-	0.00	0.00
- Mr. Hardeep Singh Tur	-	-	-	-	-	-	-	-	-	0.00	-	-	-	0.00
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.06	-	-	-	0.06	-
- Mr. R. Chandrasekar	-	-	-	-	-	-	-	-	-	1.02	-	-	-	1.02
- Close members of key management personnel	-	-	-	-	-	-	-	-	-	-	2.05	1.53	2.05	1.53
- Shriram Asset Management Company Limited	-	-	10.00	20.00	-	-	-	-	-	-	-	-	10.00	20.00
- Shriram Fortune Solutions Limited	-	-	-	2.07	-	-	-	-	-	-	-	-	-	2.07
- Shriram Automall India Limited	-	-	-	-	46.74	11.16	-	-	-	-	-	-	46.74	11.16
- Cartradeexchange Solutions Private Limited	-	-	-	-	8.00	8.50	-	-	-	-	-	-	8.00	8.50

49 RELATED PARTY TRANSACTIONS (Contd.)

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employee's benefit plan		Key management personnel		Close members of key management personnel		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Inter-corporate deposit														
- Shriram Automall India Limited	-	-	-	-	-	20.83	-	-	-	-	-	-	-	20.83
TOTAL	**0.14**	**0.23**	**303.41**	**146.52**	**59.10**	**50.86**	**-**	**-**	**0.19**	**1.12**	**2.05**	**1.53**	**364.89**	**200.27**

Income /expenses are presented excluding GST.

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

There were no guarantees given on behalf of related parties during the year.

*Some of the Key management personnel/ Senior management personnel are eligible for superannuation benefits of a trust formed by the promoter group and as the benefits are decided by the committee of the trust, the same neither come within the purview of the Company nor have any impact on the Statement Profit and Loss of the Company and hence are not included as part of remuneration.

The Group has not granted loans or advances to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that is repayable on demand or without specifying any terms or period of repayment for the financial year ended March 31, 2024 and March 31, 2023.

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employee's benefit plan		Key management personnel		Close members of key management personnel		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Balance outstanding at the year end														
Equity Share capital														
- Close members of key management personnel	-	-	-	-	-	-	-	-	-	-	0.00	0.00	**0.00**	0.00
- Key management personnel														
- Mr. Parag Sharma	-	-	-	-	-	-	-	-	0.05	0.05	-	-	**0.05**	0.05
- Mr. S. Sunder	-	-	-	-	-	-	-	-	0.00	0.00	-	-	**0.00**	0.00
- Mr. P. Sridharan	-	-	-	-	-	-	-	-	-	0.00	-	-	**-**	0.00
- Mr. Sudarshan Holla	-	-	-	-	-	-	-	-	-	0.00	-	-	**-**	0.00
- Mr. U Balasundararao	-	-	-	-	-	-	-	-	0.00	0.00	-	-	**0.00**	0.00
- Mr. D. V. Ravi	-	-	-	-	-	-	-	-	0.00	0.00	-	-	**0.00**	0.00
- Mr. G. M. Jilani	-	-	-	-	-	-	-	-	-	0.02	-	-	**-**	0.02
- Mr. R. Chandrasekar	-	-	-	-	-	-	-	-	0.01	0.01	-	-	**0.01**	0.01
- Shriram Capital Private Limited	67.15	67.15	-	-	-	-	-	-	-	-	-	-	**67.15**	67.15
- Shriram Value Services Limited	-	-	20.77	12.99	-	-	-	-	-	-	-	-	**20.77**	12.99
Investment in equity shares														
- Shriram Automall India Limited	-	-	-	-	188.48	183.74	-	-	-	-	-	-	**188.48**	183.74
Commission & other receivables														
- Shriram General Insurance Company Limited	-	-	28.58	6.81	-	-	-	-	-	-	-	-	**28.58**	6.81
- Shriram Life Insurance Company Limited	-	-	9.69	7.03	-	-	-	-	-	-	-	-	**9.69**	7.03
- Shriram Fortune Solutions Limited	-	-	-	4.25	-	-	-	-	-	-	-	-	**-**	4.25
- Shriram Investment Holding Limited	-	-	-	11.87	-	-	-	-	-	-	-	-	**-**	11.87
- Shriram Asset Management Company Limited	-	-	0.01	-	-	-	-	-	-	-	-	-	**0.01**	-
Outstanding expenses														
- Adroit Inspection Service Private Limited	-	-	-	-	0.07	-	-	-	-	-	-	-	**0.07**	-
- Shriram Capital Private Limited	5.71	0.02	-	-	-	-	-	-	-	-	-	-	**5.71**	0.02
- Shriram Automall India Limited	-	-	-	-	3.16	1.06	-	-	-	-	-	-	**3.16**	1.06
- Shriram Value Services Limited	-	-	42.25	79.35	-	-	-	-	-	-	-	-	**42.25**	79.35

49 RELATED PARTY TRANSACTIONS (Contd.)

(Rs. in crores)

Particulars	Promoter		Promoter group		Associates		Employee's benefit plan		Key management personnel		Close members of key management personnel		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
- Novac Technology Solutions Private Limited	-	-	5.02	7.88	-	-	-	-	-	-	-	-	**5.02**	**7.88**
- Shriram Fortune Solutions Limited	-	-	-	0.30	-	-	-	-	-	-	-	-	**-**	**0.30**
- Shriram Financial Products Solutions (Chennai)Private Limited	-	-	-	1.90	-	-	-	-	-	-	-	-	**-**	**1.90**
- Shriram Insight Share Brokers Limited	-	-	0.74	0.68	-	-	-	-	-	-	-	-	**0.74**	**0.68**
- Shriram Wealth Limited	-	-	0.09	0.04	-	-	-	-	-	-	-	-	**0.09**	**0.04**
- Shriram Credit Company Limited	-	-	2.45	-	-	-	-	-	-	-	-	-	**2.45**	**-**
- Way2wealth Brokers Private Limited	-	-	0.26	0.07	-	-	-	-	-	-	-	-	**0.26**	**0.07**
Investment in mutual fund														
- Shriram Asset Management Company Limited	-	-	10.01	12.00	-	-	-	-	-	-	-	-	**10.01**	**12.00**
Fixed deposit														
- Key management personnel														
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.07	0.06	-	-	**0.07**	**0.06**
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.12	0.22	-	-	**0.12**	**0.22**
- Mr. Parag Sharma	-	-	-	-	-	-	-	-	0.00	0.00	-	-	**0.00**	**0.00**
- Mr. R. Chandrasekar	-	-	-	-	-	-	-	-	1.10	1.02	-	-	**1.10**	**1.02**
- Relative of key management personnel	-	-	-	-	-	-	-	-	-	-	3.44	2.17	**3.44**	**2.17**
- Shriram Asset Management Company Limited	-	-	50.34	64.11	-	-	-	-	-	-	-	-	**50.34**	**64.11**
- Shriram Automall India Limited	-	-	-	-	116.39	89.33	-	-	-	-	-	-	**116.39**	**89.33**
- Cartradeexchange Solutions Private Limited	-	-	-	-	27.96	18.43	-	-	-	-	-	-	**27.96**	**18.43**
Non-convertible debenture (secured)														
- Shriram Life Insurance Company Limited	-	-	172.61	172.33	-	-	-	-	-	-	-	-	**172.61**	**172.33**
- Shriram General Insurance Company Limited	-	-	407.15	213.15	-	-	-	-	-	-	-	-	**407.15**	**213.15**
- Shriram Asset Management Company Limited	-	-	-	2.24	-	-	-	-	-	-	-	-	**-**	**2.24**
- Shriram Insight Share Brokers Limited	-	-	0.00	0.07	-	-	-	-	-	-	-	-	**0.00**	**0.07**
- Shriram Value Services Limited	-	-	-	53.14	-	-	-	-	-	-	-	-	**-**	**53.14**
- Shriram Automall India Limited	-	-	-	-	7.82	16.88	-	-	-	-	-	-	**7.82**	**16.88**
Subordinated debt														
- Shriram Life Insurance Company Limited	-	-	140.87	168.95	-	-	-	-	-	-	-	-	**140.87**	**168.95**
- Shriram General Insurance Company Limited	-	-	189.34	354.25	-	-	-	-	-	-	-	-	**189.34**	**354.25**

Income / expenses are presented excluding GST

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

There were no guarantees given on behalf of related parties during the year.

The Group has not granted loans or advances to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that is repayable on demand or without specifying any terms or period of repayment for the financial years ended March 31, 2024 and March 31, 2023.

49 RELATED PARTY TRANSACTIONS (Contd.)

Disclosure pursuant to Schedule V of Clause A.2 of Regulation 34 (3) and Regulation 53(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I. Disclosures relating Loans and Advances/ Investments

(Rs. in crores)

Sr. No.	Loans and Advances in the nature of Loans	Amount outstanding as at		Maximum amount outstanding during the year	
		March 31, 2024	March 31, 2023	March 2024	March 2023
A)	**To Subsidiary**				
	- Shriram Housing Finance Limited	-	-	-	-
B)	**To Associate**				
	- Shriram Automall India Limited	-	-	-	-

II. Shriram Finance Limited (SFL) holds 44.56 % (March 31, 2023: 44.56%)of equity shares of Shriram Automall India Limited (Associate) and 83.78 % (March 31, 2023: 84.82%) of Shriram Housing Finance Limited (Subsidiary). Disclosure relating to transactions with the Company is given above.

50 RETIREMENT BENEFIT PLAN

A. Shriram Finance Limited ("the Company") :

a) Defined contribution plan

A defined contribution plan is a pension plan under which the Company pays fixed contributions; there is no legal or constructive obligation to pay further contributions. The assets of the plan are held separately from those of the Company in a fund under the control of trustees.

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs.148.38 crores (March 31, 2023: Rs. 112.05 crores) for Provident Fund contributions and Rs.29.92 crores (March 31, 2023: Rs. 20.35 crores) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

b) Defined benefit plan

Gratuity

The Company has a defined benefit gratuity plan (funded). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and last drawn salary. The fund is managed by third party fund managers.

Each year, the Board of Trustees reviews the level of funding in the gratuity plan. Such a review includes the asset-liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks. The Board of Trustees decides contribution to be made by the Company based on the results of this annual review. The trust is in process of investing entire funds in government securities through third party fund managers and as on March 31, 2024, 85.53% funds are invested in government securities and balance 14.47% funds are invested in money market and corporate debt instruments. The Board of Trustees aim to keep annual contributions of the Company relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

The following tables summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

Amount recognised in the statement of profit and loss in respect of the defined benefit plan are as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Amounts recognised in statement of profit and loss in respect of defined benefit plans are as follows:		
Current service cost	15.47	13.88
Interest expense	12.28	9.87
Interest income	(12.09)	(10.31)
Past service cost	-	-
Components of defined benefit costs recognised in statement of profit and loss (A)	**15.66**	**13.44**
Remeasurement of gains/(losses) in other comprehensive income:		
Return on plan assets (excluding amounts included in net interest expense)	(0.42)	(0.94)
Actuarial changes arising from changes in demographic assumptions	0.92	(2.92)
Actuarial changes arising from changes in financial assumptions	61.10	(6.77)
Experience adjustments	16.49	18.65
Components of defined benefit costs recognised in other comprehensive income (B)	**78.09**	**8.02**
Total (A + B)	**93.75**	**21.46**

50 RETIREMENT BENEFIT PLAN (Contd.)

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

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Change in the obligation during the year ended		
Present value of defined obligation at the beginning of the year	168.89	82.20
Expenses recognised in statement of profit and loss:		
Current service cost	15.47	13.88
Interest expense/(income)	12.28	9.87
Recognised in other comprehensive income remeasurement gains/(losses)	78.51	8.96
Liability transferred in/acquisitions	(3.03)	60.83
Benefits paid from the fund	(13.99)	(6.85)
Present value of defined obligation at the end of the year	**258.13**	**168.89**

Change in the fair value of plan assets:

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Fair value of plan assets at the beginning of the year	**166.33**	**79.96**
Interest income	12.09	10.31
Contributions by the employer	62.40	12.54
Assets transferred in acquisitions	(3.03)	69.43
Benefits paid from the fund	(13.99)	(6.85)
Return on plan assets excluding interest income	0.42	0.94
Fair value of plan assets at the end of the year	**224.22**	**166.33**

Calculation of benefit liability/ (asset):

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Defined benefit obligation/ liability	258.13	168.89
Fair value of plan assets	224.22	166.33
Benefit liability	**33.91**	**2.56**

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

Particulars	As at March 31, 2024	As at March 31, 2023
Expected return on plan assets	7.21%	7.41%
Rate of discounting	7.21%	7.41%
Expected rate of salary increase	8.00%	5.00%
Rate of employee turnover	For service 4 years and below 23.00% p.a. and for service 5 years and above 6.00% p.a.	For service 4 years and below 26.00% p.a. and for service 5 years and above 6.00% p.a.
Mortality rate during employment	Indian Assured Lives mortality (2012-14) Urban	Indian Assured Lives mortality (2012-14) Urban
Mortality rate after employment	NA	NA

50 RETIREMENT BENEFIT PLAN (Contd.)

Investments quoted in active markets:

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Government securities	191.77	124.38
Debt and other instruments	32.45	41.95
Total	**224.22**	**166.33**

(Rs. in crores)

Assumptions	Sensitivity level	Impact on defined benefit obligation March 31, 2024	Impact on defined benefit obligation March 31, 2023
Discount rate	1% increase	(22.08)	(11.95)
	1% decrease	25.82	13.77
Future salary increases	1% increase	25.14	13.78
	1% decrease	(21.95)	(12.14)
Attrition rate	1% increase	(2.32)	2.49
	1% decrease	2.55	(2.82)

(Rs. in crores)

Expected payment for future years	As at March 31, 2024	As at March 31, 2023
Within the next 12 months (next annual reporting period)	21.73	19.70
Between 2 and 5 years	68.26	55.50
Between 5 and 10 years	98.06	68.11
Beyond 10 years	412.29	205.60
Total expected payments	**600.34**	**348.91**

The Company expects to contribute Rs. 62.19 crores to the fund in the next financial year.

The weighted average duration of the defined benefit obligation as at March 31, 2024 is 11 years (March 31, 2023: 9 years).

Asset liability matching strategies

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

c) **Compensated Absences**

The principal assumptions used in determining obligations for the Company are shown below:

Particulars	As at March 31, 2024	As at March 31, 2023
Rate of discounting	7.21%	7.41%
Expected rate of salary increase	8.00%	5.00%
Rate of employee turnover		
Service 4 years and below	23.00%	26.00%
Service 5 years and above	6.00%	6.00%
Mortality	Indian Assured Lives mortality (2012-14) Urban	Indian Assured Lives mortality (2012-14) Urban

50 RETIREMENT BENEFIT PLAN (Contd.)

(Rs. in crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Expenses recognised in statement of profit and loss	83.19	46.72

The Company has not funded its compensated absences liability and the same continues to remain as unfunded as at March 31, 2024.

The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.

Discount rate is based on the prevailing market yields of Indian Government Bonds as at the balance sheet date for the estimated term of the obligation.

B. Shriram Housing Finance Limited ("SHFL") :

a) Defined contribution plan

SHFL makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the schemes, SHFL is required to contribute a specified percentage of the payroll costs to fund the benefits. SHFL recognized Rs. 7.19 crores for the year ended March 31, 2024 for Provident Fund contributions (Rs. 3.16 crores for the year ended March 31, 2023) and Rs.0.39 crores for Employee State Insurance Scheme contributions (Rs. 0.13 crores for the year ended March 31, 2023) in the statement of profit and loss. The contributions payable to these plans by SHFL are at rates specified in the rules of the Schemes.

b) Defined benefit plan

Gratuity

SHFL 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, SHFL 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 summarise 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.

Through its defined benefit plans, SHFL is exposed to a number of risks, the most significant of which are detailed below:

1. Interest rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
2. Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation.
3. Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.
4. Investment risk : For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

50 RETIREMENT BENEFIT PLAN (Contd.)

5. Legislative risk : Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

Amount recognised in the Statement of Profit and Loss

Net employee benefit expense recognised in the employee cost

(Rs. in crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current service cost	2.15	1.04
Interest cost on benefit obligation	0.50	0.17
Expected return on plan assets	(0.26)	(0.21)
Net (benefit) / expense	**2.39**	**1.01**

Amount recognised in the Balance Sheet

Reconciliation of present value of the obligation and the fair value of plan assets:

(Rs. in crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Defined benefit obligation	(9.23)	(3.78)
Fair value of plan assets	5.50	3.46
Asset/(liability) recognized in the balance sheet	**(3.73)**	**(0.31)**

Amount recognised in the Other Comprehensive Income

(Rs. in crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Due to change in financial assumptions	0.22	0.05
Due to change in experience adjustments	0.08	(0.47)
(Return) on plan assets (excl. interest income)	0.04	(0.07)
Total Other Comprehensive Income	**0.34**	**(0.49)**

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

(Rs. in crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening defined benefit obligation	**3.78**	**2.62**
Transfer in/Out	-	-
Interest cost	0.50	0.17
Current service cost	2.15	1.04
Liability transferred in/on account of transfer of employees	-	-
Benefits paid	(0.26)	(0.48)
Actuarial loss / (gain) on obligation	3.07	0.42
Closing defined benefit obligation	**9.24**	**3.78**

50 RETIREMENT BENEFIT PLAN (Contd.)

Changes in the fair value of plan assets are as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening fair value of plan assets	**3.46**	**2.31**
Interest Income	0.26	0.21
Expected return	-	-
Contributions by employer & others exp	2.50	1.50
Adjustment / transfer	-	-
Benefits paid	(0.26)	(0.48)
Actuarial loss / (gain) on obligation	(0.46)	(0.07)
Closing fair value of plan assets	**5.50**	**3.46**

The major categories of plan assets as a percentage of fair value of total plan assets are as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Investments with insurer	100%	100%

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

(Rs. in crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Discount rate	7.22%	7.50%
Salary escalation	5.00%	5.00%
Attrition rate	5.00%	5.00%
Mortality table	IALM (2012-14)	IALM (2012-14)
Normal retirement age	58 Years	58 Years

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.

Amounts for the current year is as follows:

(Rs. in crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Define benefit obligation	(9.23)	(3.78)
Plan assets	5.50	3.46
Surplus/(deficit)	(3.73)	(0.31)

(Rs. in crores)

Assumptions	Sensitivity Level	Impact on defined benefit obligation March 31, 2024	Impact on defined benefit obligation March 31, 2023
Discount Rate	1% increase	0.77	0.31
	1% decrease	(0.89)	(0.36)
Future salary increases	1% increase	(0.88)	(0.36)
	1% decrease	0.78	0.32

50 RETIREMENT BENEFIT PLAN (Contd.)

(Rs. in crores)

Expected payment for future years	Year ended March 31, 2024	Year ended March 31, 2023
Within the next 12 months (next annual reporting period)	0.47	0.19
Between 2 and 5 years	2.70	1.16
Between 6 and 10 years	4.60	2.01
Total expected payments	**7.77**	**3.36**

The weighted average duration of the defined benefit obligation as at March 31, 2024 is 10 years (March 31, 2023 10.05 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 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.

c) **Compensated Absences**

The principal assumptions used in determining obligations for the Company are shown below:

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate	7.22%	7.50%
Salary escalation	5.00%	5.00%
Attrition rate	5.00%	5.00%
Mortality table	IALM (2012-14)	IALM (2012-14)
Normal retirement age	58 Years	58 Years

(Rs. in crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Expenses recognised in statement of profit and loss	1.15	0.67

51 BUSINESS COMBINATION DONE DURING THE PREVIOUS YEAR

The Board of Directors of the Company in its meeting held on December 13, 2021 had approved a Composite Scheme of Arrangement and Amalgamation ("Scheme"), inter alia, involving amalgamation of Shriram Capital Limited (SCL) (after de-merger of a few undertakings from the said Shriram Capital Limited) and Shriram City Union Finance Limited (SCUF) with the Company under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Reserve Bank of India vide its letter dated June 15, 2022 conveyed its No-Objection to the Scheme. As per the directions of the Hon'ble National Company Law Tribunal, Chennai Bench, ("NCLT") in the common order dated May 11, 2022, the meeting of the Equity Shareholders, Secured Creditors and Unsecured Creditors was held on July 04, 2022 and the Scheme was approved by the requisite majority of the Equity shareholders, Secured Creditors and Unsecured Creditors in their respective meetings. The Company had obtained approvals/no objection to the Scheme from various statutory authorities, as applicable. The Hon'ble NCLT had sanctioned the Scheme, vide order dated November 09, 2022 to be read with Corrigendum order dated November 17, 2022 effective from appointed date of the Scheme being April 01, 2022. Pursuant to the scheme, Shrilekha Business Consultancy Private Limited ("SBCPL") was amalgamated with SCL. The undertaking carrying on the business of financial services from SCL was demerged and transferred to Shriram Investment Holdings Limited ("SIHL"). The undertakings which were carrying on the businesses of Life Insurance and General Insurance were demerged from SCL and transferred to Shriram LI Holdings Private Limited ("SLIH"), and Shriram GI Holdings Private Limited ("SGIH") respectively. The remaining undertaking of SCL and its investments in STFC and SCUF were amalgamated with STFC.

51 BUSINESS COMBINATION DONE DURING THE PREVIOUS YEAR (Contd.)

Pursuant to the Scheme, the name of the Company was changed to Shriram Finance Limited upon receipt of necessary approval from the Registrar of Companies, Tamil Nadu, Chennai, Ministry of Corporate Affairs, with effect from November 30, 2022. Pursuant to the Scheme, new equity shares of face value of Rs. 10/- each fully paid-up have been issued and allotted to the eligible shareholders of SCL and SCUF on December 12, 2022 as per the share exchange ratio contained in the Scheme. As per Ind AS 103, the amalgamation has been accounted under "acquisition method". The difference between the purchase consideration and fair value has been accounted as goodwill/capital reserve on amalgamation, as applicable.

The Group has determined the useful life of the intangible asset in the nature of branch network of SCUF acquired through the scheme of amalgamation as five years and started amortising the same over its useful life by making a suitable change in the accounting estimate. Impact for future periods will be Rs. 302.58 crores per annum over the balance three out of five years as on March 31, 2024. The Group has determined the useful life of the intangible asset in the nature of branch network of SHFL acquired through the scheme of amalgamation as one year and amortised the same over its useful life. The figures for the current and previous reporting period include the effect of merger of transferor Companies SCUF and SCL as discussed above.

Summary of acquisitions done during the financial year ended March 31, 2023

(i) Shriram City Union Finance Limited ("SCUF")

The Hon'ble National Company Law Tribunal, Chennai Bench, ("NCLT") had approved the Composite Scheme of Arrangement and Amalgamation ("Scheme"), inter alia, involving amalgamation of Shriram City Union Finance Limited (SCUF) with its entire undertaking with the Company, vide order dated November 09, 2022 to be read with Corrigendum order dated November 17, 2022 effective from Appointed date of the Scheme being April 01, 2022, for a share exchange ratio of 1.55:1. The percentage of voting equity interests acquired was 100%. This acquisition is highly beneficial to all the stakeholders, by bringing together the capabilities and the presence of the Company in the categories of transport finance, and retail finance, and in the process create a larger financial lending entity with both these businesses combined, and the resulting benefits of scale and synergies of operation. This acquisition further consolidates the leadership position of the Company in the Commercial Vehicle market. Following the acquisition, the amalgamated entity is able to launch retail finance products in new locations.

(a) The fair value of assets and liabilities recognised as a result of the acquisition are as follows:

(Rs. in crores)

Particulars	Amounts*
Assets	
Cash and cash equivalents	5,269.09
Bank balance other than above	1,573.25
Receivables	4.39
Loans	35,203.60
Investments	1,311.98
Other financial assets	192.50
Current tax assets (net)	32.36
Deferred tax assets (net)	119.80
Investment property (net)	0.00
Property, plant and equipment (net)	69.55
Intangible assets (net)	4.99
Right-of-use assets	176.82
Other non-financial assets	227.67
Distribution network	1,575.80
Total assets	**45,761.80**
Liabilities	
Derivative financial instrument	(0.05)
Payables	(53.10)
Debt securities	(7,152.68)
Borrowings (other than debt securities)	(20,708.90)
Deposits	(7,274.04)
Other financial liabilities	(385.58)
Provisions	(29.92)
Other non-financial liabilities	(65.19)
Total liabilities	**(35,669.46)**
Net identifiable assets acquired	**10,092.34**
Non-controlling interest	**(275.30)**

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

*Consolidated basis

51 BUSINESS COMBINATION DONE DURING THE PREVIOUS YEAR (Contd.)

(b) Calculation of goodwill

The difference between the purchase consideration and amount attributable to identified intangible assets / assets and liabilities represents residual goodwill in the business. As a result of the merger, the Company receives customer information such as names, contact information, historical credit provided and repayment information, etc. of existing customers of SCUF and vice versa. This information can further be divided into different customer profiles based on demography, zones, age groups, etc., which helps businesses target products/services according to their target audience that will be used by the merged entity to gain synergies from cross selling its products. Consequently, the Goodwill in the transaction subsumes the above synergy benefit, along with assembled workforce, future potential of the new branches that are planned to open, new customers, new geographies etc.

(Rs. in crores)

Particulars	Amounts
Purchase consideration	12,068.81
Less: Net identifiable assets acquired	(10,092.34)
Less: Deferred tax liability on net identifiable assets acquired	(235.53)
Goodwill #	**1,740.94**

#Goodwill is not deductible for tax purpose

(c) The revenues and profits contributed to the Group for the financial year ended March 31, 2023 are as follows:

(Rs. in crores)

Particulars	Amounts
Revenue	7,949.32
Profit before tax	1,742.31

(d) Acquired Receivables

(Rs. in crores)

Particulars	Amounts
Fair value of acquired trade receivables	4.39
Gross contractual amount for trade receivables	4.39
Contractual cash flows not expected to be collected	-

(e) Purchase consideration - cash outflow

(Rs. in crores)

Particulars	Amounts
Net outflow of cash - investing activities	-

(f) Acquisition related costs:

Acquisition related costs of Rs. 26.53 crores have been recognised under miscellaneous expenses in the Statement of Profit and Loss.

(ii) Shriram Capital Limited ("SCL")

The Hon'ble National Company Law Tribunal, Chennai Bench, ("NCLT") had approved the Composite Scheme of Arrangement and Amalgamation ("Scheme"), inter alia, involving amalgamation of Shriram Capital Limited (SCL) with its remaining undertaking with the Company, vide order dated November 09, 2022 to be read with Corrigendum order dated November 17, 2022, effective from Appointed date of the Scheme being April 01, 2022 for a share exchange ratio 1:0.97. The amalgamation will achieve the combination of the remaining line of business activities of SCL with the Company which is a listed entity engaged in the business of financial lending. This will ensure that the companies forming part of the Shriram Group, which are focused on the business of lending are concentrated in a single large entity, which has the necessary means, presence and resources to achieve still larger scales in the business of lending, while reducing the presence of multiple entities across the Group, with an interest and presence in the same line of business.

51 BUSINESS COMBINATION DONE DURING THE PREVIOUS YEAR (Contd.)

(a) The fair value of assets and liabilities recognised as a result of the acquisition are as follows:

(Rs. in crores)

Particulars	Amounts
Assets	
Property, plant and equipment (net)	0.01
Bank balance	0.10
Trade receivables	12.47
Total assets	**12.58**
Liabilities	
Trade payables	0.02
Total liabilities	**0.02**
Net identifiable assets acquired	**12.56**

(b) Amount recognised directly in other equity (Capital reserve):

(Rs. in crores)

Particulars	Amounts
Purchase consideration	-
Less: Net identifiable assets acquired	12.56
Capital reserve	**12.56**

(c) The revenues and profits contributed to the company for the financial year ended March 31, 2023 are as follows:

(Rs. in crores)

Particulars	Amounts
Revenue	-
Profit before tax	(0.58)

(d) Acquired Receivables

(Rs. in crores)

Particulars	Amounts
Fair value of acquired trade receivables	12.45
Gross contractual amount for trade receivables	12.45
Contractual cash flows not expected to be collected	-

(e) Purchase Consideration - Cash Outflow

(Rs. in crores)

Particulars	Amounts
Net outflow of cash - investing activities	-

52 FAIR VALUE MEASUREMENT

52.01: Valuation principle

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained in material accounting policies of the year ended March 31, 2024.

52 FAIR VALUE MEASUREMENT (Contd.)

52.02: Fair value hierarchy of assets and liabilities

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

As at March 31, 2024 (Rs. in crores)

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Derivative financial instruments				
Forward contracts	-	(419.00)	-	**(419.00)**
Currency swaps	-	162.27	-	**162.27**
Interest rate swaps	-	288.05	-	**288.05**
Cross currency interest rate swaps	-	269.89	-	**269.89**
Interest rate caps	-	25.27	-	**25.27**
Total derivative financial instruments	**-**	**326.48**	**-**	**326.48**
Financial assets held for trading				
Mutual funds	300.38	-	-	**300.38**
Equity instruments	79.84	-	25.82	**105.66**
Investment in security receipts	-	2.73	-	**2.73**
Venture capital fund	-	1.52	-	**1.52**
Total financial assets held for trading	**380.22**	**4.25**	**25.82**	**410.29**
Total assets measured at fair value on a recurring basis	**380.22**	**330.73**	**25.82**	**736.77**
Assets measured at fair value on a non-recurring basis				
Non-current assets and disposals held for sale	-	-	-	-
Total assets measured at fair value on a non-recurring basis	-	-	-	-
Total assets measured at fair value	**380.22**	**330.73**	**25.82**	**736.77**

(Rs. in crores)

Liabilities measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Total financial liabilities measured at fair value on a recurring basis	-	-	-	-
Liabilities measured at fair value on a non-recurring basis				
Non-current liabilities and disposals held for sale	-	-	-	-
Total financial liabilities measured at fair value on a non-recurring basis	-	-	-	-
Total liabilities measured at fair value	-	-	-	-

As at March 31, 2023 (Rs. in crores)

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Derivative financial instruments				
Forward contracts	-	(193.01)	-	**(193.01)**
Currency swaps	-	121.65	-	**121.65**
Interest rate swaps	-	116.65	-	**116.65**
Cross currency interest rate swaps	-	588.33	-	**588.33**
Interest rate caps	-	35.75	-	**35.75**
Total derivative financial instruments	**-**	**669.37**	**-**	**669.37**

52 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Financial assets held for trading				
Mutual funds	587.35	-	-	**587.35**
Equity instruments	63.35	-	25.40	**88.75**
Investment in security receipts	-	6.44	-	**6.44**
Venture capital fund	-	1.53	-	**1.53**
Total financial assets held for trading	**650.70**	**7.97**	**25.40**	**684.07**
Total assets measured at fair value on a recurring basis	**650.70**	**677.34**	**25.40**	**1,353.44**
Assets measured at fair value on a non-recurring basis				
Non-current assets and disposals held for sale	-	-	-	-
Total assets measured at fair value on a non-recurring basis	-	-	-	-
Total assets measured at fair value	**650.70**	**677.34**	**25.40**	**1,353.44**

(Rs. in crores)

Liabilities measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Total financial liabilities measured at fair value on a recurring basis	-	-	-	-
Liabilities measured at fair value on a non-recurring basis				
Non-current liabilities and disposals held for sale	-	-	-	-
Total financial liabilities measured at fair value on a non-recurring basis	-	-	-	-
Total liabilities measured at fair value	-	-	-	-

52.03: Valuation techniques

Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:

Investments in Mutual funds/ Equity instruments

Investment in units of mutual funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are generally Level 1. Equity instruments in non-listed entities are initially recognised at transaction price and re-measured (to the extent information is available) and valued on a case-by-case and classified as Level 3. Quoted equity instruments on recognised stock exchanges are valued at Level 1 hierarchy being the unadjusted quoted price as the reporting date.

Derivative Financial Instruments

Foreign exchange contracts include foreign exchange forward and swap contracts, interest rate swaps and over-the-counter foreign exchange options. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points and option valuation models. With the exception of contracts where a directly observable rate is available which are disclosed as Level 1, the Group classifies derivative financial instruments as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole).

52 FAIR VALUE MEASUREMENT (Contd.)

Certificate of deposits (CDs)

Certificate of deposits are short-term financial instruments issued by Banks. Financial Benchmark India Private Limited (FBIL) has developed the FBIL-CD, a new benchmark for the money market based on traded CDs reported on the FIMMDA Trade Reporting and Confirmation System (FTRAC) platform of The Clearing Corporation of India Ltd (CCIL). FBIL-CD is announced for seven tenors of 14 days, 1 month, 2 months, 3 months, 6 months, 9 months and 12 months. For valuation, the Group uses FBIL-CD benchmark and based on that benchmark the Group interpolates and calculates CD prices corresponding to their residual maturities and such instruments are classified as Level 2.

52.04: Transfer between fair value hierarchy levels

During the year there were no transfers between Level 1 and Level 2. Similarly, there were no transfers from or transfer to Level 3.

52.05: Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value. Transfers from Level 3 to Level 2 occur when the market for some securities became more liquid, which eliminates the need for the previously required significant unobservable valuation inputs. Since the transfer, these instruments have been valued using valuation models incorporating observable market inputs. Transfers into Level 3 reflect changes in market conditions as a result of which instruments become less liquid. Therefore, the Group requires significant unobservable inputs to calculate their fair value.

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

(Rs. in crores)

	Equity instruments	
Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Opening balance	**25.40**	**23.89**
On account of business combination	-	0.01
Purchase	-	-
Sales	-	-
Issuances	-	-
Settlements	-	-
Transfers into Level 3	-	-
Transfers from Level 3	-	-
Net interest income, net trading income and other income	-	-
Other comprehensive income	-	-
Unrealised gains and losses related to balances held at the end of the year	**0.42**	**1.50**
Closing balance	**25.82**	**25.40**

52.06: Impact of changes to key assumptions on fair value of Level 3 financial instruments measured at fair value

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Group's Level 3 assets and liabilities. The range of values indicates the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation. Relationships between unobservable inputs have not been incorporated in this summary.

(Rs. in crores)

	Fair value		Valuation technique	Significant unobservable inputs
	Level 3 assets	Level 3 assets		
Particulars	**As at March 31, 2024**	**As at March 31, 2023**		
Equity instruments measured at FVTPL	25.82	25.40	Based on the discounted cashflow	Based on the discounted cashflow

52 FAIR VALUE MEASUREMENT (Contd.)

52.07: Sensitivity of fair value measurements to changes in unobservable market data

The table below describes the effect of changing the significant unobservable inputs to reasonable possible alternatives. All changes would be reflected in the Statement of profit and loss. Sensitivity data are calculated using a number of techniques, including analysing price dispersion of different price sources, adjusting model inputs to reasonable changes within the fair value methodology.

The ranges are not comparable or symmetrical as the model inputs are usually not in the middle of the favourable/ unfavourable range.

The table below shows data in relation to Level 3 inputs that are already aggregated on the underlying product levels without assuming any potential diversification effect, but including potential off-sets from economic or accounting hedge relationships in place. The Group is of the opinion that, whilst there may be some diversification benefits, incorporating these would not be significant to the analysis.

(Rs. in crores)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Favourable changes 5% increase	Unfavourable changes 5% decrease	Favourable changes 5% increase	Unfavourable changes 5% decrease
Equity instruments based on the discounted cashflow	27.11	24.53	26.67	24.13

52.08: Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non–financial assets and non-financial liabilities.

(Rs. in crores)

As at March 31, 2024	Carrying amount	Fair value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	6,182.36	3,214.58	2,972.69	-	**6,187.27**
Bank balance other than cash and cash equivalents	4,990.44	201.77	4,773.97	-	**4,975.74**
Trade receivables	51.63	-	-	51.63	**51.63**
Other receivables	340.53	-	-	340.53	**340.53**
Loans	218,695.61	-	-	215,363.81	**215,363.81**
Investments at amortised cost	8,870.07	6,381.63	196.60	2,257.32	**8,835.55**
Other investments	191.46	-	-	191.46	**191.46**
Other financial assets	370.56	-	-	355.00	**355.00**
Total financial assets	**239,692.66**	**9,797.98**	**7,943.26**	**218,559.75**	**236,300.99**
Financial liabilities:					
Trade payables	245.91	-	-	245.91	**245.91**
Other payables	5.41	-	-	5.41	**5.41**
Debt securities	46,450.68	-	42,480.53	-	**42,480.53**
Borrowings (other than debt securities)	100,152.44	-	99,559.20	-	**99,559.20**
Deposits	44,443.66	-	-	44,111.89	**44,111.89**
Subordinated liabilities	4,449.30	-	4,409.89	-	**4,409.89**
Other financial liabilities	2,030.24	-	-	2,030.24	**2,030.24**
Total financial liabilities	**197,777.64**	**-**	**146,449.62**	**46,393.45**	**192,843.07**
Off-balance sheet items					
Other commitments	841.42	-	-	841.42	**841.42**
Total off-balance sheet items	**841.42**	**-**	**-**	**841.42**	**841.42**

52 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

As at March 31, 2023	Carrying amount	Fair value			
		Level-1	Level-2	Level-3	Total
Financial assets:					
Cash and cash equivalents	9,932.84	5,008.79	4,937.42	-	**9,946.21**
Bank balance other than cash and cash equivalents	6,374.11	70.63	6,280.10	-	**6,350.73**
Trade receivables	17.00	-	-	17.00	**17.00**
Other receivables	429.69	-	-	429.69	**429.69**
Loans	178,685.14	-	-	177,980.42	**177,980.42**
Investments at amortised cost	6,562.26	5,077.41	175.40	1,187.68	**6,440.49**
Other investments	183.74	-	-	183.74	**183.74**
Other financial assets	77.47	-	-	68.63	**68.63**
Total financial assets	**202,262.25**	**10,156.83**	**11,392.92**	**179,867.16**	**201,416.91**
Financial liabilities:					
Trade payables	313.19	-	-	313.19	**313.19**
Other payables	1.45	-	-	1.45	**1.45**
Debt securities	44,924.03	-	40,485.75	-	**40,485.75**
Borrowings (other than debt securities)	78,544.75	-	77,242.75	-	**77,242.75**
Deposits	36,139.83	-	-	35,308.09	**35,308.09**
Subordinated liabilities	4,593.63	-	4,611.19	-	**4,611.19**
Other financial liabilities	1,675.90	-	-	1,675.90	**1,675.90**
Total financial liabilities	**166,192.78**	**-**	**122,339.69**	**37,298.63**	**159,638.32**
Off-balance sheet items					
Other commitments	839.63	-	-	839.63	**839.63**
Total off-balance sheet items	**839.63**	**-**	**-**	**839.63**	**839.63**

Note:

The management assessed that cash and cash equivalents, trade receivables, trade payables, other receivables, other payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

52.09: Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: trade receivables, other receivables, balances other than cash and cash equivalents and trade payables without a specific maturity.

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models based on contractual cash flows using actual yields.

Pass through certificates

These instruments include asset backed securities. The market for these securities is not active. Therefore, the Group uses a variety of valuation techniques to measure their fair values. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers such as loan-to-value ratios, emergence period estimation, indebtedness and rental income levels. Instruments with no comparable instruments or valuation inputs are classified as Level 3.

Investment in associate at cost

As per Ind AS 28 Interest in associate are recognised at cost and not adjusted to fair value at the end of each reporting period. Cost represents amount paid for acquisition of the said investments. The Group assesses at the end of each reporting

52 FAIR VALUE MEASUREMENT (Contd.)

period, if there are any indications that the said investments may be impaired. If so, the Group estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

Investment in government securities at amortised cost

The fair values financial assets held-to-maturity investments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties credit risk.

Issued debt and borrowings

The fair value of issued debt is estimated by a discounted cash flow model incorporating interest rate from market-observable data such as secondary prices for its traded debt.

Deposits

The fair value of public deposits and deposit from corporates is estimated by discounting the future cash flows considering the interest rate applicable on the reporting date for deposits of similar tenure and scheme (cumulative / non-cumulative). Inter-corporate deposits are estimated at their carrying amounts due to the short-term maturities of these deposits.

Off-balance sheet positions

Estimated fair values of off-balance sheet positions are based on the carrying amounts due to the short-term maturities of these positions.

The carrying value of financial instruments by categories is as follows:

(Rs. in crores)

As at March 31, 2024	Amortised cost	Derivative instruments in hedging relationship	At Fair value Through OCI	At Fair value Through profit or loss	Others (at cost)	Total
Financial assets:						
Cash and cash equivalents	6,182.36	-	-	-	-	**6,182.36**
Bank balance other than cash and cash equivalents	4,990.44	-	-	-	-	**4,990.44**
Derivative financial instruments	-	326.48	-	-	-	**326.48**
Receivables						
(I) Trade receivables	51.63	-	-	-	-	**51.63**
(II) Other receivables	340.53	-	-	-	-	**340.53**
Loans	218,695.61	-	-	-	-	**218,695.61**
Investments	8,870.07	-	79.84	330.45	191.46	**9,471.82**
Other financial assets	370.56	-	-	-	-	**370.56**
Total financial assets	**239,501.20**	**326.48**	**79.84**	**330.45**	**191.46**	**240,429.44**
Financial liabilities:						
Payables						
(I) Trade payables	245.91	-	-	-	-	**245.91**
(II) Other payables	5.41	-	-	-	-	**5.41**
Debt securities	46,450.68	-	-	-	-	**46,450.68**
Borrowings (other than debt securities)	100,152.44	-	-	-	-	**100,152.44**
Deposits	44,443.66	-	-	-	-	**44,443.66**
Subordinated liabilities	4,449.30	-	-	-	-	**4,449.30**
Other financial liabilities	2,030.24	-	-	-	-	**2,030.24**
Total financial liabilities	**197,777.64**	**-**	**-**	**-**	**-**	**197,777.64**

52 FAIR VALUE MEASUREMENT (Contd.)

(Rs. in crores)

As at March 31, 2023	Amortised cost	Derivative instruments in hedging relationship	At Fair value Through OCI	At Fair value Through profit or loss	Others (at cost)	Total
Financial assets:						
Cash and cash equivalents	9,932.84	-	-	-	-	**9,932.84**
Bank balance other than cash and cash equivalents	6,374.11	-	-	-	-	**6,374.11**
Derivative financial instruments	-	669.37	-	-	-	**669.37**
Receivables						
(I) Trade receivables	17.00	-	-	-	-	**17.00**
(II) Other receivables	429.69	-	-	-	-	**429.69**
Loans	178,685.14	-	-	-	-	**178,685.14**
Investments	6,562.26	-	63.35	620.72	183.74	**7,430.07**
Other financial assets	77.47	-	-	-	-	**77.47**
Total financial assets	**202,078.51**	**669.37**	**63.35**	**620.72**	**183.74**	**203,615.69**
Financial liabilities:						
Payables						
(I) Trade payables	313.19	-	-	-	-	**313.19**
(II) Other payables	1.45	-	-	-	-	**1.45**
Debt securities	44,924.03	-	-	-	-	**44,924.03**
Borrowings (other than debt securities)	78,544.75	-	-	-	-	**78,544.75**
Deposits	36,139.83	-	-	-	-	**36,139.83**
Subordinated liabilities	4,593.63	-	-	-	-	**4,593.63**
Other financial liabilities	1,675.90	-	-	-	-	**1,675.90**
Total financial liabilities	**166,192.78**	**-**	**-**	**-**	**-**	**166,192.78**

53 RISK MANAGEMENT

Whilst risk is inherent in the Group's activities, it is managed through an integrated risk management framework including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to his or her responsibilities. The Group is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

53.01: <u>Introduction and risk profile</u>

53.01.01: Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Board has constituted the Risk Management Committee which is responsible for monitoring the overall risk process within the Group.

The Risk Management Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Risk Management Committee is responsible for managing risk decisions and monitoring risk levels.

The Chief Risk officer is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The Risk owners within each department will report to the Risk Committee.

The Risk owners are responsible for monitoring compliance with risk principles, policies and limits across the Group. Each department has its Risk owner who is responsible for the control of risks, including monitoring the actual risk of exposures against authorised limits and the assessment of risks.

The Group's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Group.

53 RISK MANAGEMENT (Contd.)

The Group's policy is that risk management processes throughout the Group are audited annually by the Internal Audit function, which examines both the adequacy of the procedures and the Group's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to Risk Management Committee.

53.01.02: Risk mitigation and risk culture

As part of its overall risk management, the Group can use derivatives and other instruments to manage exposures resulting from changes in interest rates and foreign currencies associated with foreign currency transactions.

53.01.03: Risk measurement and reporting systems

The Group's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment, as necessary.

The Group's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Information compiled from all the departments is examined and processed in order to analyse, control and identify risks on a timely basis. This information is presented and explained to the Risk Management Committee and the head of each department.

The Risk Management Committee receives a comprehensive risk report once a quarter which is designed to provide all the necessary information to assess and conclude on the risks of the Group.

It is the Group's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Group is exposed to that they decide to take on. The Group's continuous training and development emphasises that employees are made aware of the Group's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Group's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees annual ratings and remuneration reviews.

53.01.04: Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on spreading its lending portfolio across all the states with a cap on maximum limit of exposure for a state and also for an individual/Group.

53.02: Credit risk

Credit risk is the risk that the Group will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical concentrations, and by monitoring exposures in relation to such limits.

Credit risk is monitored by the credit department of the Group. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit manager, as well as the business with tools like credit risk systems, policies, models and reporting.

The Group has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties.

The credit quality review process aims to allow the Group to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

The Group's internal credit rating grades on days past due(dpd) basis:

Internal rating grade	Internal rating description
Performing	
High grade	0 dpd
Standard grade	1 to 30 dpd
Sub-standard grade	31 to 60 dpd
Past due but not impaired	61 to 89 dpd
Non-performing	90 and above dpd

53 RISK MANAGEMENT (Contd.)

53.02.01: Derivative financial instruments

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet.

With gross–settled derivatives, the Group is also exposed to a settlement risk, being the risk that the Group honours its obligation, but the counterparty fails to deliver the counter value.

53.02.02: Impairment assessment

The references below show where the Group's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the Summary of material accounting policies.

The Group's definition and assessment of default (Note 53.02.02.01).

- How the Group defines, calculates and monitors the probability of default, exposure at default and loss given default (Notes 53.02.02.01 to 53.02.02.04)
- When the Group considers there has been a significant increase in credit risk of an exposure (Note 53.02.02.05)
- The Group's policy of segmenting financial assets where ECL is assessed on a collective basis (Note 53.02.02.07)
- The details of the ECL calculations and categorisation of loans for stage 1, stage 2 and stage 3 assets (Note 7.1(ix))

53.02.02.01: Definition of default

The Group considers a financial instrument defaulted and therefore stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as stage 3 for ECL calculations or whether stage 2 is appropriate. Such events include:

- The borrower requesting emergency funding from the Group.
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral.
- A covenant breach not waived by the Group.
- The debtor (or any legal entity within the debtor's Group) filing for bankruptcy application/protection.
- All the facilities of a borrower are treated as stage 3 when one of his facility becomes 90 days past due i.e. credit impaired.
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise.

53.02.02.02: PD estimation process

It is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Group. While arriving at the PD, the Group also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. Group calculates the 12 month PD by taking into account the past historical trends of the portfolio and its credit performance. In case of assets where there is a significant increase in credit risk, lifetime PD has been applied which is computed based on survival analysis. For credit impaired assets, a PD of 100% has been applied.

53.02.02.03: Exposure at Default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Group assesses the possible default events within 12 months for the calculation of the 12 months ECL.

For stage 2 and stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

In case of undrawn loan commitments, a credit conversion factor of 100% is applied for expected drawdown.

53 RISK MANAGEMENT (Contd.)

53.02.02.04: Loss Given Default (LGD)

LGD is an estimate of the loss arising in case where a default occurs. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, including from the realisation of any security.

53.02.02.05: Significant increase in credit risk(SICR)

The Group continuously monitors all assets subject to ECLs in order to determine whether an instrument or a portfolio of instruments is subject to 12 month ECL or lifetime ECL. The Group assesses whether there has been an event which could cause a significant increase in the credit risk of the underlying asset or the customer's ability to pay and accordingly change the 12 month ECL to a lifetime ECL.

In certain cases, the Group may also consider that events explained in Note 53.02.02.01 are a significant increase in credit risk as opposed to a default. Regardless of the above, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

When estimating ECLs on a collective basis for a Group of similar assets (as set out in Note 53.02.02.07), the Group applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

53.02.02.06: Forward looking information

As explained in Note 7.1.(ix), the Group has incorporated forward looking information and macro-economic factors while calculating PD and LGD rate.

53.02.02.07: Grouping financial assets measured on a collective basis

As explained in Note 7.1.(ix), the Group calculates ECLs only on a collective basis. The Group segments the exposure into smaller homogeneous portfolios, based on a combination of internal and external characteristics of the loans as described below.

1. Commercial Vehicles
2. Construction Equipments
3. Farm Equipments
4. MSME
5. Gold Loans
6. Personal Loans
7. Passenger Vehicles
8. Loan against property

53.02.03: Analysis of risk concentration

The maximum credit exposure to any individual client or counterparty as of March 31, 2024 was Rs. 63.10 crores (March 31, 2023: Rs. 61.78 crores).

Credit risk exposure analysis

(Rs. in crores)

	As at March 31, 2024			
Particulars	Stage 1 collective	Stage 2 collective	Stage 3 collective	Total
Credit risk exposure	205,159.78	15,157.37	12,192.54	**232,509.69**

53 RISK MANAGEMENT (Contd.)

53.03: Liquidity risk and funding management

In assessing the Group's liquidity position, consideration shall be given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds. The Group maintains a portfolio of marketable assets that are assumed to be easily liquidated and undrawn cash credit limits which can be used in the event of an unforeseen interruption in cash flow. The Group also enters into securitisation deals (direct assignment as well as pass through certificates) of their loan portfolio, the funding from which can be accessed to meet liquidity needs. In accordance with the Group'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 Group. Net liquid assets consist of cash, short–term bank deposits and investments in mutual fund available for immediate sale, less issued securities and borrowings due to mature within the next month. Borrowings from banks and financial institutions, issue of debentures and bonds and acceptance of public deposits are considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings.

The Board of Directors also approves constitution of Asset Liability Committee (ALCO), Asset Liability Management Committee(ALCO) reviews or monitors Asset Liability Management (ALM) mismatch. ALCO conducts periodic reviews relating to the liquidity position and stress test assuming various what if scenarios. The ALCO is responsible for ensuring adherence to the limits set by the Board as well as for deciding the business strategy of the Group in line with the Group's budget and decided risk management objectives. The ALCO is a decision-making unit responsible for balance sheet planning from risk-return perspective including strategic management of interest rate and liquidity risks. The ALCO also evaluates the Borrowing Plan of subsequent quarters on the basis of previous borrowings of the Group. The ALCO will be responsible for ensuring the adherence to the target set by the Board of Directors. The meetings of ALCO are held at quarterly intervals. The ALM Support Groups consisting of operating staff are responsible for analysing, monitoring and reporting the risk profiles to the ALCO. ALCO support group meets every fortnight. The minutes of ALCO meetings are placed before the RMC and the Board of Directors in its next meeting for its ratification.

53 RISK MANAGEMENT (Contd.)

53.03.01: Analysis of financial assets and liabilities by remaining maturities

The table below summarises the maturity profile of the Group's financial assets and liabilities as at March 31. All derivatives used for hedging and natural hedges are shown by maturity. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Group expects that many customers will not request repayment on the earliest date it could be required to pay and the table does not reflect the expected cash flows indicated by its deposit retention history.

Maturity pattern of assets and liabilities as on March 31, 2024:

(Rs. in crores)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents	6,182.36	-	-	-	-	-	**6,182.36**
Bank balance other than above	2,171.34	996.60	1,700.91	26.66	99.78	-	**4,995.29**
Derivative Financial Instruments	0.09	-	(4.00)	307.79	-	22.60	**326.48**
Financial assets at fair value through profit and loss	300.38	-	-	-	-	30.07	**330.45**
Loans *	35,289.51	32,283.53	55,004.27	118,805.48	28,801.91	7,469.89	**277,654.59**
Financial investments at FVOCI	-	-	-	-	-	79.84	**79.84**
Financial investments at amortised cost	494.28	134.79	515.04	1,731.61	1,137.00	5,042.13	**9,054.85**
Trade receivables	51.63	-	-	-	-	-	**51.63**
Other receivables	59.93	50.30	59.45	131.12	24.76	14.97	**340.53**
Other financial assets	22.90	21.77	41.45	125.72	69.70	91.68	**373.22**
Total undiscounted financial assets	**44,572.42**	**33,486.99**	**57,317.12**	**121,128.38**	**30,133.15**	**12,751.18**	**299,389.24**
Financial liabilities							
Deposits *	2,763.26	3,691.30	7,065.55	25,392.78	14,336.53	-	**53,249.42**
Debt securities *	5,274.15	2,979.80	5,983.27	17,586.12	13,491.31	13,841.67	**59,156.32**
Borrowings (other than debt securities) *	15,360.85	10,443.19	19,176.02	54,185.65	12,832.07	2,306.44	**114,304.22**
Subordinated liabilities *	1,858.94	33.96	731.81	584.95	1,670.41	494.97	**5,375.04**
Trade payables	245.91	-	-	-	-	-	**245.91**
Other payables	5.41	-	-	-	-	-	**5.41**
Other financial liabilities	1,065.30	128.13	245.03	402.94	235.37	215.71	**2,292.48**
Total undiscounted financial liabilities	**26,573.82**	**17,276.38**	**33,201.68**	**98,152.44**	**42,565.69**	**16,858.79**	**234,628.80**
Net undiscounted financial assets/ (liabilities)	**17,998.60**	**16,210.61**	**24,115.44**	**22,975.94**	**(12,432.54)**	**(4,107.61)**	**64,760.44**
Cumulative net undiscounted financial assets/ (liabilities)	**17,998.60**	**34,209.21**	**58,324.65**	**81,300.59**	**68,868.05**	**64,760.44**	

* includes future interest

53 RISK MANAGEMENT (Contd.)

Maturity pattern of assets and liabilities as on March 31, 2023:

(Rs. in crores)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents	9,932.84	-	-	-	-	-	**9,932.84**
Bank balance other than above	3,824.87	841.87	1,927.54	116.39	95.60	-	**6,806.28**
Derivative Financial Instruments	-	490.73	8.47	104.49	65.68	-	**669.37**
Financial assets at fair value through profit and loss	587.35	-	-	2.15	2.15	29.08	**620.72**
Loans *	27,947.97	25,377.05	45,038.04	98,339.25	23,573.38	6,532.48	**226,808.16**
Financial investments at FVOCI	-	-	-	-	-	63.35	**63.35**
Financial investments at amortised cost	436.51	111.28	443.19	1,299.96	1,021.34	3,334.90	**6,647.19**
Trade receivables	17.00	-	-	-	-	-	**17.00**
Other receivables	61.47	49.68	84.35	172.09	50.02	17.35	**434.96**
Other financial assets	1.62	0.77	2.55	2.78	1.06	74.39	**83.16**
Total undiscounted financial assets	**42,809.63**	**26,871.38**	**47,504.15**	**100,037.11**	**24,809.22**	**10,051.54**	**252,083.03**
Financial liabilities							
Deposits *	2,252.10	2,671.47	5,513.94	21,117.21	9,750.56	-	**41,305.28**
Debt securities *	5,842.10	4,410.68	10,808.44	14,834.48	4,976.24	15,299.50	**56,171.44**
Borrowings (other than debt securities) *	11,886.32	11,330.16	14,716.52	39,622.65	9,886.16	1,729.50	**89,171.32**
Subordinated liabilities *	275.03	171.98	311.35	2,878.26	1,859.71	395.86	**5,892.18**
Trade payables	310.14	2.45	0.45	0.15	-	-	**313.19**
Other payables	1.45	-	-	-	-	-	**1.45**
Other financial liabilities	875.11	115.77	188.61	335.88	143.63	206.72	**1,865.72**
Total undiscounted financial liabilities	**21,442.25**	**18,702.50**	**31,539.31**	**78,788.62**	**26,616.30**	**17,631.58**	**194,720.57**
Net undiscounted financial assets/ (liabilities)	**21,367.38**	**8,168.88**	**15,964.84**	**21,248.48**	**(1,807.07)**	**(7,580.04)**	**57,362.46**
Cumulative net undiscounted financial assets/ (liabilities)	**21,367.38**	**29,536.26**	**45,501.09**	**66,749.58**	**64,942.50**	**57,362.46**	

* includes future interest

53 RISK MANAGEMENT (Contd.)

The table below shows the expiry by maturity of the contingent liabilities and commitments of the Group and its associate:: Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

(Rs. in crores)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
As at March 31, 2024							
In respect of Income tax demands where the Group has filed appeal before various authorities	-	-	-	-	-	102.58	**102.58**
VAT demand where the Group has filed appeal before various appellates	-	-	-	-	-	0.02	**0.02**
Service tax demands where the Group has filed appeal before various authorities	-	-	-	-	-	2,056.83	**2,056.83**
GST demand where the Group has filed appeals	-	-	-	-	-	7.72	**7.72**
Stamp duty demand raised by District Registrar office against which the Group has filed appeal.	-	-	-	-	-	6.69	**6.69**
Bank Guarantees	-	-	-	-	-	185.14	**185.14**
Estimated amount of contracts remaining to be executed on capital account, net of advances	47.73	-	-	-	-	-	**47.73**
Commitments related to loans sanctioned but undrawn	841.42	-	-	-	-	-	**841.42**
Total commitments	**889.15**	**-**	**-**	**-**	**-**	**2,358.98**	**3,248.13**
As at March 31, 2023							
In respect of Income tax demands where the Group has filed appeal before various authorities	-	-	-	-	-	91.68	**91.68**
VAT demand where the Group has filed appeal before various appellates	-	-	-	-	-	4.92	**4.92**
Service tax demands where the Group has filed appeal before various authorities	-	-	-	-	-	2,056.83	**2,056.83**
Bank Guarantees	19.99	0.60	23.37	15.96	-	-	**59.92**
Penalty levied for Contravention of provisions of Section 6(3)(b) of FEMA, 1999 read with Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000	-	-	-	-	-	5.00	**5.00**
Estimated amount of contracts remaining to be executed on capital account, net of advances	102.11	-	-	-	-	-	**102.11**
Commitments related to loans sanctioned but undrawn	839.63	-	-	-	-	-	**839.63**
Total commitments	**961.73**	**0.60**	**23.37**	**15.96**	**-**	**2,158.43**	**3,160.09**

53 RISK MANAGEMENT (Contd.)

53.04: Market Risk

Market risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Group classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately.

Interest rate risk

The Group's exposure to changes in interest rates relates to the Group's outstanding floating rate liabilities. Most of the Group's outstanding liability is on fixed rate basis and hence not subject to interest rate risk. Some of the borrowings of the Group are linked to rate benchmarks such as Bank Marginal Cost of Funds based Lending Rate (MCLR) or London Inter-bank Offered Rate (LIBOR), Euro Interbank Offered Rate (EURIBOR), Secured Overnight Financing Rate (SOFR) and Mumbai Inter-Bank Offer Rate (MIBOR) and hence subject to interest rate risk. The Group hedges interest rate risks of foreign currency borrowings through derivative transactions. The sensitivity of the Group's floating rate borrowings to change in interest rate (assuming all other variables constant) is given below:

As at March 31, 2024 (Rs. in crores)

Particulars	Carrying amount	Favourable change 1% increase	Unfavourable change 1% decrease
Debt instrument	1,246.11	88.83	(109.21)
Term loans	29,127.25	1,905.71	(2,355.41)
Total floating rate borrowings	**30,373.36**	**1,994.54**	**(2,464.62)**

As at March 31, 2023 (Rs. in crores)

Particulars	Carrying amount	Favourable change 1% increase	Unfavourable change 1% decrease
Debt instrument	7,644.34	984.28	(445.85)
Term loans	37,568.87	3,126.89	(4,390.33)
Total floating rate borrowings	**45,213.21**	**4,111.17**	**(4,836.18)**

Fair value sensitivity analysis for fixed rate instruments

The Group's fixed rate instruments are carried at amortised cost and are not measured for interest rate risk, as neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

Inter-Bank Offered Rate (IBOR) reform

The U.S. Dollar LIBOR bank panel ended on June 30, 2023, and therefore the exposure with the Group was transitioned from LIBOR to SOFR. Currently there is no exposure to IBOR risk as at March 31, 2024.

Most of the Group's outstanding loans are on fixed rate basis and hence not subject to interest rate risk. The Group's exposure to changes in interest rates relates to the Group's outstanding floating rate loans hence subject to interest rate risk. The sensitivity of the Group's floating rate loans to change in interest rate (assuming all other variables constant) is given below:

As at March 31, 2024 (Rs. in crores)

Particulars	Carrying amount	Favourable change 1% increase	Unfavourable change 1% decrease
Loans	5,175.55	(51.76)	51.76
Total floating rate loans	**5,175.55**	**(51.76)**	**51.76**

As at March 31, 2023 (Rs. in crores)

Particulars	Carrying amount	Favourable change 1% increase	Unfavourable change 1% decrease
Loans	2,691.16	(26.91)	26.91
Total floating rate loans	**2,691.16**	**(26.91)**	**26.91**

53 RISK MANAGEMENT (Contd.)

Foreign currency risk

Foreign Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group is exposed to foreign currency fluctuation risk for its foreign currency borrowing. The Group's borrowings in foreign currency are governed by RBI Master Direction External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019 (as and when updated) which requires entities raising External Commercial Borrowings (ECB) for an average maturity of less than 5 years to hedge minimum 70% of the its ECB exposure. The Group hedges its entire ECB and external commercial bond exposure as per Board approved hedging policy and resource mobilisation policy. The Group manages foreign currency risk by entering in to cross currency swaps and forward contract. When a derivative is entered in to for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match with the terms of the hedge exposure. The Group holds derivative financial instruments such as Cross currency interest rate swap to mitigate risk of changes in exchange rate in foreign currency and floating interest rate. The Counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in market place. Refer note 22A - Redeemable Non-Convertible Debenture (NCD) Secured, note 22B - External commercial bond (ED) Secured, note 22D - Redeemable Non-Convertible Debenture (NCD) Unsecured, note 23A - Term loans from banks Secured (INR) and note 23C - External commercial borrowing, respectively for terms and conditions of external commercial bonds and external commercial borrowings.

Exposure to currency risk

The summary quantitative data about exposure to Currency risk (based on Notional amounts) as reported :

(Amount in crores)

Particulars	As at March 31, 2024				As at March 31, 2023			
	Contracts in EURO		Contracts in USD		Contracts in EURO		Contracts in USD	
	EURO	INR	USD	INR	EURO	INR	USD	INR
Total foreign currency exposure in respect of recognised assets and liabilities	1.48	1,331.02	53.16	48,892.94	0.67	533.08	49.69	39,552.52
Cross currency Interest rate swap /Forward exchange contracts	1.48	1,331.02	53.16	48,892.94	0.67	533.08	49.69	39,552.52
Net Exposure	-	-	-	-	-	-	-	-

Movement in Cash flow hedge reserve

(Rs. in crores)

Cash flow hedge reserve	As at March 31, 2024			As at March 31, 2023		
	Realised	Unrealised	Total	Realised	Unrealised	Total
Balance at the beginning of the year	-	**(224.42)**	**(224.42)**	-	**(213.40)**	**(213.40)**
Add: Changes in the fair value during the year	-	(56.00)	**(56.00)**	-	(14.73)	**(14.73)**
Less: Income tax relating to items that will be reclassified to profit or loss	-	14.08	**14.08**	-	3.71	**3.71**
Balance at the end of the year	-	**(266.34)**	**(266.34)**	-	**(224.42)**	**(224.42)**

Nature and terms and conditions of outstanding derivative contracts

(Rs. in crores)

Particulars	As at March 31, 2024				As at March 31, 2023			
	Rate of interest	Maturity date	Notional amounts	Fair Value - Assets	Rate of interest	Maturity date	Notional amounts	Fair Value - Assets
(i) Currency derivatives:								
- Spots and forwards	-	June 17, 2024 to December 15, 2031	19,162.15	(413.73)	3 months LIBOR + 1.95%	June 10, 2022 to August 10, 2023	6.71	0.05
- Spots and forwards	-	-	-	-	SOFR + 2%	December 27, 2023 to December 27, 2027	3,141.79	(11.58)

53 RISK MANAGEMENT (Contd.)

(Rs. in crores)

Particulars	As at March 31, 2024				As at March 31, 2023			
	Rate of interest	Maturity date	Notional amounts	Fair Value - Assets	Rate of interest	Maturity date	Notional amounts	Fair Value - Assets
- Spots and forwards	-	-	-	-	4.08% to 6.91%	June 15, 2023 to December 15, 2031	13,715.75	(182.04)
- Currency swaps	2.53% to 4.72%	July 18, 2025 to April 22, 2027	6,514.26	162.27	SOFR + 2%	January 20, 2026	1,425.88	14.24
- Currency swaps	-	-	-	-	4.78% to 5.25 %	March 13, 2024 to July 18. 2025	1,290.05	107.41
- Cross currency interest rate swaps	6M EURIBOR + 1.15%	April 25, 2026	380.77	35.14	3 months LIBOR + 1.95%	August 10, 2023	2,402.33	474.96
- Cross currency interest rate swaps	USD O/N SOFR + 2.93%	December 11, 2026	80.18	72.84	6 months EURIBOR + 1.15%	April 26, 2022 to April 25, 2026	533.08	74.01
- Cross currency interest rate swaps	USD O/N SOFR + 2.10%	December 03, 2024	187.35	166.29	6 months LIBOR + 2.50%	June 13, 2022 to December 11, 2026	106.91	15.87
Cross currency interest rate swaps	USD O/N SOFR + 2.00 %	September 28, 2026	332.72	(4.38)	SOFR + 2.10%	December 03, 2024	187.35	23.49
(ii) Interest rate derivatives:								
Interest rate swaps	4.08% to 6.91%	July 18, 2025 to December 15, 2031	11,512.97	176.55	4.08% to 5.10%	July 17, 2023 to December 15, 2031	12,927.25	103.18
Interest rate swaps	USD 3M CME SOFR + 2.00 %	January 20, 2026 to February 16, 2027	6,280.60	49.30	SOFR + 2.00%	January 20, 2026 to December 27, 2027	4,303.17	13.47
Interest rate swaps	USD 3M CME SOFR + 1.75%	March 23, 2027	2,076.00	(5.37)	-	-	-	-
Interest rate swaps	USD 6M CME SOFR + 2.00 %	December 27, 2027	736.54	6.74	-	-	-	-

53 RISK MANAGEMENT (Contd.)

(Rs. in crores)

Particulars	As at March 31, 2024				As at March 31, 2023			
	Rate of interest	Maturity date	Notional amounts	Fair Value - Assets	Rate of interest	Maturity date	Notional amounts	Fair Value - Assets
Interest rate swaps	USD O/N SOFR + 2.10 %	May 24, 2027	833.00	(4.03)	-	-	-	-
Interest rate swaps	USD O/N SOFR + 2.25 %	September 29, 2027	1,233.00	70.78	-	-	-	-
Interest rate swaps	3M EURIBOR + 2.10 %	September 15, 2026	445.00	(4.99)	-	-	-	-
Interest rate swaps	INR 3M Tbill	June 30, 2026	200.00	(0.08)	-	-	-	-
Interest rate swaps	INR 3M Tbill + 2.10 %	June 12, 2025	200.00	0.09	-	-	-	-
Interest rate swaps	INR 12M Tbill + 1.86 %	April 29, 2026	1,150.00	(0.44)	-	-	-	-
Interest rate swaps	INR 3M OIS + 1.50 %	June 30, 2026	200.00	(1.77)	-	-	-	-
Interest rate caps	6M EURIBOR + 1.15%	April 25, 2026	-	22.93	6 months EURIBOR + 1.15%	April 26, 2022 to April 25, 2026	-	35.75
Interest rate caps	INR O/N OIS + 1.95 %	October 3, 2025	300.00	0.03	-	-	-	-
Interest rate caps	INR O/N OIS + 2.80 %	April 21, 2025	400.00	2.31	-	-	-	-
-Spots and forwards	12M SOFR 3.54% + 0.91%	Aug 27, 2024	31.98	(0.06)	12M SOFR 3.54% + 0.91%	August 31, 2022 to August 30, 2023	45.33	0.56
Spots and Forwards	3month term SOFR +200bps	July 6, 2026	438.70	(5.21)	-	-	-	-
Interest rate swaps	6.69%	July 6, 2026	416.95	1.27	-	-	-	-
TOTAL			**53,112.17**	**326.48**			**40,085.60**	**669.37**

53 RISK MANAGEMENT (Contd.)

Price-risk

The Group's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

Ineffectiveness is recognised on a cash flow hedge where the cumulative change in the designated component value of the hedging instrument exceeds on an absolute basis the change in value of the hedged item attributable to the hedged risk. In such cases, ineffectiveness may arise if:

(a) The critical terms of the hedging instrument and the hedged item differ (i.e. nominal amounts, timing of the forecast transaction, interest resets changes from what was originally estimated), or

(b) differences arise between the credit risk inherent within the hedged item and the hedging instrument.

There were no ineffectiveness recognised in the statement of profit and loss.

There were no other sources of ineffectiveness in these hedge relationships.

54 DISCLOSURE UNDER THE MSME ACT 2006, (AS PER THE INTIMATION RECEIVED FROM THE VENDOR)

Based on the intimation received by the Group, some of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
The principal amount remaining unpaid to supplier as at the end of the year	2.27	0.36
The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

55 DISCLOSURE REGARDING AUDITORS REMUNERATION DISCLOSED UNDER LEGAL AND PROFESSIONAL FEES

In addition to the auditors remuneration shown in note-42 Other expenses, the Group has also incurred auditors remuneration in connection with audit and related statutory services to be performed by auditors in connection with issue of senior secured notes of Rs. 0.33 crores (March 31, 2023: Rs. 0.60 crores) shown under Legal and professional fees in note 42-Other expenses.

56 SEGMENT REPORTING

The Group operates in a single reporting segment i.e. financing. Its associate is primarily engaged in the business of facilitation service. Since, it does not meet the quantitative thresholds laid down under the Ind AS 108 – Operating Segments for reportable segments, it has not been considered for segment reporting.

i) Information about geographical areas

The Group operates within India. Therefore it neither generates any revenue from outside India nor have any non-current asset located outside India for the financial years ended March 31, 2024 and March 31, 2023.

ii) Information about major customers

No single external customer contributes 10% or more to the revenues of the Group for the financial year ended March 31, 2024 and March 31, 2023.

57 TRANSFER OF FINANCIAL ASSETS

57.01: Transferred financial assets that are not derecognised in their entirety

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Securitisation		
Carrying amount of transferred assets measured at amortised cost (held as collateral)	28,816.87	22,596.75
Carrying amount of associated liabilities (Borrowings (other than debt securities)-measured at amortised cost)	30,034.86	22,476.91
Fair value of assets	28,512.98	22,459.82
Fair value of associated liabilities	29,729.11	22,262.08
Net position at fair value	**(1,216.13)**	**197.74**

57.02: Transferred financial assets that are derecognised in their entirety

The Group has assigned loans (earlier measured at amortised cost) by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 90% of the assets transferred to the buyer, the assets have been de-recognised from the Group's balance sheet. The table below summarises the carrying amount of the derecognised financial assets:

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Direct assignment		
Carrying amount of transferred assets measured at amortised cost	5,870.16	3,959.79
Carrying amount of exposures retained by the Group at amortised cost	633.68	437.74

57.03: Transferred financial assets that are derecognised in their entirety but where the Group has continuing involvement

The Group has not transferred any assets that are derecognised in their entirety where the Group continues to have continuing involvement.

58 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

(Rs. in crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Professional charges-resource mobilisation	150.24	106.28
Professional charges on securitisation	30.53	2.93
Total	**180.77**	**109.21**

59 DETAILS OF CSR EXPENSES

(Rs. in crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
a) Gross amount required to be spent by the Group during the year	92.83	95.40
b) Amount spent during the year		
- On purposes other than construction/acquisition of any asset	-	-
Paid in cash	93.33	95.48
Yet to be paid in cash	-	-
Total	**93.33**	**95.48**

There is no shortfall in the CSR amount required to be spent by the Group as per section 135(5) of the Act for the financial years ended March 31, 2024 and March 31, 2023.

CSR activities include Education, Preservation of Arts, Culture and Heritage, Preventive Healthcare, Scholarship Scheme, Training and Skill Development, Road Safety Awareness Program, Contribution towards - Primary, Secondary and Higher Education, Mathematical and Scientific Research, School Repairs and renovation and other activities which are specified under Schedule VII of Companies Act, 2013.

The Group has neither made any CSR contributions towards its related parties nor recorded any provision for CSR expenditure during the financial years ended March 31, 2024 and March 31, 2023.

60 MOVEMENT IN PROVISIONS

(Rs. in crores)

Provision for taxes - contested	Opening balance	Additional provision	Utilisation /reversal during the year	Closing balance
As at March 31, 2024	98.59	-	9.40	89.19
As at March 31, 2023	90.93	7.66	-	98.59

The above provisions relate to disputed tax demands in relation to VAT and Service Tax. Due to the very nature of such provisions and the litigations involved, it is not possible to estimate the timing/ uncertainties relating to their outflows.

61 EVENTS AFTER REPORTING DATE

There have been no events after the reporting date.

62 FLOATING CHARGE ON INVESTMENT IN GOVERNMENT SECURITIES

In accordance with the Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 dated August 25, 2016, the Group has created a floating charge on the statutory liquid assets comprising of investment in government securities (face value) to the extent of Rs. 6,550.44 crores (March 31, 2023: Rs. 5,346.44 crores) in favour of trustees representing the public deposit holders of the Group.

63 DISCLOSURE ON RESOLUTION FRAMEWORK

The Group invoked resolution plans to relieve COVID-19 pandemic related stress to eligible borrowers. The resolution plans are based on the parameters laid down in the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI on August 06, 2020 and May 05, 2021. The staging of accounts and provisioning for the eligible accounts where the resolution plans are invoked and implemented is in accordance with the Board Approved Policy in this regard.

63 DISCLOSURE ON RESOLUTION FRAMEWORK (Contd.)

Disclosure on Resolution Framework 2.0 implemented in terms of RBI notification no. RBI/2020-21/16 DoR. NO.BP.BC/3/21.04.048/2020-21 dated August 06, 2020 and RBl/2021-22/31/DoR.STR.REC.11 /21.04.048/2021-22 dated May 05, 2021

(Rs. in crores)

Type of borrower	(A) Exposure to accounts classified as Standard consequent to implementation of Resolution Plan – Position as at the half year September 30, 2023 (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 half year March 31, 2024
Personal Loans #	472.11	16.34	1.07	117.41	337.29
Corporate persons*	13.84	2.51	-	0.27	11.05
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**485.95**	**18.85**	**1.07**	**117.68**	**348.34**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

pertains to automobile loans

64 EMPLOYEE STOCK OPTION PLAN

A. Shriram Finance Limited ("the Company"):

The Company provides share-based payment schemes to its Employees.

Employee Stock Option Plan (2013)

64.01: About the plan

Pursuant to clause 3.35.11 of the approved Composite Scheme of Arrangement and Amalgamation ("Scheme"), all the employees in service of Shriram City Union Finance Limited ("Transferor Company") have become employee of the Company with effect from appointed date of the scheme i.e April 01, 2022. The Transferor Company prior to the Scheme had framed and implemented the Shriram City Union Finance Limited Employee Stock Options Scheme 2013 ("SCUF ESOS 2013") under which Employee Stock Options were granted to certain of its eligible employees. Shriram Finance Limited Employee Stock Options Scheme 2023 ("SFL ESOS 2023") has been created in lieu of the SCUF ESOS 2013 to issue stock options to the eligible employee of the Transferor Company taking into account the share exchange ratio as provided in terms of clause 3.36.1 of the Scheme. The objective of SFL ESOS 2023 plan is that the eligible employees of the Transferor Company continue to enjoy the benefit of stock options upon becoming the employees of the Company and to restore the value of options post amalgamation in the manner provided in terms of Clause 3.35.17 of the Scheme. This SFL ESOS 2023 plan has been adopted on March 15, 2023 by the Board and Nomination and Remuneration Committee of the Company.

Details of the Options issued under SFL ESOS 2023 plan is as follows:

Particulars	Number of options
Options Outstanding under SFL ESOS 2023 as on April 01, 2023	**2,126,875**
Options allotted during the year	1,365,534
Options lapsed during the year	6,680
Options Outstanding under SFL ESOS 2023 as on March 31, 2024	**754,661**

64 EMPLOYEE STOCK OPTION PLAN (Contd.)

The options shall vest in the hands of the Option holder after a minimum period of 12 months from the date of grant of option or such longer period as may be determined by the Committee subject to the condition that the Option grantee continues to be an employee of the Company and the performance or other conditions as may be determined by the Committee. The maximum period of vesting shall be 5 years from the date of grant.

The period during which the options granted by the Transferor Company under SCUF ESOS 2013 plan were held by the eligible employee shall be adjusted against the minimum vesting period. That is, the date of vesting under the SCUF ESOS 2013 plan shall be considered as the vesting date under SFL ESOS 2023 plan.

The exercise price shall be Rs.193.55 per Fresh Options under the SFL ESOS 2023.

The options vested shall be exercised within period of ten years from the vesting date. When exercisable, each option is convertible into one equity share. Any option granted shall be exercisable according to the terms and conditions as determined by the Scheme.

64.02: Fair value of the options granted

The Company has recorded employee stock-based compensation expense relating to the SFL ESOS 2023 options on the basis of fair value of SCUF ESOS 2013 options.

The fair value of the options granted is mentioned below as per vesting period. The fair value of the options is determined using Black-Scholes model which takes into account the exercise price, the term of the option (time to maturity), the share price as at the grant date and expected price volatility (standard deviation) of the underlying share, the expected dividend yield and risk-free interest rate for the term of the option.

Fair value and assumptions for the equity-settled grants under the SCUF ESOS 2013 plan is as under:

Particulars	Grant I	Grant II	Grant III	Grant IV	Grant V	Grant VI	Grant VII	Grant VIII
Grant Date	August 11, 2020	November 02, 2020	January 29, 2021	July 29, 2021	October 27, 2021	January 28, 2022	April 29, 2022	July 27, 2022
No. of Options Granted	300,221	300,030	315,396	302,601	303,270	301,582	599,800	28,913.00
Vesting Date	August 11, 2020	November 02, 2021	January 29, 2022	July 29, 2022	October 27, 2022	January 28, 2023	April 29, 2023	July 27, 2023
Exercise Price (in Rs.)	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00
Fair value of option (in Rs.)	399.20	560.18	756.39	1,539.79	1,985.23	1,517.66	1,440.68	1,686.59
Input Variables:								
Share price as on grant date (in Rs.)	661.80	822.75	1,018.70	1,814.10	2,257.45	1,787.90	1,708.60	1,949.95
Standard deviation (Volatility)	38.28%	44.52%	47.21%	27.52%	49.85%	53.76%	51.12%	49.47%
Risk-free rate	5.85%	5.88%	6.20%	4.48%	4.82%	5.03%	5.51%	6.46%
Time to maturity (in years)	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Expected Dividend per annum (in Rs.)	20.00	25.00	30.00	-	-	-	-	-
Dividend yield	3.00%	3.00%	3.00%	-	-	-	-	-

Since the SFL ESOS scheme 2023 is already recorded by applying fair value method, the disclosure required under para 48 of guidance note on "Accounting for Employees Share Based Payments" issued by ICAI for reconciling the impact on net profit and earnings per share is not required.

64 EMPLOYEE STOCK OPTION PLAN (Contd.)

64.03: Rationale for the variables use

The variables used for calculating the fair values and their rationale are as follows:

a. Stock Price

The latest available closing market price on the National Stock Exchange (NSE) date on which options are granted under SCUF ESOS 2023 plan has been considered for the purpose of valuation.

b. Volatility

Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes option pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time.

The period to be considered for volatility must be adequate to represent a consistent trend in the price movements. Accordingly, the annualised volatility has been computed based on the share price data of past one year, from the date of the valuation.

The fair value is very sensitive to this variable. Higher the volatility, higher is the fair value. The rationale being, the more volatile a stock is, the more is its potential to go up (or come down), and the more is the probability to gain from the movement in the price. Accordingly, an option to buy a highly volatile stock is more valuable than the one to buy a less volatile stock, since the probability of gaining is lesser in the latter case.

c. Risk free interest rate

The risk-free interest rate being considered for the calculation is the interest rate applicable on Government securities - having 10 year maturity period.

d. Exercise price

Exercise price of the options granted is as per SCUF ESOS 2023 plan.

e. Time to maturity/ Expected life of options

Time to maturity/ expected life of options is the period from the grant date to the date on which option is expected to be exercised. The minimum life of stock option is the minimum period before which the options cannot be exercised and maximum life is the period after which the options cannot be exercised.

Considering the deep discount on the market price i.e. 55% to 70%, it is expected that the options will be exercised in 1 year from the vesting date. As such the average expected life of options is considered at 2 years.

64.04: Effect of the employee share-based payment plans on the Statement of profit and loss and on its financial position

The Company has recorded employee stock-based compensation cost of Rs. 9.17 crores in the Statement of profit and loss for the year ended March 31, 2024 (March 31, 2023: Rs. 164.56 crores)

The share option outstanding in the Balance Sheet as at March 31, 2024 is Rs.70.40 crores (March 31, 2023: Rs. 194.84 crores).

64 EMPLOYEE STOCK OPTION PLAN (Contd.)

B. Shriram Housing Finance Limited ("SHFL"):

The company provides share-based payment schemes to its employees. For the year ended March 31, 2024 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 (Tranche I - 13)	ESOP Scheme 2013 (Tranche II - 13)	ESOP Scheme 2013 (Tranche III - 13)	ESOP Scheme 2016 (Tranche I - 16)	ESOP Scheme 2016 (Tranche II - 16)	ESOP Scheme 2016 (Tranche III - 16)	ESOP Scheme 2016 (Tranche IV - 16)	ESOP Scheme 2016 (Tranche V - 16)
Date of shareholder's approval of plan	March 28, 2013	March 28, 2013	March 28, 2013	December 13, 2016	December 13, 2016	December 13, 2016	December 13, 2016	December 13, 2016
Date of grant	August 28, 2013 & April 20, 2015	December 19, 2018	February 23, 2021	February 01, 2020	01 November, 2021	01 May, 2022	01 July, 2023	01 August, 2023
Number of options granted	350,000	2,500,000	500,000	1,240,000	1,570,000	200,000	1,925,000	40,000
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Vesting period	3 - 5 years	3 - 10 years	1 - 8 years	1 - 3 years	1 - 3 years	1 - 3 years	2 - 5 years	2 - 5 years
Exercise price	10.00	10.00	10.00	35.00	35.00	35.00	35.00	35.00
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 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	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 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 (Tranche I - 13)	ESOP Scheme 2013 (Tranche II - 13)	ESOP Scheme 2016 (Tranche I, II & III - 16)	ESOP Scheme 2013 (Tranche III - 13)	ESOP Scheme 2016 (Tranche IV & V - 16)
Completion of 1 year	-	-	33.33%	12.50%	-
Completion of 2 year	-	-	33.33%	12.50%	25.00%
Completion of 3 year	-	12.50%	33.33%	12.50%	25.00%
Completion of 4 year	50.00%	12.50%	-	12.50%	25.00%
Completion of 5 year	50.00%	12.50%	-	12.50%	25.00%
Completion of 6 year	-	12.50%	-	12.50%	-
Completion of 7 year	-	12.50%	-	12.50%	-
Completion of 8 year	-	12.50%	-	12.50%	-
Completion of 9 year	-	12.50%	-	-	-
Completion of 10 year	-	12.50%	-	-	-

64 EMPLOYEE STOCK OPTION SCHEME (ESOS) (Contd.)

Details of activity under each plan

Particulars	ESOP Scheme 2013 (Tranche I - 13)		ESOP Scheme 2013 (Tranche II - 13)		ESOP Scheme 2016 (Tranche I, II & III - 16)		ESOP Scheme 2013 (Tranche III- 13)		ESOP Scheme 2016 (Tranche IV & V - 16)	
	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	No. of Options	Weighted Avg. Exercise Price
Outstanding as at March 31, 2023	**35,000**	**10**	**1,875,000**	**10**	**2,895,000**	**35**	**375,000**	**10**	**-**	**-**
Vested as at March 31, 2023	**35,000**	**-**	**1,875,000**	**-**	**2,695,000**	**-**	**375,000**	**-**	**-**	**-**
Outstanding as at 1 April 2023	35,000	10	1,875,000	10	2,895,000	35	375,000	10	-	-
Granted during the year	-	-	-	-	-	35	-	-	1,965,000	35
Forfeited during the year	-	10	-	-	(84,999)	35	-	-	(50,000)	-
Exercised during the year	(35,000)	10	(1,875,000)	10	(1,751,669)	-	(375,000)	10	-	-
Outstanding as at March 31, 2024	**-**	**-**	**-**	**-**	**1,058,332**	**35**	**-**	**-**	**1,915,000**	**35**
Vested as at March 31, 2024	**-**	**-**	**-**	**-**	**924,999**	**-**	**-**	**-**	**-**	**-**

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	ESOP Scheme 2013 (Tranche I - 13)	ESOP Scheme 2013 (Tranche II - 13)	ESOP Scheme 2016 (Tranche I - 16)	ESOP Scheme 2013 (Tranche III - 13)	ESOP Scheme 2016 (Tranche II - 16)	ESOP Scheme 2016 (Tranche III - 16)	ESOP Scheme 2016 (Tranche IV - 16)	ESOP Scheme 2016 (Tranche V - 16)
Risk-free interest rate	7.26% - 7.42%	7.08% - 7.68%	5.75% - 6.03%	5.45% - 6.46%	4.96% - 5.70%	4.96% - 5.70%	6.95% - 7.13%	6.95% - 7.13%
Expected life of options (years) [(year to vesting) + (contractual option term)/2]	6.50 - 7.50 Years	5.50 - 6.78 Years	2.50 - 4.50 Years	3.32 - 4.60 Years	2.50 - 2.91 Years	2.50 - 4.50 Years	4.50 - 7.50 Years	4.50 - 7.50 Years
Expected volatility (%)	40.56% - 43.90%	36.58% - 42.21%	40.76% - 42.76%	36.00% - 40.16%	31.01% - 36.98%	31.01% - 36.98%	45.89% - 52.92%	45.89% - 52.92%
Dividend yield	0%	0%	0%	0%	0%	0%	0%	0%
Weighted average remaining contractual life (in years)	-	-	-	-	-	0.39	2.75	2.83

64 EMPLOYEE STOCK OPTION SCHEME (ESOS) (Contd.)

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 year ended March 31, 2024 is shown in the following table:

(Rs. in crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Expense arising from equity-settled share based payment transactions	1.30	3.47
Expense arising from cash-settled share based payment transactions	-	-
Total expense arising from share based payment transactions	**1.30**	**3.47**

65 CAPITAL MANAGEMENT

The Group maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Group.

The primary objectives of the Group's capital management policy are to ensure that the Group complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Group manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years except those incorporated on account of regulatory amendments. However, they are under constant review by the Board.

66 RELATIONSHIP WITH STRUCK OFF COMPANIES

66.01: Shriram Finance Limited

Transactions with companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 in the financial years ended March 31, 2024 and March 31, 2023 are given below:

(Rs. in crores)

Name of the struck off company	Relationship with the Struck off company	Balance outstanding as at March 31, 2024*	Balance outstanding as at March 31, 2023*	Nature of transaction
Receivables (Loans outstanding)				
Swift Equipments Private Limited	Not Related Party	0.82	0.89	Receivables
Benze Vaccations Club Public Limited	Not Related Party	0.01	0.01	Receivables
Gocha Infrastructure Private Limited	Not Related Party	0.01	0.01	Receivables
Karainthi Private Limited	Not Related Party	0.47	0.47	Receivables
Saanwi Housing Private Limited	Not Related Party	0.05	0.06	Receivables
Seven Stones TM Private Limited	Not Related Party	-	0.08	Receivables
Vekkaliamman Telecom Services Private Limited	Not Related Party	-	0.06	Receivables
Janasaathi Media And Technologies Private Limited	Not Related Party	-	0.01	Receivables
MCDN Management Services Private Limited	Not Related Party	-	0.01	Receivables

66 RELATIONSHIP WITH STRUCK OFF COMPANIES (Contd.)

(Rs. in crores)

Name of the struck off company	Relationship with the Struck off company	Balance outstanding as at March 31, 2024*	Balance outstanding as at March 31, 2023*	Nature of transaction
Maltiton Equipments Private Limited	Not Related Party	-	0.01	Receivables
Steigen Crop Tech Private Limited	Not Related Party	-	0.44	Receivables
S. A. Industries Private Limited	Not Related Party	0.22	0.23	Receivables
Three G Online Services Private Limited	Not Related Party	-	0.03	Receivables
Shares held by struck off company**				
Nasik Capital and Financial Services Private Limited	Not Related Party	0.00	0.00	Equity Shares Held
Rasi Leasing Company Private Limited	Not Related Party	0.00	0.00	Equity Shares Held
Unickon Fincap Private Limited	Not Related Party	0.00	0.00	Equity Shares Held
Arunoday Holdings Private Limited #	Not Related Party	-	0.00	Equity Shares Held
Tangmarg Investment and Trading Private Limited #	Not Related Party	-	0.00	Equity Shares Held
G. V. Trading and Leasing Private Limited	Not Related Party	0.00	0.00	Equity Shares Held

*0.00 denotes amounts less than Rs. 1.00 lac.

**In the financial years ended March 31, 2024 and March 31, 2023, the Company did not have any transaction with above equity shareholders, being the companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956. Our Company has not allotted any Equity share to the said companies. The shareholding data is as per the record of beneficiary position downloaded by the Registrar and Transfer Agent of the Company from the database maintained by the depositories and reported to us for the purpose of this disclosure.

These companies are no longer 'Struck off' as on March 31, 2024.

66.02: Shriram Housing Finance Limited (SHFL)

SHFL has not undertaken any transaction with any company whose name is struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 in the financial years ended March 31, 2024 and March 31, 2023.

67 REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES (ROC)

All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2024 and March 31, 2023. No charges or satisfactions are yet to be registered with ROC beyond the statutory period.

68 COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES

The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2024 and March 31, 2023.

69 COMPLIANCE WITH APPROVED SCHEME(S) OF ARRANGEMENTS

The Board of Directors of the Company in its meeting held on December 13, 2021 had approved a Composite Scheme of Arrangement and Amalgamation ("Scheme"), inter alia, involving amalgamation of Shriram Capital Limited (after de-merger of few undertakings from the said Shriram Capital Limited) and Shriram City Union Finance Limited with the Company under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Hon'ble National Company Law Tribunal, Chennai Bench ("NCLT") has approved the Composite Scheme of Arrangement and Amalgamation ("Scheme"). The effect of such Scheme of Arrangements has been accounted for in the books of account of the Company in accordance with the Scheme and in accordance with accounting standards.

70 UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM

The Group, as part of its normal business, grants loans and advances, makes investment, provides guarantees to and accept deposits and borrowings from its customers, other entities and persons. These transactions are part of Group's normal non-banking finance business, which is conducted ensuring adherence to all regulatory requirements.

Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries). The Group has also not received any fund from any parties (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

71 UNDISCLOSED INCOME

There are no transactions that are not recorded in the books of accounts for the financial years ended March 31, 2024 and March 31, 2023.

72 PREVIOUS YEAR COMPARATIVES

The figures for the previous year have been regrouped/ rearranged wherever necessary to conform to the current year presentation. There are no significant regroupings/ reclassification for the year under report.

73 TITLE DEEDS OF IMMOVABLE PROPERTIES NOT HELD IN NAME OF THE COMPANY

Consequent to effect of scheme of amalgamation of SCUF with STFC and change in the name of the company from STFC to SFL, the Company is in process of applying for the name change in respect of its immovable properties.

74 DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

The Group has not traded or invested in crypto currency or virtual currency during the financial years ended March 31, 2024 and March 31, 2023.

75 DETAILS OF BENAMI PROPERTY HELD

No proceedings have been initiated during the year or pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) as amended in 2016 and rules made thereunder; in the financial years ended March 31, 2024 and March 31, 2023.

76 WILFUL DEFAULTER

The Group has not been declared as a wilful defaulter by any bank or financial institution or other lender in the financial years ended March 31, 2024 and March 31, 2023.

As per our report of even date
For KKC & Associates LLP
(formerly Khimji Kunverji & Co LLP)
Chartered Accountants
ICAI Firm Registration No.: 105146W/W100621

Devang Doshi
Partner
Membership No.: 140056
Mumbai
April 26, 2024

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

P Menakshi Sundaram
Partner
Membership No.: 217914
Mumbai
April 26, 2024

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

Jugal Kishore Mohapatra
Chairman
DIN: 03190289
Mumbai
April 26, 2024

Y. S. Chakravarti
Managing Director & CEO
DIN: 00052308
Mumbai
April 26, 2024

Parag Sharma
Joint Managing Director & CFO
DIN: 02916744
Mumbai
April 26, 2024

U Balasundararao
Company Secretary
Mumbai
April 26, 2024

Additional information as required by paragraph 2 of the general instructions for preparation of Consolidated Financial statements to schedule III to the Companies Act, 2013.

Name of the entity in the Group	Net Asset, i.e., total assets minus total liabilities		Shares in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount (Rs. in crore)	As % of Consolidated profit or loss	Amount (Rs. in crore)	As % of consolidated other comprehensive income	Amount (Rs. in crore)	As % of total comprehensive income	Amount (Rs. in crore)
1	2	3	4	5	4	5	4	5
Parent								
Shriram Finance Limited	97.77%	48,568.39	97.18%	7,190.48	99.85%	(88.10)	97.15%	7,102.38
Subsidiaries								
Indian								
Shriram Housing Finance Limited	2.40%	1,194.21	2.50%	184.93	0.10%	(0.09)	2.53%	184.84
Foreign	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Minority interests in all subsidiaries	1.47%	729.52	0.00	32.51	(0.00)	0.02	0.44%	32.53
Associates (Investment as per the equity method)								
Indian								
Shriram Automall India Limited	0.36%	178.09	0.11%	7.78	0.07%	(0.06)	0.11%	7.72
Foreign	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Inter-company eliminations and consolidation adjustments	-2.00%	(993.52)	-0.23%	(16.81)	0.00%	-	-0.23%	(16.81)
Joint Ventures (as per proportionate consolidation / investment as per the equity method)								
Indian	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Foreign	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
TOTAL	**100.00%**	**49,676.69**	**100.00%**	**7,398.89**	**100.00%**	**(88.23)**	**100.00%**	**7,310.66**

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

Jugal Kishore Mohapatra
Chairman
DIN: 03190289
Mumbai
April 26, 2024

Y. S. Chakravarti
Managing Director & CEO
DIN: 00052308
Mumbai
April 26, 2024

Parag Sharma
Joint Managing Director & CFO
DIN: 02916744
Mumbai
April 26, 2024

U Balasundararao
Company Secretary
Mumbai
April 26, 2024

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Axis Trustee Services Limited
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ANNEX A
ORIGINAL OFFERING CIRCULAR