

SEC/FILING/BSE-NSE/24-25/68A-B

July 6, 2024

BSE Limited

P. J. Towers,
Dalal Street, Fort,
Mumbai – 400 001.
Scrip Code: 511218

National Stock Exchange of India Limited

Listing Department
Exchange Plaza, 5th Floor,
Plot no. C/1, G- Block,
Bandra-Kurla Complex,
Mumbai – 400 051.
NSE Symbol: SHRIRAMFIN

Dear Sirs,

Sub.: Annual Report for the Financial Year 2023-24 containing Notice of the 45th Annual General Meeting pursuant to Regulation 30, 34, 50 and 53 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)

This is in furtherance to our letter dated April 26, 2024, wherein we had informed that the 45th Annual General Meeting (“45th AGM”) of the Company is scheduled to be held on Tuesday, July 30, 2024 through Video Conferencing (VC) /Other Audio-Visual Means (OAVM).

In compliance with Regulations 30, 34, 50, 53 and other applicable provisions of the Listing Regulations, please find enclosed herewith the following documents for the Financial Year 2023-24:

1. Notice of the 45th AGM scheduled to be held on Tuesday, July 30, 2024 at 2:00 p.m. (IST) through VC/ OAVM. The list of the agenda items proposed to be transacted at the 45th AGM is given in “**Annexure A**”;
2. Annual Report for the Financial Year 2023-24; and
3. Business Responsibility and Sustainability Report for the Financial Year 2023-24.

The Annual Report for the Financial Year 2023-24 is being sent electronically to those Members whose E-mail IDs are registered with the Company/Registrar and Transfer Agent, Integrated Registry Management Services Private Limited (“RTA”) or the Depository Participant(s). The Member who wishes to obtain a hard copy of the Annual

Shriram Finance Limited

(Formerly known as Shriram Transport Finance Company Limited)

Corporate Office : Wockhardt Towers, Level - III, West Wing, C-2, G-Block, Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051, Maharashtra. Ph: +91 22 4095 9595

Registered Office: Sri Towers, Plot No.14A, South Phase, Industrial Estate, Guindy, Chennai - 600 032. Tamil Nadu, India. Ph: +91 44 4852 4666

Website : www.shriramfinance.in | Corporate Identity Number (CIN) - L65191TN1979PLC007874

Report can send a request for the same at secretarial@shriramfinance.in mentioning Folio No/ DP ID and Client ID.

The Notice of 45th AGM and the Annual Report for the Financial Year 2023-24 can also be accessed or downloaded from the web-link given below:

<https://www.shriramfinance.in/investors/financials>

The remote e-voting period will commence from **Saturday, July 27, 2024 (9.00 a.m. IST) and end on Monday, July 29, 2024 (5:00 p.m. IST)**. The e-voting module will be disabled by CDSL for voting thereafter. During this period, Members holding shares either in physical form or in dematerialised form as on **Tuesday, July 23, 2024 i.e. Cut-off Date**, may cast their vote electronically.

The Company will also be providing the facility of live webcast of the proceedings of 45th AGM.

We request you to take this on record and treat the same as compliance with the applicable provisions of the Listing Regulations.

Thanking you,
Yours faithfully,
For Shriram Finance Limited

U Balasundararao
Company Secretary & Compliance Officer
Encl.a/a

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Annexure A

The list of agenda items proposed to be transacted at the 45th AGM of the Company is as under:

Sr. No.	Particulars
Ordinary Business:	
1.	Ordinary Resolution for consideration and adoption of the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2024, together with the Reports of the Board of Directors and the Auditors thereon
2.	Ordinary Resolution for consideration and adoption of the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2024, together with the Reports of the Auditors thereon
3.	Ordinary Resolution for declaration of final dividend of Rs.15/- per Equity Share of face value of Rs.10/- each and the confirmation of two Interim Dividends aggregating to Rs.30/- per Equity Share of face value of Rs.10/- each for the Financial Year ended March 31, 2024
4.	Ordinary Resolution for re-appointment of Mr. Parag Sharma (DIN 02916744) as a Director retiring by rotation
5.	Ordinary Resolution for appointment of M/s. G D Apte & Co, Chartered Accountants, Mumbai (Firm Registration No. 100515W) as one of the Joint Statutory Auditors of the Company, to hold office for a period of 3 (three) consecutive years from the conclusion of the 45 th Annual General Meeting of the Company till the conclusion of the 48 th Annual General Meeting of the Company and to fix their remuneration for the Financial Year ending March 31, 2025
6.	Ordinary Resolution for appointment of M/s M M Nissim & Co. LLP, Chartered Accountants, Mumbai (Firm Registration No. 107122W/W100672) as one of the Joint Statutory Auditors of the Company, to hold office for a period of 3 (three) consecutive years from the conclusion of the 45 th Annual General Meeting of the Company till the conclusion of the 48 th Annual General Meeting of the Company and to fix their remuneration for the Financial Year ending March 31, 2025
Special Business:	
7.	Ordinary Resolution for re-appointment of Mr. Umesh Revankar (DIN 00141189) as Whole Time Director designated as Executive Vice Chairman of the Company for a period of 5 (five) years with effect from October 26, 2024 to October 25, 2029 (both dates inclusive)

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8.	Ordinary Resolution for elevation and re-designation of Mr. Parag Sharma (DIN 02916744) as Managing Director & CFO with effect from June 1, 2024, for the remainder tenure of present term of his appointment i.e. up to December 12, 2026
9.	Special Resolution for appointment of Mr. Gokul Dixit (DIN 00357170) as an Independent Director of the Company, not liable to retire by rotation to hold office for a term of (5) five consecutive years commencing from June 1, 2024 to May 31, 2029 (both days inclusive)
10.	Special Resolution for appointment of Mrs. M.V. Bhanumathi (DIN 10172983) as an Independent Director of the Company, not liable to retire by rotation to hold office for a term of (5) five consecutive years commencing from June 1, 2024 to May 31, 2029 (both days inclusive)
11.	Ordinary Resolution for revision in the terms of remuneration of Mr. Umesh Revankar (DIN 00141189), whole-time director designated as Executive Vice Chairman of the Company
12.	Ordinary Resolution for revision in the term of remuneration of Mr. Y. S. Chakravarti (DIN 00052308), whole-time director designated as Managing Director & CEO of the Company
13.	Ordinary Resolution for revision in the term of remuneration of Mr. Parag Sharma (DIN 02916744), whole-time director designated as Managing Director & CFO of the Company
14.	Special Resolution for enhancement of limits of borrowing by the Board from Rs.1,90,000 crores to Rs.2,35,000 crores
15.	Special Resolution for enhancement of limits for creation of security by the Board in connection with borrowings from Rs.2,37,500 crores to Rs.2,93,750 crores
16.	Special Resolution for enhancement of limits to sell/ assign/ securitize receivables from Rs.40,000 crores to Rs.50,000 crores

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Strength in
Synergy

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For more investor-related information, please visit:

<https://www.shriramfinance.in/investors/investor-information>

Scan this QR code to view our Investor Relations page



Investor Information

Market Capitalisation as of March 31, 2024	: Rs. 88,687.10 crore
CIN	: L65191TN1979PLC007874
BSE Code	: 511218
NSE Symbol	: SHRIRAMFIN
Legal Identifier Code	: 335800TM2YO24B76XL26
AGM Date	: Tuesday, July 30, 2024
AGM Venue	: Video Conferencing ('VC') / Other Audio Visual Means ('OAVM')

Disclaimer:

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

Emerging as One for *A Stronger Trajectory*

A significant milestone was achieved in FY 2022-23 with the sanction of the Composite Scheme of Arrangement and Amalgamation, integrating Shriram City Union Finance Limited (SCUF) and the remaining undertaking of Shriram Capital Limited (SCL) into Shriram Transport Finance Company Limited. Rebranded as Shriram Finance Limited (Shriram Finance), the new entity presents unmatched synergistic advantage. This strategic consolidation signifies a pivotal step in our journey, boosting our capabilities and strengthening our market position.

Post-merger, we reaffirmed our stature as India's one of the largest NBFCs, serving an expanded and diverse customer base with comprehensive multi-product portfolio and augmented operational efficiency.

With this amalgamation, we are poised to fortify our business model through an intensified focus on various business segments. Moreover, our concerted efforts to leverage wider geographic networks, seamless technology adoption and adept sustainability endeavours position us for stronger momentum.

On our course ahead, we are optimistic that these initiatives will elevate our growth, profitability, sustainability and respectability, solidifying our position within the industry.



Corporate Information

Board of Directors

Mr. Jugal Kishore Mohapatra
Chairman (Independent)

Mr. Umesh Revankar
Executive Vice-Chairman

Mr. Y. S. Chakravarti
Managing Director & CEO

Mr. Parag Sharma
Managing Director & CFO (Elevated and re-designated
w.e.f. June 01, 2024)

Mrs. Maya S Sinha
Independent

Mr. S. Sridhar
Independent

Mr. Pradeep Kumar Panja
Independent

Mr. S. Ravindran
Independent
(w.e.f. August 31, 2023)

Mr. D.V. Ravi
Non - Executive and Non - Independent

Mr. Ignatius Michael Viljoen
Non - Executive and Non - Independent

Mr. Gokul Dixit
Additional Director - Independent
(w.e.f. June 01, 2024)

Mrs. M. V. Bhanumathi
Additional Director - Independent
(w.e.f. June 01, 2024)

Senior Management Team

Mr. S. Sunder
Joint Managing Director

Mr. Hardeep Singh Tur
Chief Risk Officer

Mr. R. Chandrasekar
Joint Managing Director &
Chief Compliance Officer

Mr. U Balasundararao
Company Secretary & Compliance Officer

Mr. Sanjay K. Mundra
Executive Director-Investor Relations

Auditors

KKC & Associates LLP
(formerly Khimji Kunverji & Co LLP)

M/s. Sundaram & Srinivasan
Chartered Accountant

Registrar & Share Transfer Agent

Integrated Registry Management Services Private Limited

2nd Floor, Kences Towers, No. 1, Ramakrishna Street
North Usman Road, T. Nagar, Chennai - 600017
Tel No. : +91 44 28140801/02/03
Fax: +91 44 2814 2479

Debenture Trustees

Axis Trustee Services Limited

The Ruby, 2nd Floor, SW
29 Senapati Bapat Marg, Dadar West
Mumbai- 400028

Ms. Mangala Gowri Bhat
Tel No. : + 91 22 62300451
Fax: +91 22 62300700
debenturetrustee@axistrustee.com

Catalyst Trusteeship Limited

Unit No- 901, 9th Floor, Tower – B
Peninsula Business Park, Senapati Bapat Marg
Lower Parel (W), Mumbai - 400013

Mr. Umesh Salvi
Tel No. : +91 22 – 49220555
Fax: +91 22 49220505
ComplianceCTLMumbai@ctltrustee.com

IDBI Trusteeship Services Limited

Universal Insurance Building, Ground Floor
Sir P.M. Road, Fort, Mumbai - 400001

Mr. Subrat Udgate
Tel No. : +91 22 40807021
itsl@idbitrustee.com

Registered office

Sri Towers, Plot No.14A, South Phase, Industrial Estate
Guindy, Chennai – 600032, Tamil Nadu
Tel: +91 44 48524666, Fax: +91 44 48525666

Corporate Office

Wockhardt Towers, West Wing, Level-3, C-2, G-Block
Bandra-Kurla Complex, Bandra (East)
Mumbai - 400051
Tel No. : +91 22 40959595, Fax: +91 22 40959597

Listed At

**National Stock Exchange of India Limited
BSE Limited**

List of Banks

Australia and New Zealand Banking Group
Axis Bank
Bank of Baroda
Bank of India
Bank of Maharashtra
Bandhan Bank
Barclays Bank PLC
BNP Paribas
Canara Bank
Central Bank of India
Citibank N.A.
CSB Bank
DBS Bank India
DCB Bank
Deutsche Bank AG
Dhanlaxmi Bank
Doha Bank
Emirates NBD Bank (P.J.S.C.)
Equitas Small Finance Bank
HDFC Bank
ICICI Bank
IDBI Bank
Indian Bank
Indian Overseas Bank
IndusInd Bank
Jana Small Finance Bank
JP Morgan Chase Bank N.A.
KEB Hana Bank
Kotak Mahindra Bank
Karur Vysya Bank
MUFG Bank
Punjab National Bank
PT Bank Maybank Indonesia Tbk
RBL Bank
South Indian Bank
Standard Chartered Bank
State Bank of India
SBM Bank (India)
Sumitomo Mitsui Banking Corporation
The Hongkong and Shanghai Banking Corporation
The Federal Bank
UBS Group AG

UCO Bank
Union Bank of India
Ujjivan Small Finance Bank
Woori Bank

List of ECB Lenders

Asian Development Bank (ADB)
Bank of China
Bank Sinopac Co., Ltd.
Chang Hwa Commercial Bank
CTBC Bank Co., Ltd.
E. Sun Bank
Hua Nan Commercial Bank
ING Bank
Kreditanstalt fur Wiederaufbau (KfW)
Malayan Banking Berhad (Maybank)
Oesterreichische Entwicklungsbank AG (OeEB)
Proparco
Qatar National Bank (Q.P.S.C.)
The National Bank of Ras Al-Khaimah (P.S.C.)
The Shanghai Commercial & Savings Bank
Taiwan ShinKong Commercial Bank Taiwan
Taishin International Bank Co. Ltd
United States Development Finance Corporation (DFC)

List of Institutions

Asian Infrastructure Investment Bank (AIIB)
International Finance Corporation (IFC)
Life Insurance Corporation of India (LIC)
Micro Units Development and Refinance Agency Limited (MUDRA)
National Bank for Agriculture and Rural Development (NABARD)
Nabkisan Finance Limited
Small Industries Development Bank of India (SIDBI)
Sanlam Life Insurance Limited



Harnessing Strength in Synergy to *Fuel Growth*

We, at Shriram Finance Limited, chart our way forward with dynamic evolution. Cross-selling a diverse array of products and services is our forte, as we strive to achieve a synergistic growth. Our sustained focus on boosting value and forging robust customer ecosystem is driving us towards a strong trajectory.

Harnessing our strategic market advantage, accentuated by a comprehensive and bespoke product suite, we are well-articulated to extend our reach and capitalise on fresh avenues of growth.

We are firm in our objective to achieve a wider footprint across the country, serving a vast customer base to accelerate business expansion.

We believe that the talent and technological capabilities of our combined entities infuse greater operational excellence within our organisation. Their collated value present to us an opportunity to elevate customer experience and expand our customer base.

At Shriram Finance, we stand united as a cohesive entity, enriched by the strength in synergy across various levels. Our vision empowers us to identify opportunities that drive long-term value for all stakeholders, while carving a firm footing for sustainable growth.



Leading the Charge with Exceptional *Lending Solutions*

Shriram Finance Limited (hereafter referred to as ‘Shriram Finance’, ‘We’, or ‘Our Company’) is a leading retail Non-Banking Finance Company (NBFC) in India. Incorporated in 1979, our Company continues to play a pivotal role in shaping the credit landscape of the country. Our integrated business model is adeptly structured to fulfil diverse financial needs through a comprehensive range of lending products. Our pin-pointed offerings encompass loans for micro, small and medium enterprises (MSMEs), commercial cargo and passenger vehicles, cars, personal needs, working capital requirements, tractor and farm equipment, among others, along with loan against gold. Renowned for our high-yield financing in pre-owned commercial vehicle and two-wheeler segments, we remain committed to provide exceptional financial solutions.

The Year in a Nutshell

Post-Merger Strength

The merger of Shriram City Union Finance Limited (SCUF) and the remaining undertaking of Shriram Capital Limited (SCL) into Shriram Transport Finance Company Limited marked the formation of Shriram Finance Limited. This pivotal amalgamation bolstered our stature as India’s foremost asset-backed NBFC. Moreover, this integration solidified our position in the market, empowering us to broaden our customer outreach with an extensive range of products and elevated operational efficiency.

Remarkable Fundraising

We successfully raised a multi-currency social loan equivalent to USD 468 Million, consisting of USD 425 Million and EUR 40 Million through a syndicated term loan transaction. This landmark transaction is positioned as the largest widely syndicated loan, raised by a private NBFC from India in recent years.

Nifty50 Inclusion

We were added to the Nifty50 index, as a recognition of our outstanding performance, reflected by the highest 6-month average free-float market capitalisation within the eligible universe.



Our Vision

“To be the country’s most preferred Financial Services destination, delivering delightful customer experience through empowered employees.”



Our Core Values

- ▶ Operational Excellence
- ▶ Integrity
- ▶ Serving the daily needs of an individual

Embracing inclusivity

We lead the charge in financial inclusion by providing affordable financing solutions for pre-owned commercial vehicles to millions of Small Road Transport Operators (SRTOs) including First-Time Buyers (FTBs) and Owner Drivers. Our focus remains firm on meeting the needs of the underserved segments of society, in line with our commitment to inclusivity. Our unflinching dedication enables us to foster economic growth and holistic development.

Relationship-based business model

We stand apart within the industry for our distinctive relationship-based business model. The enduring relationships we cultivate with our stakeholders form the foundation of our success, driving our growth and maintaining our stability in the financial services sector.

Empowered Culture

We acknowledge that in today's dynamic landscape, employees are much more than just individuals; they are the anchors of their own destinies. We encourage the ecosystem of entrepreneurship, cultivating resilience, adaptability and a spirit of collaboration. These initiatives fortify our objective of shaping a society where everyone can aspire and achieve.

Customer Commitment

We stand as the preferred choice for customers due to our deep understanding of their requirements and our ability to consistently deliver bespoke solutions that meet their needs. Our customer-first approach is characterised by our commitment to transparency and a strong sense of belonging, which forms the bedrock of our business success.



Spotlighting Competence with *Strong Performance Metrics*

Prominence in the NBFC Domain

45 Years

Of Legacy

One of the largest

Retail NBFCs in India

Rs. 224,862 crore

Assets Under Management (AUM) as on March 31, 2024.



Financial Highlights

8.84%

Net Interest Margin

3.13%

Return on Assets

15.64%

Return on Equity

5.45%

Gross Stage 3 Assets

2.70%

Net Stage 3 Assets

20.30%

Capital to Risk (Weighted) Assets Ratio



Competencies

83.97 Lakhs

Customer Base

3,082

Branches

681

Rural Centres

74,645

Employees

All the figures are given for the FY 2023-24



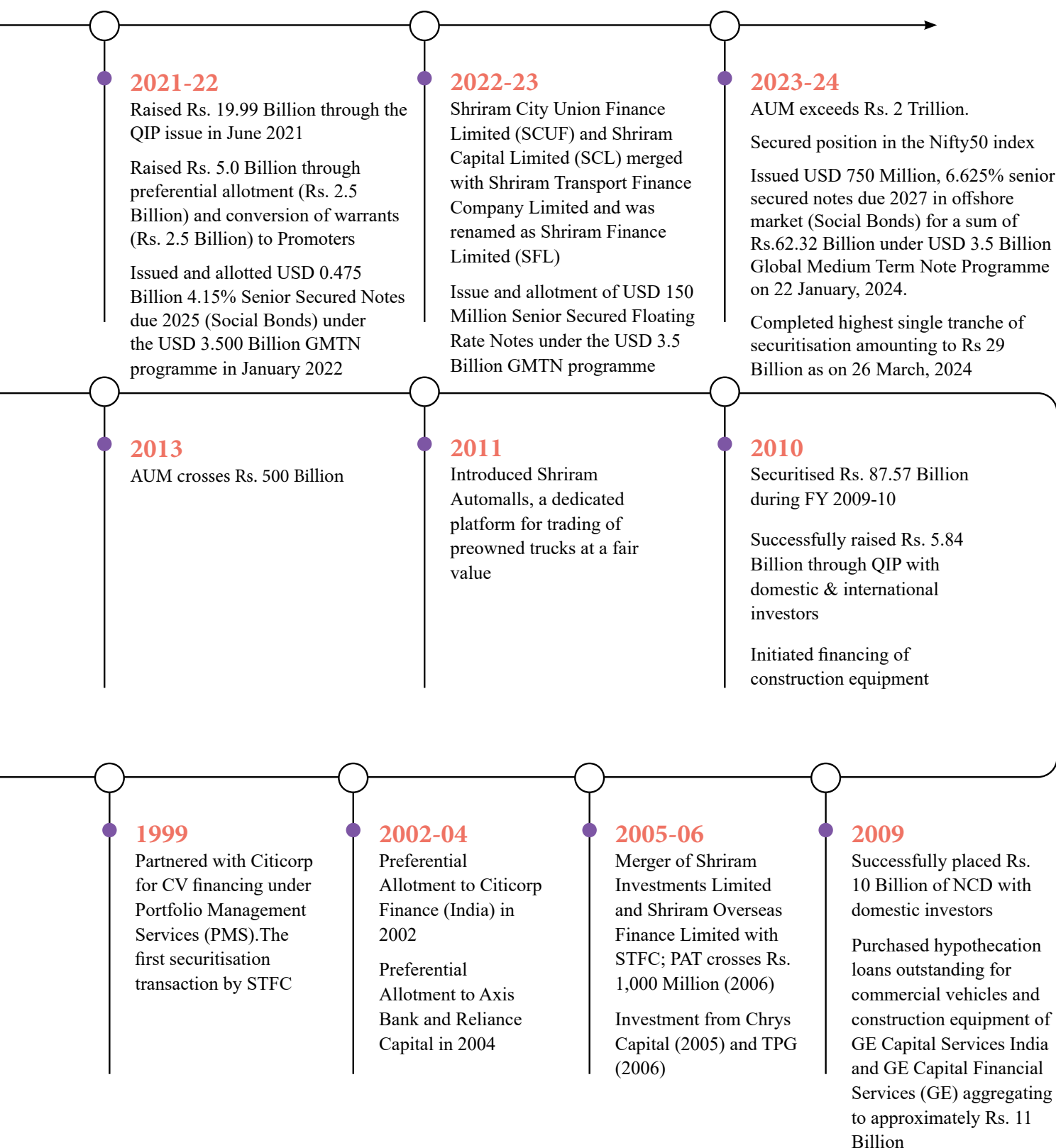
**Sustainability
Highlight**

Rs. 90.88 Crores
CSR Spending in FY 2023-24



Surpassing Milestones in *A Journey of Excellence*





Empowering Dreams across India to *Catalyse Progress*

Shriram Finance is the catalyst for millions of aspirations, standing as the cornerstone of financial empowerment. Our extensive nationwide network seamlessly delivers inclusive financial solutions, covering both end of the spectrum, thereby bridging the gap between urban dynamism and rural resilience. Our presence brings accessible financial solutions to every doorstep across India. Our branches stand tall as the pillars of support, nurturing dreams and facilitating growth in communities far and wide. With personalised service and commitment, we stride forward to turn dreams into realities, empowering individuals and businesses to thrive in every corner of the country.

3,082

Branch Offices

83.97 Lakhs

Customers

74,645

Employees

58,698

Business Teams

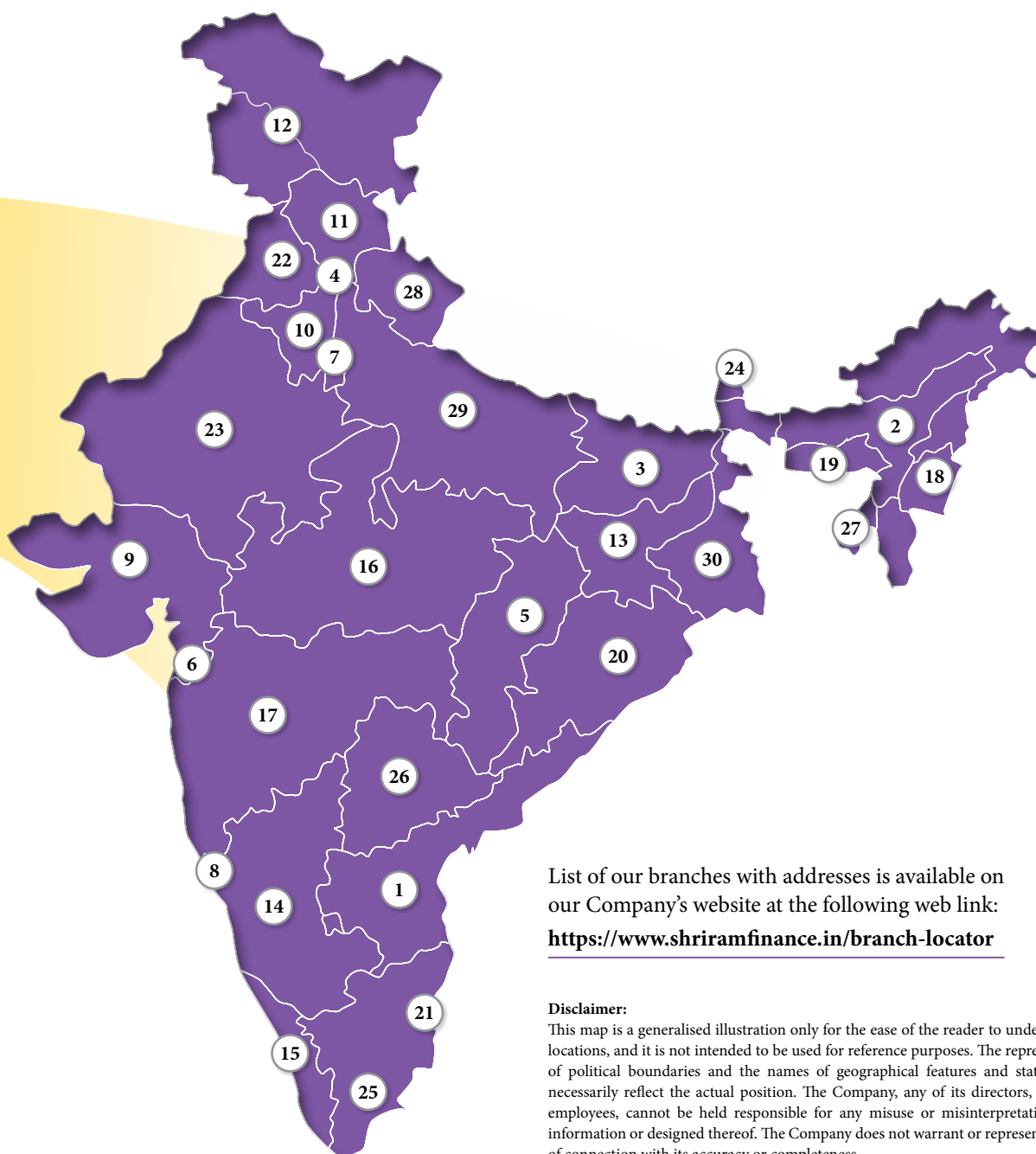
681

Rural Centres



Our Branch Networks across India as of March 31, 2024 : 3082 Branches

1. Andhra Pradesh -	302	11. Himachal Pradesh -	39	21. Puducherry -	14
2. Assam -	30	12. Jammu & Kashmir -	16	22. Punjab -	69
3. Bihar -	92	13. Jharkhand -	40	23. Rajasthan -	135
4. Chandigarh -	4	14. Karnataka -	223	24. Sikkim -	3
5. Chhattisgarh -	70	15. Kerala -	116	25. Tamil Nadu -	728
6. Dadra and Nagar Haveli -	1	16. Madhya Pradesh -	190	26. Telangana -	207
7. Delhi -	19	17. Maharashtra -	278	27. Tripura -	4
8. Goa -	3	18. Manipur -	1	28. Uttarakhand -	19
9. Gujarat -	114	19. Meghalaya -	1	29. Uttar Pradesh -	176
10. Haryana -	67	20. Odisha -	52	30. West Bengal -	69



Offering Solutions for *Seamless Financial Experience*

Shriram Finance leverages a vast spectrum of products that position our Company at the forefront of NBFC landscape in India. The dynamic edge that we infuse in these products better equip us to address the ever-changing demands of our customers. By understanding customer preferences, we are able to capitalise cross-selling opportunities, offering tailored solutions that complement their financial goals. Through our strategic endeavours, we strive hard to streamline customer experience and enhance convenience, thereby alleviating their financing concerns.



Our Product Segments

Commercial Vehicle Loan

We provide an extensive suite of commercial vehicle loans tailored to address the distinct needs of our customers. Our commitment to convenience and customer satisfaction is reflected through our adaptable and favourable repayment terms, solidifying our position as the preferred lender in the industry

Rs. 1,06,935.1 Crores

AUM as on March 31, 2024

47.56%

Of Total AUM as on March 31, 2024



Key Attributes

- Competitive interest rates
- Financing for new and used commercial vehicles
- Flexible repayment options with varied tenures
- Quick disbursal and fast loan approval with minimum documentation

Passenger Vehicle Loan

We offer passenger vehicle loans that cater to both new and pre-owned vehicles, providing personalised interest rates that align with individual preferences and needs. Our products in this segment encompass cars and utility vehicles for private or personal use, identifiable by their white registration plates.

Rs. 43,196.2 Crores

AUM as on March 31, 2024

19.21%

Of Total AUM as on March 31, 2024



Key Attributes

- Customisable loan with minimal documentation
- Flexible repayment options with varied tenures
- A broad range of vehicles through loan options

Construction Equipment Loan

We help businesses to grow and enable them to maintain competitiveness by extending cost-effective financing for both new and used construction equipment. Our flexible repayment options ensure convenience and accessibility.

Rs. 16,954.0 Crores
AUM as on March 31, 2024

7.54%
Of Total AUM as on March 31, 2024



Key Attributes

- Competitive interest rates for new and used equipment
- Timely loan approvals and disbursements
- Simplified process with minimum documentation
- Flexible repayment options with varied tenures

Tractor and Farm Equipment Loan

We present affordable financing for new and used tractors and farm equipment. Our products are tailored to meet the unique needs of our customers, as we aim to fuel their growth and prosperity with attractive and simple repayment options.

Rs. 3,715.3 Crores
AUM as on March 31, 2024

1.66%
Of Total AUM as on March 31, 2024



Key Attributes

- Competitive interest rates
- Timely approvals and disbursement of loans
- Streamlined process with minimum documentation
- Flexible repayment options with varied tenures

Two-Wheeler Loan

We design our two-wheeler loans to accelerate speed and convenience. Featuring attractive interest rates and flexible repayment options, our products ensure a seamless experience for the customer through the entire process – from application to ownership.

Rs. 12,552.3 Crores

AUM as on March 31, 2024

5.58%

Of Total AUM as on March 31, 2024



Key Attributes

- Competitive interest rates
- Quick disbursal of the loan amount, within 24 hours
- Hassle-free process and loan approval with minimum documentation
- Wide presence with 3,082 branches across the country

Small and Medium Enterprise (SME) Loan

We offer a wide range of secured and unsecured business loans, diligently crafted to fulfil the diverse financial needs of our customers. Our solutions come with competitive interest rates and favourable repayment terms to support the growth of both small enterprises and established businesses.

Rs. 26,234.6 Crores

AUM as on March 31, 2024

11.66%

Of Total AUM as on March 31, 2024



Key Attributes

- Loans with/without collaterals
- Flexible repayment options with varied tenures
- Quick disbursal of loan with minimal documentation

Personal Loan

We harness an efficient and simplified finance solution tailored for customers seeking personal loans.

Rs. 8,974.7 Crores
AUM as on March 31, 2024

3.99%
Of Total AUM as on March 31, 2024



Key Attributes

- Collateral free loans
- Pre-approved personal loans within few hours
- Flexible repayment options with varied tenures
- Competitive interest rates a complete digital borrowing journey for increased ease of availing loans

Gold Loan

We present a secure and reliable gold loan option with the objective of fulfilling the personal or capital needs of our valued customers.

Rs. 6,299.8 Crores
AUM as on March 31, 2024

2.80%
Of Total AUM as on March 31, 2024



Key Attributes

- Competitive interest rates
- Flexible repayment options with varied tenures
- Minimal documentation for a hassle-free processing of loan
- Safe, secure and quick disbursement of loans

We proudly present Shriram Finance as a one-stop solution for all their financial requirements. Our strategic endeavours allow us to streamline customer experience and enhance convenience, thereby alleviating their financing concerns.



Redefining Customer Experience with *Holistic Services*

Shriram Finance is dedicated to delivering a seamless customer journey by harnessing innovative digital platforms and personalised service. Upholding engagement through proactive communication and multi-channel interaction, we strive to meet customers' needs at every touchpoint. Our commitment to customer satisfaction drives us to provide clear guidance and digitalised solutions, enhancing the ease of financial transactions. Furthermore, our post-sales services assure them of ongoing support, reinforcing our dedication to build a robust platform of trust and loyalty in every interaction.



Engagement (Pre-Onboarding) Stage

This stage is crucial for establishing a positive relationship with potential customers, and preparing for a smooth onboarding process.

- **Identifying target audience:** We meticulously identify our target audience during this phase, and familiarise new users with our platform and its features before they officially onboard.
- **Offering multi-channel engagement:** We engage with clients through multiple communication channels, including email, SMS, and in-app notifications.
- **Ensuring enhanced customer awareness:** We highlight the key benefits and features of our platform, ensuring that users get ample time to explore and understand our offerings.





Offer Generation Stage

This stage encompasses a series of well-planned steps, tailored to individual customer's needs, while ensuring strict adherence to regulatory requirements and Company policies.

- **Evaluating Eligibility:** We rely on predetermined criteria, including credit score, financial history, and risk profile, to evaluate customer eligibility. We also run imputed income programmes to provide tailored financial solutions to our customers through a comprehensive evaluation process.
- **Undertaking Offer Calculation:** We determine the offer amount by considering business-critical factors, including the creditworthiness, and income of the customer, along with choice of desired product.
- **Analysing Pricing Structure:** We undertake in-depth analysis of the pricing structure of the offer, including interest rates, fees, and repayment terms, to ensure competitiveness and profitability.
- **Emphasising Product Selection:** We choose the appropriate product variant from the available options, including Flexi and Term, based on the customer's preferences, financial needs and risk tolerance.



Engagement (Application) Stage

This stage is instrumental in enhancing the overall customer experience, boosting application completion rates, and driving business growth by retaining potential customers who might otherwise abandon their applications.

- **Offering Immediate Assistance:** We provide instant support to customers facing difficulties during the application process through live chats, phone support, or email assistance.
- **Providing Clear Guidance:** We offer clear and concise instructions at each step of the application process, enhancing customers' comprehension of the required actions.
- **Using Streamlined Forms:** We maintain streamlined application forms and optimise the number of required fields to make the process as simple and user-friendly as possible.
- **Implementing Real-Time Tracking:** We embed digitalised features that allow customers to track their application progress in real-time.
- **Deploying Advanced e-KYC Tools:** We deploy e-KYC process, incorporating features like face recognition and face biometrics, thereby ensuring a secure and seamless verification process. We achieve faster processing, a quick and reliable e-KYC procedure, and a robust liveness check by integrating advanced AI tools, boosting both efficiency and security in our operations.



Credit Underwriting Stage

This stage involves a thorough verification and assessment of the applicant's information, including identity, address, and creditworthiness. These evaluations form the basis for our decisions regarding credit approval and disbursement.

- **Pursuing Data Accuracy and Fraud Prevention:** We identify and remove duplicate records or applications to ensure data accuracy and prevent fraudulent activities.
- **Undertaking Address and Identity Verification:** We verify the residential address of the applicant through a host of options, such as utility bills, rental agreements, or government-issued documents. The applicant's identity is confirmed using government-issued IDs, passports, or driver's licenses.
- **Evaluating Creditworthiness:** We evaluate the creditworthiness, risk profile and financial stability of the applicant to decide whether to approve, deny, or modify the credit request.
- **Obtaining Consent and Upholding Compliance:** We obtain the applicant's consent to proceed with the credit application process and utilise their personal information for underwriting purposes, ensuring compliance with data protection regulations.
- **Initiating Funds Disbursement:** We release funds to the applicant, upon approval of the credit application, through an electronic transfer to the designated account.



Cross-Selling and Up-Selling Stage

This stage is pivotal for maximising customer value, strengthening customer relationships, and augmenting revenue growth.

- **Spotting Opportunities:** We identify relevant cross-selling/up-selling opportunities through comprehensive analysis of existing customer data, including financial profiles, transaction history and behaviour patterns.
- **Creating Personalised Offers:** We utilise data-driven insights to create personalised cross-selling/up-selling offers tailored to each customer segment.
- **Communicating Value Proposition:** We effectively communicate the value proposition of cross-selling/up-selling offers, highlighting the benefits and features of the additional products or services.
- **Deploying Performance Tracking Mechanism:** We monitor key performance indicators (KPIs) to evaluate the success of our cross-selling/up-selling efforts, including conversion rates, revenue generation, customer satisfaction scores and lifetime value.



Engagement (Post-Sales) Stage

This stage centres on harnessing a variety of channels, strategic timing, and comprehensive services to effectively engage with customers, provide support, and enrich the overall post-sale customer experience.

- **Following Multi-Channel Engagement:** We engage with customers through various channels, offering support and presenting additional services or products as needed.
- **Ensuring Timely and Relevant Interactions:** We ensure that post-sales engagements are well-timed, relevant, and non-intrusive, facilitating an enhanced overall customer experience.
- **Offering Comprehensive Post-Sales Services:** We offer extensive post-sales services, including customer support, account management, billing assistance, technical support, product training and warranty services. These initiatives propel customer satisfaction, and loyalty, paving the way for long-term relationships.
- **Extending Self-Service Options:** We provide a variety of convenient self-service modes, including mobile apps, WhatsApp, IVR and other digital platforms to empower customers and streamline their post-sales experience.



Collections Stage

This stage encompasses a structured approach aimed at recovering outstanding payments from customers who have lapsed on their loan or credit obligations.

- **Prioritising Payment Monitoring and Allocation:** We carefully observe payment patterns and allocate resources accordingly, utilising IVR, SMS and voice bots to streamline the collection process and reduce costs.
- **Undertaking Account Assignment:** We systematically assign delinquent accounts to dedicated teams, charting the path for focussed and efficient recovery efforts.
- **Initiating Repayment Discussions:** We take proactive steps to initiate repayment discussions with customers and resolve outstanding debts, creating a collaborative approach to debt recovery.

Message From *The Chairman*



“

Our commitment to empowering individuals and businesses through tailored financial solutions has enabled us to make meaningful contributions to the economic fabric of our nation.

Dear Stakeholders,

It gives me immense pleasure to present the 45th Annual Report of the Company for FY 2023-24. As we reflect on the journey of Shriram Finance, the last year has been a testament to our resilience, foresight and commitment to excellence. The strategic move of the merger of the Shriram entities with our Company, aimed at fortifying our position in the market has started bearing fruits, resulting in enhancing long-term shareholder value. Today, we witness the fruitful dividends of our combined efforts with a diverse portfolio of products and a wider branch network, further improving service offerings.

Amidst the backdrop of global economic uncertainties, I am delighted to report that the Indian economy has steadfastly maintained its growth trajectory. Despite challenges on the international front, our nation has remained steadfast, with an impressive GDP growth rate of 8.2% in the fiscal year 2023-24. This marks the third consecutive year of robust growth, a testament to the resilience and dynamism of our economy. This stellar performance can be attributed to several key factors. Increased public sector investment has injected vitality into our economic landscape, paving the way for sustainable growth and development. Our financial sector, underpinned by a culture of resilience and innovation, has remained strong and resilient in the face of adversity. Moreover, the substantial expansion in non-food credit underscores the confidence and optimism that pervades our economy, fuelling growth and prosperity across sectors.

Performance Highlights

At Shriram Finance, we are proud to have played a pivotal role in this journey of progress and prosperity. Our commitment to empowering individuals and businesses through tailored financial solutions has enabled us to make meaningful contributions to the economic fabric of our nation. Our commitment to providing tailored financial solutions and our steadfast focus on digitalisation have continuously elevated the standard of customer experience. Our customer relationship that has been nurtured over the past years has positioned us as their preferred lender in a competitive market. In the past fiscal year, our core loan products have delivered exceptional performance, driving our Assets Under Management (AUM) 21.10% higher than in FY 2023-24. This success underscores the effectiveness of our thriving branch network and our sustained investments in Digital Transformation, which are now yielding tangible results.

Moreover, we take immense pride in our role in advancing financial inclusion across the nation, transforming our customers' aspirations into tangible achievements. Our swift progress towards integrating Environmental, Social and Governance (ESG) parameters into all our operations reflects our commitment to creating shared value for all stakeholders.

With an expansive opportunity landscape, an agile and effective strategy and a scalable business model, Shriram Finance is strategically positioned in a favourable position. We continue focussing on our

philosophy of enhancing stakeholder value through prudent financial management and striking a balance between high growth and prudent credit underwriting practices. As we drive forward with dual engines of organic and relationship-led growth, we are poised to reach even greater heights.

Way Forward

At the heart of Shriram Finance lies a deep and abiding commitment to building trust and prioritising customer-centricity, which are the pillars that shape the pace and quality of our achievements. We understand that fostering trust and prioritising the needs of our customers is pivotal in nurturing enduring relationships across our stakeholder network. We firmly believe that genuine sustainability stems from cultivating these intangible values consistently. This belief underpins our significant and ongoing investments in our people, partnership and platforms. By placing emphasis on responsible people engagement, we not only differentiate ourselves within the industry but also ensure our capacity to deliver exceptional financial returns over the long term. As we stand at the threshold of boundless opportunities, we eagerly anticipate embarking on this exhilarating journey into the future alongside our valued partners and stakeholders. Together, we will continue to uphold our commitment to excellence and chart a course towards sustained growth and prosperity. We are grateful for your continued trust, confidence and patronage for the growth of the Company.

With regards,

Jugal Kishore Mohapatra
Chairman



Our Leadership *Perspectives*



At Shriram Finance, our strategic focus will shift towards achieving granular growth with an emphasis on lending to micro and small entrepreneurs rather than pursuing top-line expansion through large-ticket loans. We believe that prioritising small, high-yielding loans such as new vehicle loans, equipment loans and SME loans will enable us to grow our bottom line at a faster rate than our top line. This targeted approach will allow us to concentrate our efforts on more profitable segments, ensuring sustainable and substantial growth in our net income. Our commitment to these granular products reflects our dedication to reach niche underbanked and unbanked segments which are essential part of the Bharat that are driving rural India. By channelising our energy into these smaller, high-yield opportunities, we aim to optimise our portfolio and deliver stronger returns for our stakeholders. This strategy will support our goal of growing the bottom line more rapidly than the top line, ultimately fortifying our market position and financial stability.

Umesh Revankar,
Executive Vice – Chairman



We remain committed towards offering need-based financial solutions, underscored by our dedication to digitalisation. This ongoing focus enhances customer experience and strengthens our market position. Our transparent communication empowers customers to make informed decisions, establishing us as their preferred lender in a competitive landscape. The trust our customers places in us is reflected in the outstanding performance of our core loan products over the past year, resulting in a 21.10% increase in AUM compared to FY 2022-23.

Y. S. Chakravarti,
Managing Director & CEO



We have observed a slight increase in the cost of debt both quarter-over-quarter and year-over-year which is due to prevailing market rates. Consistent with our past practices, we continue to maintain sufficient liquidity buffers to manage our liability repayments. Our leverage ratio has seen a moderate increase compared to last year. All Asset-Liability Management (ALM) buckets remain positive, with a significant cumulative surplus up to one year while our Liquidity Coverage Ratio (LCR) stood at 195.55% well above the regulatory threshold. Additionally, our external commercial borrowings have nearly doubled compared to the previous financial year. We continue to maintain a strong financial position and a proactive approach to managing our debt and liquidity.

Parag Sharma,
Managing Director & CFO

Positioning the Business for *Long-Term Progress*



Robust Passenger Vehicle Industry

The Indian mass-market passenger vehicle industry achieved a historic milestone, surpassing 4 Million units with a record-breaking annual sale of over 4.2 Million vehicles in FY 2023- 24. With this phenomenal growth, more people tended to opt for car financing options, resulting in a rise in demand for vehicle loans.



Rising Disposable Income

India's per capita disposable income is anticipated to grow to Rs. 2.14 Lakhs in FY 2023-24, up from Rs. 2.12 Lakhs in FY 2022-23. This rising disposable income is expected to fuel consumer interest in purchasing new vehicles, further strengthening the demand for financing solutions.



Surge in Electric Vehicles

The transition from conventional fuel-powered vehicles to alternative options is rapidly gaining momentum, as evidenced by a decline in the sales of petrol vehicles from 86% in FY 2020-21 to 76% in FY 2023-24. Vehicles, using alternative fuel, experienced a 400% growth during the same period. With India targeting 30% of vehicle sales to be electric by FY 2030-31, the vehicle financing market is set to benefit immensely from this transition.



Government Reforms

The Indian Government puts in place a favourable ecosystem, extending significant support to NBFCs, Housing Finance Companies (HFCs), and Microfinance Institutions (MFIs). Government's partial credit guarantee schemes and other measures are aimed at fostering growth in the financial sector.



Adoption of Agri-Tech

The adoption of modern farming techniques and agri-technology in rural India is augmenting the farm productivity, thereby enhancing farmer profitability and boosting the agriculture sector's contribution to the economy. This trend is expected to result in growing demand for tractor and farm equipment loans.



Population Growth

India achieved a significant milestone by becoming the world's most populous country in FY 2023-24, surpassing China. This demographic shift is set to spike an increase in demand for financing solutions, presenting vast lending opportunities. With India's working-age population projected to reach 988.5 Million by FY 2036-37, segments such as vehicle financing, housing finance, gold loans, and personal loans are expected to witness substantial growth.



Rural Economic Growth

With 65% of India's population residing in rural areas, recent increase in rural earnings are driving up the demand. This rise in rural income is expected to further propel the need for various financing products, including agricultural and personal loans.



*Shriram's
Strategic
Responses*

Diversified product offerings

Our strategic positioning as a comprehensive financial solutions provider allows us to address a broad spectrum of our customers' financial needs. Moreover, by pursuing product diversification strategy, we are able to reduce our reliance on any single product or business segment, strengthen customer loyalty, and enhance wallet share.

Targeting new-to-credit clients

We are committed to build strong relationships with New-to-Credit customers through a comprehensive range of products and services. By employing a cross-selling/up-selling strategy, we strive to maximise revenue potential, mitigate risks effectively and differentiate Shriram Finance in the marketplace.

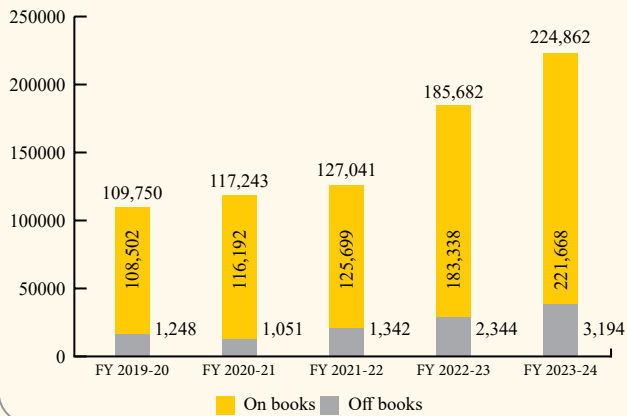
Providing a delightful customer experience

Our holistic approach to customer experience ripples down to every facet of our operations, empowering employees to uphold our strong brand reputation. This customer centricity solidifies our position as a provider of exceptional service and value, ensuring a delightful experience for our customers.

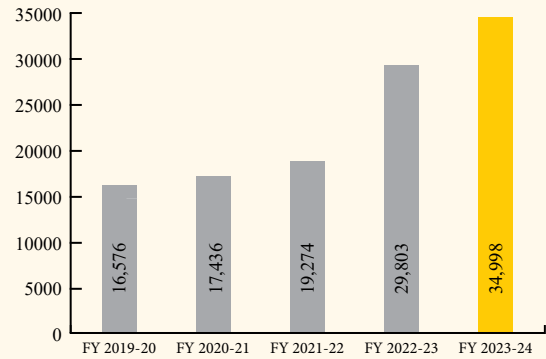


Key Performance Indicators

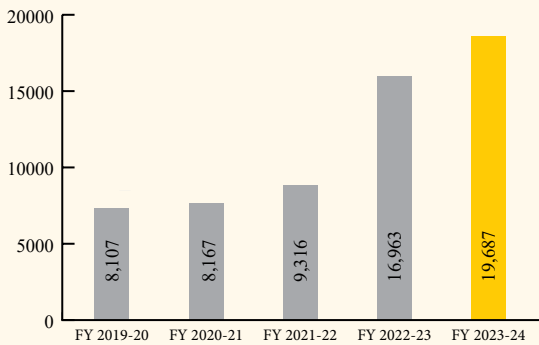
ASSETS UNDER MANAGEMENT (Rs. in crore)



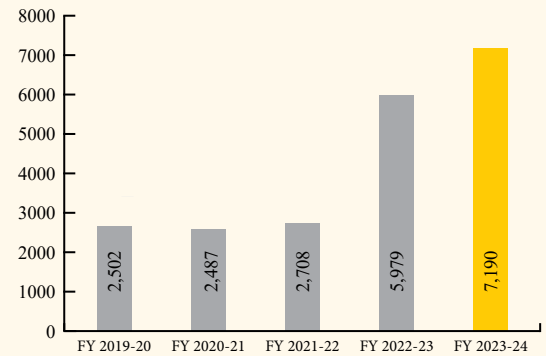
TOTAL INCOME (Rs. in crore)



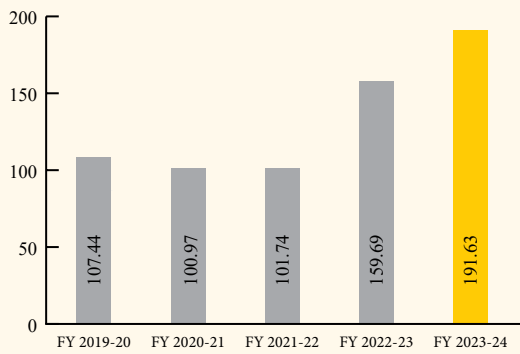
NET INTEREST INCOME (Rs. in crore)



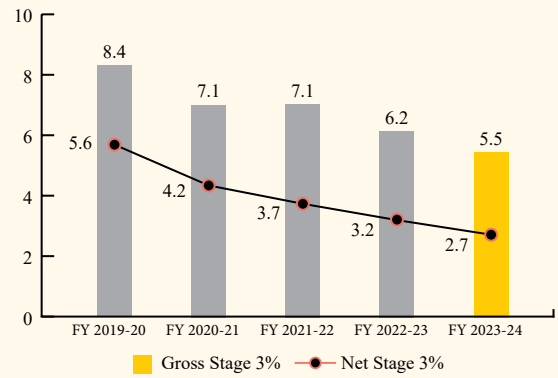
NET PROFIT (Rs. in crore)



EPS (Basic in Rs.)



STAGE 3 (%)



Note:

The figures for the financial year 2023-24 and 2022-23 include the effect of merger of transferor companies SCUF and SCL and are therefore not comparable with figures of previous years.



Integrating Digital Technologies to *Revolutionise Experience*

Shriram Finance harnesses the transformative power of technology to optimise interactions with stakeholders and amplify our reach. Through strategic investments in advanced technologies like Artificial Intelligence (AI) and analytics, we aim to scale exponentially, predict consumer behaviour, and proactively adjust our endeavours to suit the course of advancement. Our focus is on minimising errors, simplifying customer experience, and creating solutions that are intuitive and easy to navigate.



Our Technology Focus

To improve the lives of our consumers, we strive to create technology-led, data-driven business that scales exponentially. We aim to achieve this goal by offering unique customer-centric products and services, leveraging our core pillars, built over the years – Integrity, Empathy, People centricity, Process-driven and Humility.



Outcomes of Digital Integration

- Achieving automated digital document management
- Handling greater volume of online transactions
- Resulting in minimisation of errors
- Ensuring faster turnaround times



The Shriram Super App

The FY 2023-24 saw us unveiling the Shriram One app, revolutionising the way users manage their financial affairs. This one-stop solution integrates lead generation, payments, investments, insurance, and credit score checks, among others, into a single platform. By eliminating the need for multiple app downloads, our objective is to simplify the user experience. Our ultimate aim is to encompass social networking, shopping, and financial services under one roof, providing unparalleled convenience to our users. Central to this transformation is the seamless integration of digital technologies into customer interactions.

As on March 31, 2024

21,79,357
Total Installations

37,257
Total FD Leads

4,21,431
Total Lending Leads Generated

10,33,508
Total UPI Registrations



Embedding Technology to *Enhance Credit Profile*

Shriram Finance harnesses cutting-edge digital public infrastructure (DPI), AI and other advanced technology platforms to strengthen our credit policies and underwriting processes. This strategic positioning leads to a steady increase in disbursements, especially by extending formal credit access to underserved and unserved markets. Moreover, the technological progress serves as a platform to enhance the overall credit profiles of our customers, in addition to streamlining operations and boosting internal efficiencies.



Highlights of FY 2023-24


- **Increased Loan Disbursements:** We disbursed more than Rs. 1,42,000 crore loans, a significant increase from over Rs. 1,11,000 crore loans disbursed in FY 2022-23.
- **Enhanced Fraud Detection:** We harnessed digital public infrastructure to validate KYC and financial information, enabling early detection of fraud and more informed decision-making.
- **AI-Driven Customer Insights:** We utilised AI to predict consumer behaviour, enabling us to offer dynamic interest rates, benefiting customers across the socio-economic spectrum.
- **Streamlined Processes:** We adopted emerging technologies, such as omni-channel communication with document parsers, to optimise the time between lead generation and disbursement, thereby boosting our underwriting and approval processes.
- **Reduced Net NPA:** We witnessed a Net NPA moderation by 49 basis points to 2.70%, reflecting our commitment to maintaining a healthy portfolio.

Nurturing Relationships to Foster Sustainable Value Creation

Shriram Finance comprehends that the success of any enterprise hinges on cultivating substantive relationships with a diverse spectrum of stakeholders. Inspired by this insight, we strive to forge alliances that confer mutual benefits. We staunchly believe that such engagement thrives on recognising shared aspirations and collective objectives, guiding stakeholders towards collaborative endeavours for holistic progress. To maximise these benefits, we maintain transparent and candid channels of communication with all stakeholders.

In response to the increasing significance of sustainable value creation on the global stage, we are dedicated to foster transparent dialogue with our stakeholders. We pledge to fulfil their expectations through meticulous and clear communication, while ardently advancing our Environment, Social, and Governance (ESG) initiatives. These foundational principles empower us to generate enduring value and achieve sustained success.

Stakeholder group	Stakeholder Priorities	Engagement Modes	Frequency
 Customers	<ul style="list-style-type: none"> Strengthening brand loyalty & advocacy Developing mutual long-term collaborative relationships Facilitating strong brand and differentiated offerings Enhancing experience Maintaining competitive interest rates 	<ul style="list-style-type: none"> Sponsored events Mailers & newsletters Brochures Brand campaigns Customer visits Website Webinars Media and social media Customer satisfaction surveys Community events 	<ul style="list-style-type: none"> Regular Periodical Annual Need-based
 Investors	<ul style="list-style-type: none"> Offering consistent returns on investment Keeping transparent disclosures Ensuring ethical business conduct and comprehensive risk management 	<ul style="list-style-type: none"> Investor and analyst meets Conferences Periodic meetings Annual report, press releases or media updates Earnings calls 	<ul style="list-style-type: none"> Regular Quarterly Annual Need-based

Stakeholder group	Stakeholder Priorities	Engagement Modes	Frequency
 <p>Employees</p>	<ul style="list-style-type: none"> Imparting skill and knowledge through rich and diverse exposure Inspiring leadership Developing a professional culture built on the fundamentals of honesty, integrity, and ethics Promoting learning & growth opportunities Promising career and growth opportunities 	<ul style="list-style-type: none"> E-mails Employee engagement initiatives Cultural events Training and development workshops Health initiatives Performance appraisals Grievance redressal mechanisms Rewards & recognition Employee surveys 	<ul style="list-style-type: none"> Regular Periodical Annual Need-based
 <p>Communities</p>	<ul style="list-style-type: none"> Empowering underserved children, youth, and women through education and skill building Improving the quality of life through better healthcare facilities Adopting safe work practices to protect communities 	<ul style="list-style-type: none"> CSR initiatives Focus on health, education, livelihood, and poverty alleviation Skill development and training workshop Employee volunteering 	<ul style="list-style-type: none"> Programme-based Regular
 <p>Government/ Regulatory Bodies</p>	<ul style="list-style-type: none"> Adhering to compliance with applicable laws and regulations Facilitating active participation in regulatory working groups 	<ul style="list-style-type: none"> Meetings, presentation, reports, and networking in different forums, organised by regulatory authorities Mandatory regulatory filings Periodical submission of business performance Annual report Other written communications 	<ul style="list-style-type: none"> Periodic Need-based
 <p>Suppliers</p>	<ul style="list-style-type: none"> Maintaining ethical business conduct & fair business practices Encouraging sustainability-led growth opportunities Ensuring timely payment Expanding the reach and impact of sustainability initiatives by integrating sustainability principles across the supply chain 	<ul style="list-style-type: none"> Phone, email or in-person engagement Suppliers' meetings, regular meetings, seminars, and workshops Capacity building and compliance with sustainable practices for suppliers One-on-one meetings Supplier audits and surveys Training and awareness drives on sustainability-related topics 	<ul style="list-style-type: none"> Regular Need-based Periodic Continuous

Environmental, Social and Governance (ESG) Report

Bringing Positive Change for a Sustainable Future

Shriram Finance epitomises the ethos of a responsible corporate citizen. Our firm commitment to this responsibility is embedded in our intensified focus on Environmental, Social, and Governance ('ESG') practices, reflecting our accountability to all stakeholders. We firmly believe that prioritising ESG is instrumental for advancing our competitiveness and sustainability. This enhanced competitiveness manifests in multiple dimensions, including robust revenue growth, enhanced cost efficiency, reduced regulatory and legal interventions, increased employee productivity, and optimised investment returns. Our dedication to these principles further signifies our pursuit of long-term value creation and resilience in an ever-evolving business landscape.

Shriram Finance's Environmental, Social and Governance ('ESG') Report is a reflection of our firm dedication to environmental sustainability, social responsibility, and ethical governance. Our endeavours prioritise incorporation of ESG principles throughout our operations and decision-making, making significant strides in fulfilling our ESG commitment.

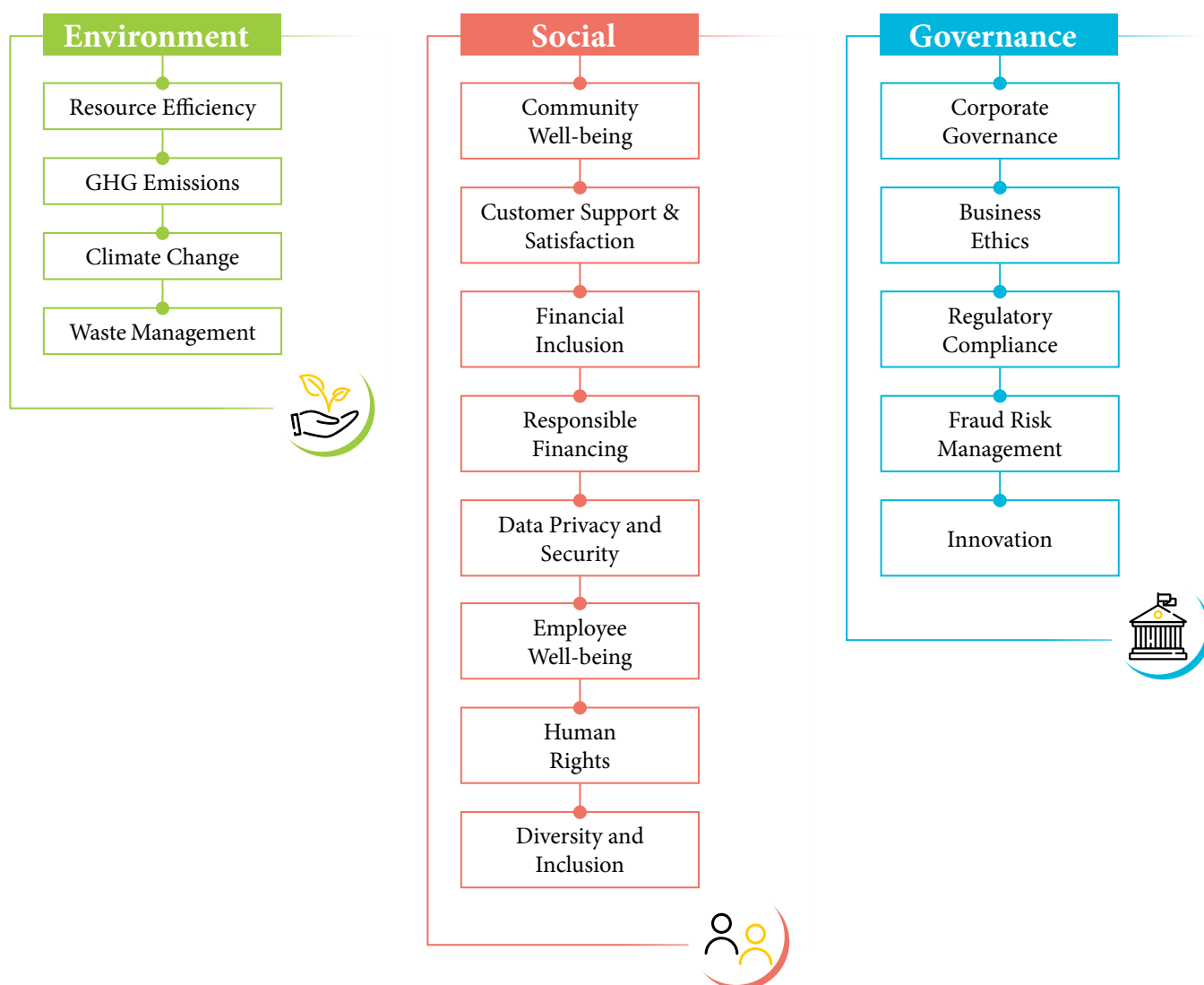
We are proud to unveil our second Business Responsibility and Sustainability Report ('BRSR') as an integral part of this year's Annual Report. Our approach to fostering positive environmental and social impacts is captured in this summary. Moreover, it provides valuable insights into our organisational efforts, aligning our operations with the nine principles of the National Guidelines on Responsible Business Conduct ('NGRBC').

The Report aims to promote transparency, effectively communicate our commitment to responsible business practices and sustainability, and demonstrate our continuous efforts to generate value for all stakeholders. Furthermore, it illustrates our contributions to the well-being of our environment and the society at large.



Material Topics Aligned to ESG Aspects

At Shriram Finance, we uphold the role of Materiality Assessment as an indispensable process for pinpointing major environmental, social, and governance risks and opportunities. In line with our commitment, we take it in our stride to conduct extensive research and engage with internal stakeholders to determine the material topics that significantly impact our business operations. This identification process incorporates peer reviews, recommendations from global reporting standards and rating agencies, one-on-one interactions with key internal stakeholders, and a thorough analysis of local and global industry trends. Based on our findings, we compile a comprehensive list of material topics categorised under environmental, social, and governance areas, reflecting our strategic priorities and commitment to sustainable business practices.



Engagement with Stakeholders

We place a strong emphasis on identifying stakeholders, recognising their pivotal role in our success. Our structured approach begins with a thorough analysis of our operations to identify key stakeholders, including employees, customers, shareholders, suppliers, vendors, governmental bodies, and regulatory agencies. Additionally, we diligently consider the impact of our projects on local communities, acknowledging them as critical stakeholders in our communication efforts. By comprehending the needs and apprehensions of our stakeholders, we proactively address their expectations, mitigate potential risks, and foster enduring relationships, crucial for mutual prosperity. Our stakeholder identification process is an endeavour in continuation, ensuring we stay informed, engaged, and responsive to their evolving needs.

Preserving Our Natural Resources

We stand committed to environmental sustainability complementing our vision with several tangible initiatives to reduce our carbon footprint and promote eco-friendly practices.

Minimising Carbon Footprint and Emissions



We conducted a detailed carbon footprint analysis covering all 3,082 of our offices across the country to evaluate our environmental impact. This assessment enabled us to identify and quantify our scope 1, scope 2, and scope 3 emissions, providing valuable insights to develop strategies to reduce emissions. We strive to mitigate our carbon footprint and tackle our climate change impact, thereby advancing our sustainability efforts.

The overall emission intensity for the entire portfolio exhibited a positive trend, decreasing from 111.2 tCO₂e/Rs. Crores in FY 2021-22 to 99.9 tCO₂e/Rs. Crores in FY 2023-24. This reduction indicates an overall improvement in the environmental efficiency of the loan portfolio. We continue to prioritise sustainability efforts and monitor emission intensity to ensure long-term positive outcomes.

Supporting Electric Vehicles



We acknowledge the increasing interest in Electric Vehicles (EVs) in India to address climate issues and shift away from fossil fuels. Recognising the transformative potential of EVs in reshaping mobility, we are proactively involved in financing them, thereby creating an environment that encourages their widespread adoption and integration. We direct our efforts to make meaningful contributions to India's sustainable economic development; and fortifying the emerging EV market through tailored financial solutions is our way to advance this objective. Consequently, we harness our partnership with Euler Motors to provide financial solutions specifically for commercial EVs, furthering the prospect of electric mobility in the country.

Other Measures Advancing Our Environmental Initiatives



- We put in place a concise eligibility criterion to evaluate the environmental friendliness of vehicles we finance, including validating the vehicle's useful life and its Pollution Under Control ('PUC') certificate.
- We replace traditional lighting fixtures with energy-efficient LED lights, while installing 5-star rated air conditioners.
- We get rid of inefficient technology and gadgets to adopt energy efficient alternatives, including using inverters instead of diesel generator sets.
- We minimise employee travel by prioritising video conferencing facilities, thereby contributing to reduced carbon emissions.
- We implement a system of turning off electronic equipment at regular intervals to conserve electricity, while installing sensor-based taps to conserve water.
- We undertake an awareness programme to explain how recycling plays a critical role in establishing environment friendly practices at our corporate offices.

Empowering Human Capital

Human Rights and Inclusive Workplace

We firmly safeguard human rights, placing a strong emphasis on the welfare of our employees and cultivating an inclusive and secure workplace environment. Guided by our Business Responsibility Policy, we actively promote human rights, ensure equal opportunities, and establish a nurturing workplace culture for our staff. These principles are integral to our organisational ethos and business practices, constantly inspiring us to empower our human capital.

We are staunch advocates for gender equality and strive to offer equal opportunities for the advancement and success of all our valued staff, thereby upholding gender diversity. Moreover, we stay committed to extend equal opportunities for differently abled individuals, fostering a culture of inclusivity. We ensure that our premises are accessible and adaptable to meet their specific needs, thereby facilitating seamless movement and boosting self-esteem. Furthermore, we prioritise training on human rights issues and policies, with a significant percentage of our employees and workers benefiting from these programmes. To effectively address grievances related to human rights violation, we deploy our internal mechanisms, including the Internal Complaints Committee (ICC), dedicated to promptly address and resolve such concerns.

Employee Well-being and Skill Development

We are proud to share that we are recognised by Great Place to Work in their list of top 50 companies that ensure highest standards of care towards health and well-being of their employees.

We attach greatest importance to the well-being and skill development of our employees, as they are the driving force behind our organisational aspirations. We provide our employees with various benefits to ensure their well-being and enhance their quality of life. Health insurance is provided to 100% of our employees, in addition to personal accident insurance. We offer a two-year Corporate Post Graduate Diploma in Business Administration to our employees in distance learning mode. It allows for a self-paced training experience that employees can access conveniently over the cloud, anytime, anywhere, and on any device.

Furthermore, we successfully implemented a Management Education Scheme (MES) to enable our employees excel in various aspects of management. MES-2024 is an in-house education programme, specially designed to strengthen the core area of our employees' current specialisation, while offering a comprehensive view of other management functions. The programme seeks to facilitate a strong understanding of management concepts for practical applications. Moreover, it aims to inculcate managerial skills



among our employees and encourage them to explore and reflect on applied learning while executing daily business operations.

The management course is set to be at par with university standards. Upon successful completion, participants would be eligible for a certificate awarded by Shriram Finance, accompanied by monetary benefits.

Moreover, we also organise various internal training and awareness programmes with the objective of focussing on health and safety protocols, and skill enhancement. Additionally, we practice an Emergency Health Measures awareness programme for our employees at our corporate office.

During the year under review, a total of 1,840 trainings were conducted for employees. These programmes symbolise our dedication to foster a culture of continual learning and growth within our organisation.

Elevating Employee Satisfaction

We conduct regular performance evaluations and career development discussions with a significant portion of our workforce. This practice enables us to evaluate and advance their professional development. Moreover, we implement robust health and safety measures to prioritise the safety and well-being of our employees. This includes providing first aid kits and promoting helmet usage among our field sales team, ensuring a secure work environment.

We leveraged an HRMS portal accessible to all staff members, thereby facilitating redressal of concern. This platform allows employees to confidentially submit their complaints or grievances. The HR department head directly accesses the portal, thereby guaranteeing complete confidentiality throughout the process. The HR team promptly addresses all raised issues, striving for quick resolutions and maintaining a fair and supportive workplace environment.

Fostering Digital Innovation

We continuously strive to improve our customers' digital journey by harnessing our advantage as a technology-driven enterprise. We integrate advanced security measures with flexibility and scalability through our technological platform to meet evolving operational needs. Utilising our technological prowess, we offer our customers an unmatched digital experience across our product and service portfolios.

We made a significant leap in technology with the introduction of India's first Blockchain assured Digital Fixed Deposit Certificates. These certificates offer 100% cryptographic security and authenticity, providing investors with trust and transparency. Through the process of this digitalised certificate issuance, digital identities are assigned and transparency and traceability are ensured, minimising the risk of fraud.

We also leveraged the establishment of a centralised contact hub equipped with smart IVR, Artificial Intelligence bots, and simplified campaign management processes. This 24X7 customer support centre facilitates seamless customer interaction, promptly addressing queries, and converting leads effectively.

Our strategic adoption of cloud computing resulted in increased cost efficiency, unlimited data backup, expanded storage capacity and effortless accessibility. Harnessing the power of cloud relieved us of infrastructure maintenance responsibilities, enabling a greater focus on core business operations and ensuring an outstanding customer experience.

We also developed the 'Shriram One' Super App with the objective of consolidating the entire business ecosystem of Shriram Finance within a single mobile application, delivering cutting-edge products and experiences to consumers.



Social Finance Framework

We have developed a Social Finance Framework under which the Company can issue Social Financing Instruments (“SFI”) including, inter alia, social bond(s), loan(s) via private / public placement(s) and any other debt financing instruments including securitisation and debentures, both domestic or offshore. The funds raised from these instruments are directed towards financing or refinancing eligible social projects aimed at promoting sustainability. Adhering to the International Capital Market Association (‘ICMA’) Social Bond Principles, we collaborate with external agencies to obtain second-party opinions and independent assurance on our framework.

Through our social financing initiatives, we provide favourable interest rate to small road transport operators and first-time buyers of commercial vehicles from underserved communities. We exclude vehicles used in environment-unfriendly sectors and extend our support towards micro, small and medium-sized enterprises in accordance with India’s Micro, Small & Medium Enterprises Development Act, 2006.

Features of Social Finance Framework

Eligible Social Projects

Access to Essential Services

1. Financing and Financial Services/Financial Inclusion
2. Employment Generation
3. Socioeconomic advancement and empowerment

Eligibility Criteria

1. Provision of financing for small road transport operators and first-time buyers of commercial vehicles from underserved communities across India at favourable interest rates. The provision excludes vehicles used in environment-unfriendly sectors such as extraction, refining, or transportation of coal.
2. Provision of suitable financial instruments and supporting services for micro, small and medium-sized enterprises in India, in accordance to the definition in India’s Micro, Small & Medium Enterprises Development Act, 2006.
3. Provision of affordable loans to help communities alleviate income by promoting entrepreneurship within low-income states as defined by World Bank.
4. Provision of affordable financial instruments, including personal loans, and gold loans to underserved customers without requiring documents of income sources.

Target Population

1. Small road transport operators and first-time buyers from underserved communities across India.
2. Underserved, unserved individuals and MSMEs, lacking adequate current asset base to access mainstream bank credits, or without proof of income to qualify for traditional loans.
3. Women

Alignment with UN SDGs



SDG 1.4: By 2030, ensure that all men and women, the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.



SDG 8.3: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro, small and medium-sized enterprises, including through access to financial services.



SDG 3: Ensuring healthy lives and promoting well-being at all ages is essential to sustainable development.



SDG 9.3: Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets.



SDG 10.2: Empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion, or economic or other status.



SDG 11: Making cities and human settlements inclusive, safe, resilient and sustainable.



Community Initiatives

We, at Shriram Finance, continue to make significant contributions to provide quality education, a cornerstone for realising India's development aspirations. In line with this commitment, we offer scholarships to support and enhance formal education for children and youth. We extend regular scholarships of up to Rs. 3,500 to students in grades 8 to 12. This initiative already benefited over 3,00,000 students from multiple regions of the country for secondary and higher secondary education as of March 31, 2024.

We also helped countless individuals and families in Himachal Pradesh during the devastating natural disaster. It helped minimise the damage caused to life and property, while enabling people to restart their lives. Through our CSR Fund, we contributed Rs. 21 Lakhs to the relief fund – Aapda Rahat Kosh-2023 – for Himachal Pradesh.

Recognising the need to improve accessibility to primary healthcare for the weaker sections of society, we established 'MMU/Clinics'. These facilities offer free-of-cost medical check-ups and medicines to the trucker's community, which remains largely isolated from mainstream healthcare ecosystems.

Furthermore, we extended our CSR efforts to designated aspirational districts across a host of states, including Chhattisgarh, Andhra Pradesh, and Jharkhand. We initiated strategic investments to contribute to the holistic development of these districts, focussing on critical areas such as education, skill development, healthcare, and sustainable livelihoods.

During the year under review, a total of 2,51,798 people benefitted from our CSR projects of which 1,61,006 were from vulnerable and marginalised sections of society.

Furthermore, we offer skill-enhancement programmes, including Upskilling Driver Training, two-wheeler Mechanic Training, Preservation of Arts & Culture, with the aim of boosting employability.

The substantial financial investments made during FY 2023-24 highlight our sustained dedication to CSR. Through these endeavours, we aim to create a positive and lasting impact on the communities we serve.



Pioneering Responsible and Ethical Governance

We uphold our commitment to ethical business practices and transparent governance through our continuous emphasis on governance and ethics performance. Our organisation maintains a robust internal governance framework, overseen by a Board of Directors consisting of experts from diverse fields, offering valuable guidance to enrich stakeholder value. The senior management team, led by the Executive Vice Chairman and Managing Director & CEO, is responsible for daily operations, ensuring efficient oversight, guidance, and management. The Board of Directors regularly evaluates policies, objectives, and performance to maintain the excellence in operating standards.

Our efficient operation is further supported by various committees established by the Board of Directors. These committees, in alignment with legal requirements, keep their focus firm on enhancing long-term shareholder value, while assisting in strategic decision-making and prudent financial management. They also uphold the principles of transparency and excellence in corporate governance.

Additionally, we mandate annual declarations from directors, confirming their compliance with the Code of Conduct for the Board of Directors and Senior Management Personnel. This practice ensures strict adherence to ethical standards and promotes responsible conduct within the organisation, establishing a benchmark for governance within the industry.

The ESG Committee, established by Shriram Finance, is designated to address sustainability-related matters, further advancing responsible business conduct and transparent governance practices. The ESG Committee plays a pivotal role in advising the Board on ESG strategy, supervising ESG policies and performance related to ESG issues and Social Finance Framework, and ensuring adherence to reporting standards. Additionally, the committee is responsible for approving the ESG Report. Moreover, we effectively use a ESG Committee Charter to provide a structured framework for the operations and responsibilities of the ESG Committee.

Moreover, we deploy a thorough Business Responsibility Policy, highlighting the importance of transparency, ethical behaviour, and accountability throughout our operations, thereby enhancing the scope of governance practices. This policy acts as a guiding framework for sustaining a strong governance system, complying with relevant laws and regulations, and promoting a culture of honesty and professionalism.

Commensurate with our focus on ethical business practices, we maintain a zero-tolerance policy for bribery and

corruption, putting in place robust policies and procedures to prevent such practices. Our Business Responsibility Policy and Code of Conduct strictly prohibit our employees from engaging in abusive, corrupt, or anti-competitive activities, upholding the highest standards of integrity and ethical behaviour within our organisation.

We take advantage of our robust grievance redressal mechanism to effectively address complaints and concerns from our various stakeholder groups, including communities, investors, shareholders, employees and customers. This mechanism ensures that stakeholders have a reliable platform to express their concerns, with a commitment to timely and efficient resolution of their issues.

Our dedication to governance and ethics prompts us to conduct business responsibly, aligning our operations with sustainability principles, and generating long-term value for all our stakeholders. Our focus on transparency, accountability, and ethical behaviour drives our business practices forward, as we pave the way for a stronger, and sustainable future through highest standards of corporate governance.

Our Corporate Governance practices are further outlined in the dedicated Corporate Governance Report included in the Annual Report.



Scaling New Heights with *Inspired Achievements*



Elets BFSI Game Changer Awards 2023
Digital Service Innovator
8th-11th June 2023



Security Leadership Summit Awards 2023
Excellence in Security Leadership
September 2023



FE Visionary Leader 2023
Exemplary Contribution to the Field of NBFC
6th October 2023



Cloud Tech Summit 2023
Digital Innovation Leader in BFSI
26th October 2023



NBFC Leadership Awards 2023 - Krypton
Business Media Private Limited
Visionary Technology Leader 12th January 2024



Elets BFSI CXO Awards
Excellent Use of Technology in NBFC Services
10th February 2024



Shriram Finance has won **“The Asset’s Triple A” - Best Social Loan – NBFI Award for 2023** for the ECB loan facilities with the proceeds utilised for on-lending to micro, small and medium-sized enterprises for the purchase of commercial vehicles. A portion of the proceeds was also allocated for women borrowers or co-borrowers and for on-lending in under developed states in India.



Shriram Finance has been honoured with **“The Asset Triple A” “Best ESG Solution” award for 2024** for our ECB Loan. This prestigious accolade is a testament to our unwavering commitment to providing sustainable financing solutions for MSMEs, in alignment with our robust Social Finance framework. Our innovative financing solutions focus on empowering MSME clients through structured loan portfolios, which drive positive environmental and social impacts.



Recognised as a Great Place to Work

We have been certified by Great Place to Work Institute as a “Great Place to Work in India”. This prestigious recognition is a testament to the Company’s four-decade legacy of prioritising a positive work experience, a source of immense pride for the Shriram Finance family. We have also been featured in the top 50 companies of “Great Place to Work” that ensures best quality Health and Wellness for the employees. This recognition, valued by employees, reflects our commitment to fostering a culture of trust and care.”

Future Goals and Outlook

We recognise the significance of setting measurable targets to track our journey towards fulfilling all the principles of the NGRBC. With continuous focus on improving our ESG practices and performance, we eagerly look forward to share comprehensive updates on our advancements and progress in the future.

In our stride towards a sustainable future, we continue to diligently communicate our achievements, financial results, and strategic progress to keep our stakeholders abreast of and engaged in every step of our journey.



**STATUTORY
REPORTS**



MANAGEMENT DISCUSSION & ANALYSIS

ECONOMY OVERVIEW

Global Economic Scenario

The global economy has shown remarkable resilience despite enduring repeated and overlapping shocks, coupled with unprecedented monetary tightening measures. Growth in the US and several key emerging market economies (EMEs) has outperformed expectations. While, manufacturing activity has remained subdued, services have exhibited strength. The global economy grew by 3.1% and is anticipated to slowdown to 2.9% in 2024. Although, headline inflation has decreased across countries, the decline in core and service inflation has been gradual, given the persistent tightness in labour markets. Major central banks in advanced economies (AEs) have kept policy rates on hold to ensure alignment of inflation with targets.

Global crude oil prices have remained highly volatile, with Brent crude falling from a high of USD 95 in early October 2023 to below USD 75 by mid-December, before rebounding and settling above USD 80 in the first quarter of 2024. An escalation in the conflict in West Asia and logistical impediments on key trade routes may cause serious disruptions in the oil market. Assuming the crude oil price to be 10% above the baseline, domestic inflation could be higher by 30 bps and growth weaker by around 15 bps, respectively. Conversely, the de-escalation of geopolitical tensions along with a further weakening of global demand may pull down crude oil prices.

Following a two-year surge, global inflation exhibited signs of easing in 2023, although it remained elevated compared to the 2010-2019 average. After peaking at 8.1% in 2022, the highest in nearly three decades, global headline inflation declined to an estimated 5.7% in 2023. Projections indicate a further decrease to 3.9% in 2024, driven by the continued moderation in international commodity prices and reduced demand amid monetary tightening measures. While developed economies witnessed a notable slowdown in inflation, core inflation

rates remain relatively high, influenced by increasing service sector prices and tight labour markets. Furthermore, inflation in most developing countries peaked in 2023 and is expected to continue moderating in 2024.

Outlook

Looking ahead, the global economy is anticipated to grow at a steady pace, with diminishing effects of positive shocks. Alongside, it is set to witness increasing yields and tighter credit conditions. There are likely to be persistent supply disruptions, along with a shift in inflation sentiment, which may restrain the fall in inflation. Notably, the business sector is likely to experience increased pressure, with shrinking profit margins, leading to a slowdown in hiring and expenditure.

The potential resurgence of consumer price inflation is a primary concern for the global economy. The economic rebound in 2025 largely hinges on central banks alleviating economic constraints, as inflation indicators approach their respective targets. The US and the Euro Area are particularly susceptible, with real policy rates currently at their highest levels since January 2008. Prolonged periods of high rates could substantially dampen economic activity, worsening mild recessions into more severe downturns.

Indian Economic Scenario

India has solidified its position as the world's third-largest fintech economy, ranking behind only USA and the UK. Furthermore, it has surged ahead of Hong Kong to claim the fourth spot in global stock markets. This accomplishment stems from both domestic and international investor confidence, strengthened by sustained IPO activity. Initiatives like the Skill India Mission, Start-Up India, and Stand-Up India have played a pivotal role in fostering greater women's participation in human capital development. Despite global economic uncertainties, India's GDP grew by 8.2% in FY 2023-24, driven by increased public sector investments, a resilient financial sector, and significant growth in non-food credit.



Indian Economy GDP Growth Rate (in %)

Year	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
GDP Growth Rate (%)	4.2	(6.6)	8.7	7.0	8.2

India has demonstrated resilience and progress in the face of global economic uncertainties with timely policy interventions targeting macro stability and the revitalisation of both financial and non-financial sectors. Substantial investments in robust physical and digital public infrastructure, have allowed the country to navigate challenges, both domestic and international, ensuring sustained economic progress. With ongoing and forthcoming government policy reforms, optimism and confidence in India's economic growth story is notably high. Embracing its 'Amrit Kaal' with assurance, the nation views growth challenges as opportunities for inclusive development rather than hindrances.

Outlook

Going forward, the country is likely to remain the world's fastest-growing major economy on the back of growing demand, moderate inflation, stable interest rate regime and robust foreign exchange reserves. The economy is poised to achieve nearly 7% growth in FY 2024-25. The catalysts for this projected growth are likely to be robust domestic demand, private consumption and investment, and Government reforms and initiatives implemented over the past decade. The Government's investments in both physical and digital infrastructure, coupled with measures to increase manufacturing have strengthened the supply side. Together, these developments are likely to provide an impetus to the country's economic activity.

India is making significant strides to achieve its futuristic growth targets. The Indian economy is projected to cross the USD 4 Trillion mark during FY 2024-25, further escalating to USD 5 trillion by FY 2026-27. Additionally, the Government has set an ambitious goal of transforming into a developed country by 2047. India will sustain its upward growth track, propelled by stable and robust domestic demand, expanding private consumption and investments, and ongoing structural reforms.

INDIAN FINANCIAL SERVICES SECTOR SCENARIO

India's financial services sector is experiencing rapid expansion, characterised by robust growth among existing firms and the influx of new entrants. This diverse landscape encompasses insurance companies, commercial banks, cooperatives, non-banking financial companies, mutual funds, pension funds and various smaller entities. Despite this diversification, banking remains the dominant force, accounting for 70% of total assets within the financial system. The Government of India has implemented several reforms to liberalise, regulate, and strengthen the industry. Initiatives

like the Credit Guarantee Fund Scheme for Micro, Small, and Medium Enterprises (MSMEs), guidelines on collateral requirements for banks, and the establishment of the Micro Units Development and Refinance Agency (MUDRA) have facilitated improved access to finance for MSMEs. This concerted effort by the Government and private sector has propelled India into one of the world's most dynamic capital markets. A primary catalyst fueling sectoral growth is the heightened focus on financial inclusion, aimed at enhancing access to finance for marginalised and underprivileged segments of society. This shift has spurred the rise of digital banking, microfinance initiatives and collaborative ventures with fintech companies, reshaping conventional banking paradigms.

India's financial services sector is undergoing a profound transformation, driven by the widespread adoption of digital technologies, shifting consumer preferences and heightened competition. This dynamic landscape is reshaping the sector's growth direction. Additionally, the integration of rapid technology has revolutionised the way Indians access and pay for services, with even street vendors embracing QR code payments. Consequently, the Boston Consulting Group anticipates a remarkable surge in India's digital payments market, projecting a threefold increase from USD 3 trillion to USD 10 trillion by 2026.

(Source: <https://timesofindia.indiatimes.com/blogs/voices/the-future-of-financial-services-in-india/>)

Industry Scenario and Financing

Financial institutions play a crucial role in fostering stability and implementing regulatory measures to reinforce households and businesses, particularly during periods of economic uncertainty. Currently, geopolitical conflicts have hindered post-Covid-19 pandemic recoveries in various countries, leading to an expedited normalisation of monetary and fiscal policies.

In India, Non-Banking Financial Companies (NBFCs) have emerged as critical pillars of financial support for a significant segment of the population, including Small and Medium Enterprises (SMEs) and those historically underserved by traditional banking institutions. Displaying impressive agility and efficiency, NBFCs have adeptly catered to the diverse financial needs of borrowers, leveraging their widespread geographical presence, deep understanding of various financial requirements and prompt processing times. By playing a pivotal role in advancing financial inclusion, non-bank lenders have facilitated the growth of numerous MSMEs and fostered opportunities for self-employment. Moreover, the sector has witnessed remarkable expansion with the entry of various players boasting varied business models. In recent years, India's financial services landscape has undergone a transformative shift, characterised by the growing influence of neo-banking, digital authentication,



widespread adoption of the Unified Payments Interface (UPI) and mobile banking and the escalating penetration of mobile internet.

Furthermore, NBFCs are increasingly adopting digitisation to enhance operational efficiency, elevate customer experiences, drive cost savings and ensure compliance with regulatory standards. Despite facing stiff competition from public and private sector banks and Microfinance Institutions (MFIs) across market share, customer acquisition, asset quality and technological innovation, NBFCs have spearheaded innovative digital initiatives. Through frugal innovation, they leverage cutting-edge technologies like cloud computing, low-code/no-code platforms, data lakes and artificial intelligence (AI). These technologies propel multiple concepts like application modernisation, super apps, data transparency and robust information security.

This digital transformation enables NBFCs to compete effectively with larger institutions for customer engagement, while delivering seamless experiences for both customers and employees. In recent times, NBFCs have surpassed banks in terms of new credit disbursements, leveraging technology to reach underserved sectors and capitalising on banks' limitations in swiftly expanding operations and adapting inflexible policies. The retail and MSME sectors have emerged as crucial drivers of growth for NBFCs. Furthermore, the Indian MSME sector, comprising 64 Million MSMEs, contributes 30% to India's GDP. With a total credit demand of Rs. 69.3 trillion, registering a CAGR of 11.5%, less than 15% of this demand is currently met by formal sources. Despite supportive government initiatives, there remains a credit gap of Rs. 25 Trillion, which NBFCs can address through collaborations with fintech firms and advancements in digital technologies. Additionally, NBFCs have significantly impacted these sectors. They offer a wide array of products, including equipment financing, hire purchase and leasing, housing finance and gold loans. Moreover, they have expanded into new segments, such as consumer durable finance.

The Government of India has introduced several initiatives to address structural issues in the small business lending segment. These include licensing account aggregators, launching schemes, such as the Pradhan Mantri Mudra Yojana (PMMY), introducing UPI platforms and unveiling platforms like TReDS, GeM and the Open Network for Digital Commerce (ONDC). With the Reserve Bank of India (RBI) intensifying scrutiny on corporate lending and the reporting of Non-Performing Assets (NPA) by banks, NBFCs have a unique opportunity to expand their lending portfolio into a sector traditionally dominated by commercial banks.

(Source: <https://www.livemint.com/industry/banking/banks-nbfc-meet-less-than-15-of-msme-credit-demand-11671035294728.html>, <https://timesofindia.indiatimes.com/readersblog/virtual-cfo/nbfc-empowering-msmes-and-entrepreneurs-in-indias-small-towns-and-cities-54806/>)

Commercial Vehicle (CV)

The commercial vehicle sector has experienced a moderate growth of 0.56% in volume by the end of FY 2023-24. However, projections from the rating agency ICRA suggest a potential decline of 4-7% in commercial vehicle volume growth for the following FY 2024-25. Despite this projection, sales of commercial vehicles, often considered a gauge of economic vitality have reached record highs in FY 2023-24. This is supported by robust revenues in leading companies like Tata Motors, Ashok Leyland, and VE commercial vehicles.

The surge in demand stems mainly from heightened interest in expensive heavy-duty vehicles, fueled by substantial government investments in infrastructure and increased freight movement. Sales figures for FY 2023-24 have exceeded the previous peak recorded in FY 2018-19, with anticipated revenue soaring by approximately 30% compared to that period. Sales of heavy-duty trucks capable of transporting larger freight loads have experienced a growth of 4% during FY 2023-24. This increase in load-carrying capacity is credited to the shift towards larger trucks. Moreover, demand for buses has spiked by over 38% during this period, boosted by improved highways stimulating road travel demand amid congested railway networks.

Despite an anticipated slowdown in commercial vehicle demand in FY 2024-25, particularly for medium and heavy commercial vehicles (MHCVs) and light commercial vehicles (LCVs), owing to elevated dealer inventories, the long-term outlook remains promising. This optimism is supported by a robust macroeconomic landscape, robust replacement demand (especially in the passenger vehicle segment), ongoing infrastructure projects (further rejuvenated by increased allocations in the recent interim budget) and burgeoning freight demand. Looking ahead, sustained economic growth is expected to provide a significant boost to commercial vehicle sales. With India's manufacturing sector forecasted to reach USD 4.5 Trillion by 2047, accounting for 22% of the GDP (compared to a base projection of USD 2.5 Trillion with a 17% GDP share), the commercial vehicle market is poised for unprecedented growth. Additionally, increased investment in the manufacturing sector, spurred by heightened government capital expenditure to reduce import reliance and enhance capacity utilisation is expected to drive demand. Moreover, initiatives, such as the vehicle scrappage policy and electrification are anticipated to further stimulate sales within the commercial vehicle industry.

(Source: https://www.business-standard.com/industry/auto/commercial-vehicle-sales-likely-to-enter-into-a-downcycle-in-2024-25-124021301441_1.html, <https://auto.economicstimes.indiatimes.com/news/commercial-vehicle/h1-fy24-cv-sector-analysis-high-base-drives-marginal-joy-growth-outlook-stays-positive/104649925>)



Passenger Vehicle (PV)

The Indian passenger vehicle market is witnessing a surge in demand for utility vehicles, including SUVs and MPVs. Moreover, the launch of new car models is significantly driving nationwide growth. Throughout 2023, numerous automakers have unveiled a plethora of new passenger vehicles, catering to both mass-market and luxury segments. These launches span both traditional internal combustion engine and advanced electric vehicle segments.

The passenger vehicle segment constitutes about 18% of the total domestic sales in India. Driven by robust demand for sports utility vehicles, passenger vehicle sales in India soared to a record high in FY 2023-24, with over 42 Lakhs units dispatched. Manufacturers witnessed a substantial increase in overall passenger vehicle dispatches to dealers last fiscal, reaching 42.2 Lakhs units, a 9% rise from 38.9 Lakhs units in FY2022-23. This surge was led by record sales from Maruti Suzuki India, Hyundai Motor India and Toyota Kirloskar Motor. Furthermore, the share of sports utility vehicles in overall passenger vehicle dispatches rose to 50.4% in the last fiscal year, compared to 43% in FY 2022-23. This is the first time when passenger vehicle sales have crossed the 40-Lakhs sales mark in the country, with much of the growth attributed to the SUV segment.

Electric cars currently contribute around 6% of total EV sales nationwide, experiencing substantial sales volume growth in recent years. The upcoming launch of utility vehicles and new models is expected to propel further growth in the Indian passenger vehicle market. Furthermore, with more OEMs planning to introduce new electric vehicles tailored for the domestic market, there is potential for an increased EV adoption rate, and overall growth.

(Source: <https://economictimes.indiatimes.com/industry/auto/auto-news/passenger-vehicle-sales-in-local-market-reach-new-heights-in-2023/articleshow/106761676.cms?from=mdr>, <https://www.theweek.in/wire-updates/business/2024/04/01/del131-biz-ld-auto-sales.html>)

Two-Wheeler (2W)

The Indian two-wheeler market is witnessing a remarkable surge and is projected to register a CAGR of 10.29% by 2029. This segment continued the recovery path with a handsome growth of over 13% in domestic sales to reach 18 million units.

Rising economic prosperity and increasing disposable incomes across the Indian subcontinent are fueling a significant shift towards personal mobility solutions among a substantial portion of the population. Moreover, demographic changes highlight a sizeable young population with a preference for stylish, efficient and budget-friendly transportation options. This further contributes to the market's growth. Additionally, the availability of diverse financing alternatives with consumer-friendly schemes is accelerating vehicle ownership among potential buyers.

The trend of urbanisation and resulting traffic congestion is prompting two-wheelers to emerge as a preferred mode of travel within bustling city landscapes. Government initiatives are pivotal, with stricter emission and safety regulations driving technological advancements, favouring eco-friendly and safer two-wheelers. Furthermore, cultural dynamics have elevated two-wheelers beyond mere transportation, embedding them as symbols of familial connections and dynamics.

In FY 2023-24, sales of electric two-wheelers (e2W) saw a remarkable surge of 33.3% compared to the previous year, as per official records. According to data from the Vahan portal, 910,930 units of electric two-wheelers were sold in FY 2023-24, marking a substantial increase from 682,937 units sold in FY 2022-23. Notably, there has been a considerable reduction in manufacturing costs, attributed to economies of scale and a decline in the prices of critical components, such as batteries. Currently, batteries account for only a third of the two-wheeler production costs, down from half in previous years. Additionally, the subsidy amount has been progressively reduced, initially set at 45% of the vehicle cost, or Rs. 30,000 per kWh, then decreased to Rs. 15,000 per kWh, and now further minimised to Rs. 5000 per kWh.

(Source: <https://www.globenewswire.com/en/news-release/2024/03/26/2852640/28124/en/India-Two-Wheeler-Market-2023-2029-A-16-63-Billion-Market-Opportunity-Vehicle-Type-Propulsion-Type-and-Granular-Region-Wise-Analysis.html>)

Tractor and Farm Equipment

India's tractor market, often regarded as a key indicator of the nation's rural economic vitality, surpasses that of China by nearly 2.5 times and that of the United States by 3.5 times. According to ICRA, despite concerns arising from the potential impact of a sub-par and erratic monsoon on rural cash flows, the volumes of the tractor and farm equipment market are expected to remain stable. Projections suggest the total market for tractors and farm equipment witnessed sales of around 900,000 units, slightly lower than the 945,000 units sold in FY 2022-23. Moreover, the uneven temporal and spatial distribution of precipitation is believed to have affected kharif yields, while low reservoir levels further dampen prospects for rabi sowing.

Sentiments in the farming sector have dampened due to weak government spending on agriculture and rural development in Q3 FY 2023-24, exacerbated by erratic rainfall patterns negatively impacting kharif output. Additionally, sluggish progress in rabi sowing, and weak Mandi arrivals from the kharif season signal widespread declines in farm output. Despite these challenges, the Indian agricultural equipment market, valued at Rs. 1,129.6 Billion in 2023, is projected by IMARC Group to soar to Rs. 2,527.4 Billion by 2032, reflecting a robust CAGR of 9.1% during 2024-2032.

In recent years, there has been notable progress in agricultural mechanisation. A significant proportion of farmers have transitioned from traditional methods to mechanical equipment for various farming activities, such as tillage, sowing, irrigation, plant protection and threshing. This shift has been propelled by factors like easier access to credit, government incentives, heightened agricultural productivity, the rise of contract farming and increasing rural incomes. As a result, the agricultural equipment market has experienced substantial growth, driven by these favourable trends. Additionally, the agricultural and rural sectors have witnessed the emergence of various agricultural technologies. These technologies are aimed at aiding lenders in comprehending crop patterns and local geography for precise credit evaluation. Furthermore, these technologies can be leveraged for comprehensive tractor and agriculture based financing solutions. As a result, rural financing has expanded its scope beyond asset financing, including a plethora of agriculture technology enabled financing options.

(Source: <https://www.giiresearch.com/report/imarc1451113-indian-agricultural-equipment-market-report-by.html>)

Construction Equipment

The construction equipment industry is pivotal in stimulating economic development and contributes significantly to the GDP by enabling infrastructure development. Government backing through various initiatives like the National Infrastructure Pipeline (NIP) and the PM Gati Shakti Master Plan has unlocked a myriad of opportunities within the construction sector. Furthermore, the increased emphasis on improving domestic manufacturing capabilities under the 'Make in India' initiative augurs favourably for the construction equipment industry.

The Indian construction equipment market size is estimated at USD 7.30 Billion in 2024, and is expected to reach USD 10.90 Billion by 2029, registering a CAGR of 8.30% during the forecast period (2024-2029). Improvement in road construction infrastructure, an increasing urbanisation rate and higher investment to boost infrastructure activities serve as the major determinants for the growth of construction equipment in India. With better road transportation infrastructure and a rise in urban population, there exists a greater demand for convenience in personal mobility, healthcare, sanitation and water supply, among others. This, in turn, contributes to the boosting demand for construction equipment, attributed to the growth in the construction sector across India.

(Source: <https://www.mordorintelligence.com/industry-reports/india-construction-equipment-market>)

Micro, Small and Medium Enterprises (MSMEs)

The MSME sector in India holds a crucial position in both employment generation and the country's GDP. In fact, 96% of the industrial units in the Indian economy belong to small companies. These small companies contribute 40% to the nation's overall industrial production and account for 42% of all Indian exports. Moreover, small companies provide various opportunities in both rural and urban areas of the country. Given the prevailing unemployment challenges in the Indian economy, small firms have played a significant role in increasing employment opportunities for people.

In India, 7.56 Lakhs jobs were created, with the nation housing 75,000 recognised start-ups. Among these, 12% cater to Information Technology services, 9% to healthcare and life sciences, 7% to education, 5% to commercial and professional services and 5% to agriculture. Over the last six years, there has been a remarkable 110% yearly increase in job creation. This gap presents a promising opportunity for NBFCs to offer tailored products and digital solutions to support the sector's growth.

As a cornerstone of the Government's Make in India campaign, various supportive measures have been implemented to create a favourable environment for MSMEs, driving a positive growth outlook. The focal point remains indomitable: continue to ensure easy and secure funding for MSMEs, addressing credit shortages and mitigating credit fraud risks. Government initiatives encompass a spectrum of strategies, including tax exemptions, enhanced access to funding and the expansion of financing, marketing and technology support. Additionally, key policies supporting this outlook include the Pradhan Mantri MUDRA Yojana (PMMY), the Special Credit Linked Capital Subsidy Scheme (SCLCSS), SAMBHAV and the National MSME Policy.

NBFCs have played a significant role in augmenting credit flow to MSMEs, particularly in underbanked regions. These entities have adopted innovative tools, unconventional risk assessment methods and personalised offerings to meet the unique needs of small businesses. Harnessing technology for advanced data analytics, NBFCs have streamlined processes, ensuring expedited credit disbursement. In contrast to traditional banks, NBFCs have showcased agility by introducing tailor-made products for different segments within the MSME sector. Additionally, they have forged strategic alliances with fintech firms, banks and alternative lenders to broaden credit availability and offer extensive bundled products to businesses.

(Source: <https://www.forbes.com/advisor/in/business/msme-statistics/>)



Gold Loan

Amid global market and currency volatility, gold maintains its supremacy as a consistent financial instrument. India, renowned for its cultural reverence for gold, stands out as one of the largest consumers globally. The country possesses a significant 27,000 metric tonnes, as per the Reserve Bank of India, accounting for 14% of the world's total gold reserves. The Indian gold loan market, valued at USD 55.52 Billion in 2022, is poised for substantial growth, with a projected CAGR of 12.22%, estimated to reach USD 124.45 Billion by 2029.

The increasing demand for gold loans extends across individuals and MSMEs. Individuals opt for gold loans to fulfil immediate diverse needs, such as education expenses, wedding costs, and medical bills. Similarly, small businesses find gold loans appealing for securing working capital. Despite facing fierce competition from banks, NBFCs specialising in gold loans have maintained resilient market shares. Additionally, reports by CRISIL Ratings indicate that their stability is attributed to robust capitalisation, focused risk management and healthy profitability.

The growth story of gold-loan NBFCs is fueled by several factors. These include their ability to retain customers, particularly evident in their steady customer base and their focus on catering to small and mid-sized loan requirements. Additionally, their efforts to expand branch networks enhance their reach and accessibility.

(Source: <https://www.techmagnate.com/blog/gold-loan-market-in-india/>, <https://www.financialexpress.com/business/banking-finance-gold-loan-nbfc-maintain-resilient-market-share-at-60-between-mar-2021-to-sep-2023-despite-bank-competition-3354279/>)

Housing Finance

The housing finance sector has seen improvement in asset quality despite a sharp rise in interest rates over the past one and a-half years, with rising income levels helping offset higher monthly instalments. There are no signs of stress from an affordability point of view with the rise in housing prices and higher interest rates, according to industry veterans and analysts tracking the sector. The affordable housing market, valued at USD 300 Billion is well-suited for individuals with low to middle incomes. It presents lending opportunities in which financial institutions offer customised solutions, benefitting both developers and buyers within this expanding industry.

India's home loan market is expected to double in the next five years, mirroring the overall trend in the country's aspirations to become a USD 5 Trillion economy. Over the past decade, the home loan market in India has experienced significant growth, fueled by increasing urbanisation, rising disposable incomes and government initiatives to promote affordable housing. Moreover, home loan interest rates in India are subject to variation, contingent upon factors like

the lender, loan amount, loan tenure and the borrower's creditworthiness.

In 2023, homes in India became more affordable as compared to 2022, as evident in the year's sales figures. The Indian home mortgage finance market is set to expand at a 7% CAGR during the forecast period, driven by favourable conditions like rising income levels, improved affordability and fiscal support, all of which contribute to the growing demand for homes. Furthermore, the real estate sector in India is experiencing an upswing, with developers exhibiting greater financial strength and discipline.

(Source: https://economictimes.indiatimes.com/news/economy/indicators/little-stress-on-home-loan-repayment-despite-higher-interest-rates/articleshow/105910681.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst, <https://www.businesstoday.in/personal-finance/top-story/story/affordable-housing-market-in-india-is-valued-at-300-billion-basic-home-loans-founder-atul-monga-407440-2023-11-28>, <https://www.businessworld.in/article/Home-Loan-Trends-A-Year-End-Recap-2024-Outlook/18-12-2023-502674/>, <https://www.mordorintelligence.com/industry-reports/india-home-loan-market>, <https://www.mordorintelligence.com/industry-reports/india-home-mortgage-finance-market>)

COMPANY OVERVIEW

Shriram Finance Limited (referred to as 'Shriram Finance' or 'the Company') a prominent NBFC in India's retail finance industry, underwent a name change to better reflect its diversified financial product portfolio following the merger of Shriram City Union Finance Limited (SCUF) and the remaining undertaking of Shriram Capital Limited (SCL) with the Company. The Company is a leader in organised financing of pre-owned commercial vehicles and two-wheelers. Shriram Finance has vertically integrated business model and finances passenger vehicles, construction equipment, farm equipment, MSMEs, gold, personal needs and working capital requirements, among others. The merger has started yielding significant synergies, particularly through the cross-selling of loan and insurance products.

Additionally, the merged entity has benefited in improved employee productivity and lower customer acquisition costs. The technological framework of the merged organisation facilitates seamless data mining to provide best-in-class service to customers. Throughout this process, Shriram Finance's time-tested philosophy of customer centricity will remain the guiding principle.

With a vast customer base exceeding 83 Lakhs customers, Shriram Finance is dedicated to offering prompt borrowing solutions and delivering value to stakeholders. The Company has a broad reach with 3,082 branches across India and recorded an AUM of Rs. 2,24,862 Crores as of March 31, 2024.

Shriram Housing Finance Limited, a subsidiary of the Company is registered with the National Housing Bank (NHB) with a specialization in offering loans for construction or purchase of residential property and loans against property.

Key Highlights for FY 2023-24

Segment-wise performance of the Company during FY 2023-24

(Rs. in crores)

Segment of the business portfolio	Disbursement during the F.Y. 2023-24	AUM as on March 31, 2024
Commercial Vehicles	54,681.5	1,06,935.1
Passenger Vehicles	26,112.6	43,196.2
Construction Equipment	8,810.2	16,954.0
Farm Equipment	2,360.2	3,715.3
MSME	17,348.7	26,234.6
Two Wheelers	10,846.9	12,552.3
Gold Loans	12,256.8	6,299.8
Personal Loans	9,758.2	8,974.7
Total	1,42,175.1	2,24,862.0

- The MSME loan, gold loan, construction equipments loan and passenger vehicle loan segments drove more growth in FY 2023-24
- Achieved strong financial growth through higher NIM of 8.84%
- Longer tenure resources were raised through fresh long-term borrowings
- Credit fundamentals were reinstated through strong credit ratings received from multiple credit rating agencies
- Collection efficiency and asset quality were improved through better collection mechanism and network coverage
- Strong focus on technology platforms to leverage opportunities emanating from digital-based lending trends

SWOT ANALYSIS**Strengths**

- Leads the pre-owned commercial vehicle financing sector with an extensive branch network across India
- Prioritises serving underserved retail markets through a unique relationship-based business model
- Boasts a strong brand pedigree and successful track record in credit appraisal and collection processes
- Operates with a well-defined and scalable organisational structure based on product, territory and process knowledge
- Employs an integrated technology platform for streamlined processes and customer onboarding
- Maintains a consistent financial track record with rapid growth in Assets Under Management (AUM)
- Ensures robust financial management with balanced Asset-Liability Management (ALM) and improved asset quality

- Supported by an experienced senior management team
- Nurtures strong relationships with all the stakeholders including lenders, investors, fixed deposit holders etc.
- Serves over 83 Lakhs customers across India

Weaknesses

- Business and growth correlate closely with the country's GDP growth rate
- Shriram Finance's customer base, comprising MSMEs and SRTOs (Small Road Transport Operators), is particularly susceptible to the adverse impacts of economic downturns

Opportunities

- Presenting financial opportunities, growth in the commercial vehicle, passenger vehicle and tractor markets remains significant
- Addressing working capital needs within the commercial vehicle ecosystem.
- Forming partnerships with private financiers to expand reach without substantial investments
- Expanding into rural markets to finance cargo light commercial vehicles
- Streamlining customer onboarding process through the technology platform
- Increased government allocation towards infrastructure development fuels demand for commercial vehicles
- Capitalising on cross-selling opportunities such as insurance products and invoice discounting. Utilising brand equity to gain acceptance among underprivileged sections of society.
- Expanding geographical reach and customer base facilitates deeper penetration into hinterland markets
- Rising disposable income, evolving consumption patterns and a shift towards spending drive demand for consumer loans



- Boosting MSME spending, government initiatives encourage demand for MSME loans, while India's financial inclusion remains at an early stage, offering NBFCs opportunities to reach the unbanked and underbanked population
- Providing financing solutions to MSMEs that face challenges accessing credit from traditional banks. Opportunities of co-lending with the Banks to the end customer
- Managing limited access to bank finance, expected rise in the borrowing cost and incremental borrowings through privately placed NCDs.
- Addressing external risks related to liquidity strain, political uncertainties and fiscal instability
- Navigating intense competition from global and local rivals in product innovation and technological advancements, resulting in narrow margins
- Adapting to regulatory and compliance shifts impacting the NBFC sector
- Confronting the increasing challenge of financial product commoditisation

Threats

- Facing competition from captive finance companies, small banks, Fintechs and emerging players

FINANCIAL PERFORMANCE

Particulars	(Rs. in crores)		
	FY 2023-24	FY 2022-23	% Change
Total Income	34,997.61	29,802.89	17.43
Net Interest Income	19,686.85	16,963.07	16.06
Assets Under Management	2,24,861.98	1,85,682.86	21.10
Securitisation/Direct Assignment done during the Year	26,083.70	19,136.45	36.30
Net Worth	48,463.82	43,202.07	12.18
Profit after Tax	7,190.48	5,979.34	20.26
Earnings per Share	191.63	159.69	20.00
Capital Adequacy Ratio	20.30%	22.61%	(10.22)
Return on Total Assets	3.13%	2.89%	8.30
Debt Equity Ratio	3.83	3.65	4.93
Net Interest Margin	8.84%	8.37%	5.62
Interest Coverage Ratio	2.34	2.35	(0.43)
Net Profit Margin	20.55%	20.06%	2.44
Return on Net Worth	15.64%	14.84%	5.39
Gross Stage 3 Assets Ratio	5.45%	6.21%	(12.24)
Net Stage 3 Assets Ratio	2.70%	3.19%	(15.36)
Return on Equity	15.64%	14.84%	5.39

The Stage 3 Assets improved to 5.45% as on March 31, 2024 compared to 6.21% as on March 31, 2023. The Stage 3 Assets net of Stage 3 Provision was 2.70% as on March 31, 2024 as compared to 3.19% as on March 31, 2023. There are no significant changes in key financial ratios of the Company for F.Y. 2023-24 as compared to F.Y. 2022-23.

The return on net worth was 15.64% as on March 31, 2024 as against 14.84% as on March 31, 2023 due to higher AUM growth, higher Net Interest Margin and Improved Asset Quality resulting in higher profitability for the year ended March 31, 2024.

HUMAN RESOURCES

Shriram Finance highly values its human capital, recognising that the organisation's success hinges upon the competencies, capabilities, contributions and experiences of its employees. Rooted in a core philosophy of fostering a safe, healthy, and joyful workplace, the Company prioritises nurturing an environment that supports employee well-being and productivity.

Shriram Finance's HR department actively nurtures a culture of integrity, honesty and continuous learning, while upholding principles of equality and preventing harassment. Committed to fostering respectful and secure work environments, the Company strives to provide its employees with careers rather than mere jobs, promoting trust, confidence and transparency.

In line with this philosophy, the Company's Human Resource policies are tailored to empower its workforce with the knowledge and skills needed to thrive in a supporting work environment. Through a culture that values performance, the Company inspires its employees to pursue excellence, thereby enhancing the organisation's brand and effectively addressing business challenges. The Company has enhanced the age of retirement from 58 years to 60 years with effect from April 1, 2024 so as to better utilise the experience of senior team in nurturing the young talent.

Furthermore, as the Company progresses and transforms into a forward-thinking organisation, Shriram Finance's strategic focus remains on attracting and retaining top talent. Additionally, the Company fosters employee development and well-being, ensuring equal opportunities and nurturing harmonious relationships. The Company's HR processes, shaped by clear competencies and Company values, are designed to nurture a vibrant and inclusive workplace culture. As of March 31, 2024, Shriram Finance's workforce comprised 74,645 employees, reflecting a net addition of 10,593 employees during the FY 2023-24.

RISK MANAGEMENT

Shriram Finance places a high priority on risk management to safeguard the interests of customers, colleagues, shareholders, and the organisation itself, all while promoting sustainable growth. The Company's risk management framework strictly adheres to industry standards, with a robust control framework serving as its foundation.

The Risk Management Committee oversees major risk categories, encompassing credit, market, legal and regulatory, operational, liquidity, interest rate, cybersecurity, information technology, strategic and economic risks. To effectively address these increasingly intricate risks, the Company's risk management system conducts thorough risk analysis and proactively implements measures.

Shriram Finance nurtures a culture of risk awareness, supported by standards, guidelines, processes, procedures and controls. Policies undergo rigorous review and approval by the Board and its Committees, ensuring independent identification, assessment and management of risks across business verticals. Shriram Finance's core philosophy centers on fostering a sustainable and ethical business environment, exemplified by its risk management practices.

Risk Management Framework

Process

1. Identification of cause of the risk and its effect as it is vital for appropriate plans and controls to address the risk.
2. Assessment of risk considering all possible scenarios and thoroughly examine every aspect of the risk.
3. Respond to Risk: Develop strategies to minimize, accept, transfer, or avoid the risk.
4. Continuous risk monitoring.
5. Evaluation of risk management processes & update



Key Risks and Mitigation

Risk Type and Definition	Mitigation
<p>Credit Risk</p> <p>Shriram Finance encounters credit risk, arising from the potential loss due to borrowers and/or counterparties failing to fulfil their contractual obligations. This risk stems primarily from the Company's lending activities.</p>	<p>With over four decades of operational expertise, Shriram Finance effectively manages credit risk through stringent credit protocols and robust procedures. This involves various measures like a rigorous credit assessment process across all business segments, meticulous evaluation of borrowed capital considering customer cash flows and leveraging insights from credit bureaus' information reports. Additionally, regular stress testing and scenario analysis of the entire credit portfolio are conducted to implement corrective measures when necessary.</p> <p>Furthermore, Shriram Finance relies on defined credit ratings from reputable credit rating agencies as per its established process, facilitating informed portfolio investment decisions with ongoing portfolio monitoring. Risk exposures are carefully managed through a comprehensive analysis of counterparty fundamentals, industry dynamics and sector-specific risks. Furthermore, prudent allocation strategies are employed to mitigate portfolio risk concentration across diverse asset classes, industry sectors, geographical regions and single and joint liability groups.</p>
<p>Market Risk</p> <p>Market risk refers to the potential financial loss stemming from adverse shifts in market factors, encompassing fluctuations in elements like interest rates, credit spreads, foreign exchange rates, commodity prices and other relevant variables. These changes have the capacity to affect both earnings and capital.</p>	<p>The Company effectively mitigates market risk through a comprehensive framework of policies and procedures that are consistently evaluated to align with market standards and regulatory mandates. The Asset Liability Management Committee (ALCO) diligently tracks market dynamics, government policies and regulatory shifts impacting the NBFC industry, promptly adapting strategies as needed. Through the Company's proactive approach, it systematically monitors market risks and safeguards the loan book portfolio via a robust Market Risk Management System. Additionally, Shriram Finance conducts routine stress testing across various asset classes to simulate and prepare for the potential impact of sudden market upheavals.</p>
<p>Operational Risk</p> <p>Operational risk encompasses the potential for financial loss stemming from deficiencies or failures within internal processes, personnel, systems, organisational structures. It also arises from regulatory and internal compliance frameworks, as well as from external events. The risk of loss resulting from inadequate or failed internal process, people, systems, organisation, regulatory and internal compliance or from external events.</p>	<p>The Company's operational risk framework serves as a guiding structure for departments to achieve their objectives by identifying, assessing, measuring, controlling and mitigating risks effectively. Key pillars in mitigating operational risks encompass advanced corporate governance practices, adherence to a code of conduct, fostering a corporate ethos and implementing organisation-wide risk management strategies. To ensure a cohesive and skilled workforce, Shriram Finance offers skill development programmes and seminars.</p> <p>Standard operating procedures and structures are in place to enhance governance in transactions, portfolio assessment and regulatory compliance. Rigorous audit procedures, focussed on risk orientation are conducted at regular intervals to minimise enterprise risk exposure. Furthermore, regular stress testing and audits of the Disaster Recovery (DR) plan and Business Continuity Plan (BCP) evaluate Shriram Finance's readiness against unforeseen contingencies. Moreover, robust contingency plans are established for data security and recovery to address potential 'force majeure' events.</p>
<p>MSME Finance Risk</p> <p>MSME financing risk pertains to the possibility of financial losses or negative consequences linked with offering financial services to Micro, Small, and Medium Enterprises. This risk stems from various factors, including creditworthiness, market dynamics, operational hurdles, regulatory adherence, fluctuations in interest rates, technological advancements and external shocks.</p>	<p>To mitigate risks, Shriram Finance employs a variety of strategies. The Company conducts comprehensive credit assessments, evaluating aspects such as financial statements, cash flows, collateral valuations and credit history. Risk diversification is practiced by distributing the loan portfolio across various industries, geographies and borrower profiles.</p>

Risk Type and Definition	Mitigation
<p>Interest Rate Risk</p> <p>The risk arising from a financial loss, owing to unfavourable interest rates for both lending and treasury operations. It has a significant influence upon a Company's net-interest income and profitability</p>	<p>Shriram Finance has implemented comprehensive policies and procedures to ensure compliance with regulatory guidelines concerning asset and liability exposure. The Company conducts rate-sensitive, asset-liability maturity analysis to assess the relationship between the maturity profiles of its loan book and fluctuations in interest rates.</p> <p>To determine interest spreads, the Company categorises assets and liabilities into various time periods based on their contracted maturities or expected re-pricing dates. Additionally, the variance between the maturity of assets and liabilities, or their potential for repricing at any given time, reflects the level of exposure to the risk of potential changes in margins on newly issued or re-priced assets and liabilities.</p>
<p>Liquidity Risk</p> <p>The risk arises when Shriram Finance is unable to fulfil its financial obligations as required or within predetermined timelines.</p>	<p>Shriram Finance manages its liquidity risk through a comprehensive framework of policies and processes approved by the Asset Liability Management Committee (ALCO). The Company has implemented various policies, procedures and controls to effectively handle liquidity risk, in line with its Asset Liability Management (ALM) policies and procedures.</p> <p>To standardise the assessment of liquidity risk on specific maturity dates, Shriram Finance utilises various techniques like maturity ladder and cumulative surplus/deficit of funds calculation. Moreover, the Company has established a contingency plan for liquidity management during crisis situations.</p> <p>Furthermore, proactive monitoring of capital adequacy and asset exposure levels allows the Company to evaluate potential funding requirements. Shriram Finance maintains a diversified funding base, which includes borrowings from banks, financial institutions, capital markets and public fixed deposits, ensuring flexibility in meeting funding needs.</p> <p>Regular training programmes on cash management and asset-liability management are conducted to uphold the Company's long-term financial stability.</p>
<p>Cash Management Risk</p> <p>Cash management risk related to the collection of loan instalments denotes the possible obstacles and risks encountered by a financial institution. It pertains to ensuring the timely and complete receipt of payments from borrowers.</p>	<p>The Company maintains an indomitable focus on customer onboarding onto its technology platform, emphasising digitisation. Shriram Finance has established a resilient cash management service network and actively interacts with customers through digital collections via the MyShriram Mobile Application. Various payment modes, including BBPS (Wallets), have been enabled to facilitate customer payments for their loan accounts. Additionally, Shriram Finance secures NACH mandates from select customers, implementing rigorous checks and internal controls across all branches. Regional branch collections undergo close monitoring and daily reconciliation.</p>
<p>Climate Risk</p> <p>Climate change has become a prominent and far-reaching global issue, influencing numerous facets of human life. The financial sector, including NBFCs, is not immune to this concern. With the observable and disruptive effects of climate-related events, there is a mounting endeavour to integrate sustainability practices into business operations.</p>	<p>Shriram Finance has established a robust ESG framework to tackle climate-related risks head-on. The Company's commitment to sustainability is evident through its stringent governance and oversight at the highest echelons. The Company has achieved noteworthy strides in curbing energy consumption, emissions and spearheading tree plantation initiatives. Looking ahead, Shriram Finance is poised to leverage technological innovations and operational strategies to drive even greater reductions in energy usage. Additionally, the Company's dedication to mitigating climate risks remains steadfast as it endeavours to play its part in building a greener future.</p>

Risk Type and Definition	Mitigation
<p>Information Technology Risk</p> <p>This risk stems from IT infrastructure failure or threats to data integrity, leading to operational disruptions and financial losses.</p>	<p>Shriram Finance has invested in state-of-the-art technology infrastructure and platforms to support its business information systems. To effectively manage potential IT risks associated with such a setup, the Company has established a robust IT risk management mechanism with comprehensive measures, checks and controls in place. Regular security drills and employee awareness programmes are conducted to safeguard the IT infrastructure and network architecture against both internal and external threats. Additionally, to enhance the Recovery Point Objective (RPO) and Recovery Time Objective (RTO), Shriram Finance has established a 24x7 operating Security Operations Centre (SoC), which conducts systematic disaster recovery drills and rigorous security testing before launching any application. Furthermore, the Company conducts periodic vulnerability assessments and penetration testing, utilising both internal resources and external expertise. In the event of any functional section becoming non-operational, Shriram Finance has contingency plans in place to ensure the continuity of critical business functions for its customers.</p>
<p>Cybersecurity Risk</p> <p>The risk stemming from cyberattacks and hacking has escalated due to the heightened reliance on the internet and digital platforms.</p>	<p>Shriram Finance has implemented a robust cybersecurity framework to effectively manage and mitigate cyber threats. The Company's critical assets benefit from 24x7 protection by a dedicated Security Operations Centre (SoC), complemented by significant investments in state-of-the-art security systems. Additionally, the Company recruits skilled professionals to ensure the highest level of readiness against cyber threats.</p> <p>To ensure comprehensive information security throughout the organisation, Shriram Finance has established a detailed security framework, policies and procedures aligned with industry best practices. The Company's employees undergo extensive training and workshops to enhance awareness of potential cyber threats, including malware, phishing, ransomware and spoofing.</p> <p>Moreover, the Company has obtained ISO 27001 certification for its Information Security Management System, encompassing all IT processes. Email Threat Prevention (ETP) services have been deployed to quarantine potential email threats before they reach the Company's employees.</p> <p>In addition to these measures, Shriram Finance regularly conducts penetration testing to identify vulnerabilities in its IT infrastructure and network. Moreover, the Company scrutinizes fraud protection measures to authenticate risk-based transactions effectively.</p>

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Shriram Finance maintains a well-defined organisational structure, documented policy guidelines and a clear authority matrix to ensure operational efficiency, compliance with internal policies, laws and regulations, as well as the protection of resources. The Company believes that a robust internal control system and processes are vital for its day-to-day operations.

In pursuit of this goal, Shriram Finance established an effective internal control system to align its business processes, operations, financial reporting, fraud control and compliance with regulatory guidelines. Stringent internal control measures are in place to uphold the highest standards of governance. The Company ensures the implementation of a standardised and effective internal control framework across the organisation, ensuring the protection of assets and precise transaction execution in accordance with authorised procedures.

Shriram Finance's internal control system is complemented by comprehensive internal audits, regular management reviews and standardised policies and guidelines, all aimed at ensuring the accuracy and reliability of financial and other records. The management conducts periodic assessments the framework's effectiveness, and operational efficiency, aligning with the criteria outlined in the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO).

Shriram Finance's Audit Committee routinely reviews internal audit reports. The Company maintains, in all material respects, adequate internal financial control over financial reporting, which operates effectively. Internal audits are conducted to assess the adequacy of internal control systems and compliance with policies and procedures. The areas of internal audit are planned based on inherent risk assessment, risk scores and other factors such as probability, impact, significance and the strength of the control environment. The adequacy and operating effectiveness of internal controls



are assessed and tested. Additionally, Shriram Finance has formulated a risk-based internal audit policy as part of its oversight function. The objective of risk-based internal audit reviews is to identify key activities and controls in business processes, review the effectiveness of these processes and controls. It also involves assessing the operating effectiveness of internal controls and providing recommendations for business processes and internal control enhancements.

FUTURE STRATEGY

The Board has outlined a series of initiatives to be undertaken as part of its strategic vision for the next 3-5 years. These include:

- Conducting regular reviews of business plans and effective liquidity management
- Streamlining business operations and expanding product offerings across all branches
- Leveraging on “Shriram One” Super App, an integrated digital platform consolidating the entire Shriram ecosystem.
- Leveraging data analytics for loan disbursement and recovery processes
- Strengthening Shriram Finance’s leadership position through continuous improvement and innovation
- Enhancing the quality of the loan portfolio through rigorous risk assessment and management
- Fostering customer loyalty and satisfaction through meaningful relationships
- On boarding maximum number of customers through digital platform
- Increased use of Artificial Intelligence and Machine learning techniques in operation to provide best services to customers

OUTLOOK

The Company has built adequate liquidity buffer to scale up its business and also to service all its liabilities over the period of next six months. The Company continues to focus on financing pre-owned commercial, passenger vehicles and two-wheelers. All the lending products – commercial vehicles, two wheeler loans, gold loan, personal loan, MSME loans are under a single roof now to make the Company a financial powerhouse and being a market leader in all the products and consumer segments that it operates in. With this stronger and larger customer franchise, the Company will continue to enhance its product basket with new products catering to a larger universe of both retail & SME customers. As part of technological innovation, “Shriram One” Super App software was developed by the Company as an one-stop solution catering to all financial needs of the customers/investors of the Company for loans, payments, investments, Insurance, credit score check which reduces the need to download multiple apps to perform different functions, with an end goal of having everything in one app i.e. social networking, shopping, banking services etc.

CAUTIONARY STATEMENT

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



DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their Forty-Fifth Annual Report and the Audited Statements of Accounts for the Financial Year ended March 31, 2024.

FINANCIAL HIGHLIGHTS

Particulars	(Rs. in crores)	
	F.Y. 2023-24	F.Y. 2022-23
Profit Before Depreciation And Taxation	10,252.47	8,709.07
Less: Depreciation, amortization and impairment	568.83	524.18
Profit Before Tax	9,683.64	8,184.89
Less: Provision for taxation	2,493.16	2,205.55
Profit After Tax	7,190.48	5,979.34
Add: Balance brought forward from previous year	15,623.21	12,193.92
Balance available for appropriation	22,813.69	18,173.26
Appropriations		
General Reserve	(719.05)	(597.94)
Statutory Reserve	(1,438.10)	(1,195.87)
Debenture Redemption Reserve	284.88	(111.85)
Dividend on equity shares of face value of Rs.10/- each	(1,876.22)	(561.64)
Effects of Business Combination	-	(83.65)
Amount transferred from share option outstanding on account of forfeiture of share options	-	0.90
Balance carried to Balance Sheet	19,065.20	15,623.21

CREDIT RATING

S&P Global Ratings upgraded your Company's Long-Term Issuer Credit Rating from BB-/Stable/B to BB/Stable/B. The following credit ratings of the securities/ instruments/ loans, credit facilities and other borrowings of the Company as on March 31, 2024 were affirmed/reaffirmed by the rating agencies:

Name of Rating Agency	Securities / Instruments/ Loans, Credit Facilities and other Borrowings	Ratings
CRISIL	Commercial Paper	CRISIL A1+
	Bank Loan Short-Term	CRISIL A1+
	Bank Loan Long-Term	CRISIL AA+/Stable
	Non-Convertible Debentures	CRISIL AA+/ Stable
	Subordinated Debt	CRISIL AA+/Stable
	Long Term Principal Protected Market Linked Debentures	CRISIL PPMLD AA+/Stable

Name of Rating Agency	Securities / Instruments/ Loans, Credit Facilities and other Borrowings	Ratings
India Ratings & Research Private Limited	Commercial Paper	IND A1+
	Bank Loan Short-Term	IND A1+
	Bank Loan Long-Term	IND AA+/ Stable
	Non-Convertible Debentures	IND AA+/ Stable
	Subordinated Debt	IND AA+ /Stable
	Term deposits	IND AA+/ Stable
	Principal protected market linked debentures	IND PP-MLD AA+/Stable
CARE	Commercial Paper	CARE A1+
	Non-Convertible Debentures	CARE AA+/Stable
	Subordinated Debt	CARE AA+/ Stable
ICRA	Fixed Deposit	[ICRA] AA+ (Stable)
	Non-Convertible Debentures	[ICRA] AA+ (Stable)
Standard & Poor's Ratings	Long-Term Issuer Credit Rating	BB/ Stable
	Short-Term Issuer Credit Rating	B
	Senior Secured Notes	BB
Fitch Ratings	Long-Term Issuer Default Rating	BB/ Stable Outlook
	Short-Term Issuer Default Rating	B
	Senior Secured Notes	BB
	Local Currency Long Term Issuer Default Rating	BB/ Stable Outlook

DIVIDEND

Your Directors have declared two interim dividends for the Financial Year 2023-24:

The first interim dividend of Rs.20/- per equity share on 37,54,47,272 equity shares of face value of Rs.10/- each fully paid-up (200%) was declared on October 26, 2023 and the second interim dividend of Rs.10/- per equity share on 37,56,52,340 equity shares of face value of Rs.10/- each fully paid-up (100%) was declared on January 25, 2024. The first interim dividend and second interim dividend was paid to eligible Members on November 20, 2023 and February 17, 2024, respectively. The total interim dividend involved a cash outflow of Rs.1,126.55 crores. The interim dividend was paid to Members, subject to deduction of tax at source as per the applicable rate.

The Board of Directors has recommended a final dividend of Rs.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 Members at the ensuing 45th Annual General Meeting (45th AGM) of the Company. With this the total dividend (including two interim dividends as mentioned above) for the Financial Year 2023-24 will be Rs.45 per share

(i.e.450%) as against total dividend of Rs.35/- per equity share (i.e.350%) for the Financial Year 2022-23.

As stipulated in Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Dividend Distribution Policy forms part of the Corporate Governance Report and is also available on the website of the Company at https://cdn.shriramfinance.in/sfl-kalam/files/2024-05/Dividend-Distribution-Policy.pdf?VersionId=uGRmgVz0g8_x9sCkLfCtkHl9fy042lC9

TRANSFER TO RESERVES

Under Section 45-IC (1) of Reserve Bank of India ('RBI') Act, 1934, non-banking financial companies ('NBFCs') are required to transfer a sum not less than 20% of its net profit every year to reserve fund before declaration of any dividend. The amounts transferred to General Reserve, Statutory Reserve and from Debenture Redemption Reserve are mentioned in the Financial Highlights under the heading 'Appropriations'.

CAPITAL ADEQUACY RATIO

Your Company's total Capital Adequacy Ratio (CAR), as on March 31, 2024 stood at 20.30% of the aggregate risk



weighted assets on balance sheet and risk adjusted value of the off-balance sheet items, which is well above the regulatory requirement of minimum 15%.

The Tier 1 ratio and Tier 2 ratio as on March 31, 2024 were 19.55% and 0.75% respectively. Your Company's overall gearing (Debt/Tangible Net-worth) as on March 31, 2024 increased to 4.42x as against 4.20x as on March 31, 2023.

OPERATIONS AND COMPANY'S PERFORMANCE

The total Assets Under Management stood at Rs.2,24,861.98 crores as on March 31, 2024 as compared to Rs.1,85,682.86 crores as on March 31, 2023.

The Company had 3,082 Branches and other offices across India as on March 31, 2024.

For the Financial Year ended March 31, 2024, your Company earned Profit Before Tax of Rs.9,683.64 crores as against Rs.8,184.89 crores in the previous Financial Year ended March 31, 2023. The Profit After Tax for the Financial Year ended March 31, 2024 was Rs.7,190.48 crores as against Rs.5,979.34 crores in the previous Financial Year. The total income for the year under consideration was Rs.34,997.61 crores and total expenditure was Rs.25,313.97 crores. The detailed analysis of income and expenditure and financial

Mobilization of funds during the year under review from following sources/ instruments was as under:

		(Rs. in crores)	
Sr. No.	Particulars	F.Y. 2023-24	F.Y. 2022-23
1	Term Loans/cash credit from Banks	40,110.25	36,136.96
2	Term Loans from Financial Institutions/ Corporates	4,625.00	3,100.00
3	Fixed Deposits	17,872.77	16,360.88
4	Inter Corporate Deposits	-	24.61
5	Non-Convertible Debentures – Institutional	10,202.60	7,961.70
6	External Commercial Borrowings (Loans)	7,725.75	5,424.68
7	External Commercial Borrowings (U.S. Dollar Senior Secured Notes)	6,238.50	1,233.00
8	Securitisation	22,944.54	16,965.25
9	Commercial Papers	6,615.00	-
10	Subordinated Debts	50.00	165.00

Loans from Bank and Institutions

During the Financial Year ended March 31, 2024, the Company successfully mobilized Rs.40,110.25 crores through term loans and cash credit facilities from a diverse array of banks, including public, private, and foreign institutions. Additionally, the Company secured Rs. 4,625 crores in loans from financial institutions and corporate entities. These achievements reflect the Company's robust relationships with its lending partners, who continue to provide persistent support.

ratios is made in the Management Discussions and Analysis Report forming part of this Annual Report.

The Company continued to apply prudent liquidity management techniques and adopt strategy of maintaining adequate liquidity buffer throughout the Financial Year 2023-24 making available adequate funds for onward lending for our business operations meeting our liabilities on time, thereby further strengthening the trust and confidence reposed on us by our customers, lenders, creditors, fixed deposit holders and security holders. During the year under review, the Company has mobilized funds from domestic as well as international market in seamless manner.

MOBILISATION OF FUNDS

Your Company has diversified borrowing profile comprising availing Term loans/Cash Credit facilities from Banks and financial institutions and corporates, accepting Fixed Deposits- through retail, corporates/entities, issue of Non-Convertible Debentures, Subordinated Debts, Commercial papers, External Commercial Borrowings through loans and issue of senior secured notes, etc. Your Company continues to further expand/diversify its borrowing profile by tapping new lenders and geographies.

Fixed Deposits

The fixed deposits mobilization during the Financial Year ended March 31, 2024 continued to be encouraging on account of popularity of the Company's Fixed Deposit Schemes due to its long track record of offering better return and safety of investment and giving good services to fixed deposit holders.

During the year under review, your Company launched Fixed Investment Plan, which combines the stability of fixed returns with a flexible monthly savings plan.

During the Financial Year ended March 31, 2024, the Company's fund mobilization from fixed deposits was higher at Rs.17,872.77 crores as against Rs.16,360.88 crores in the Financial Year ended March 31, 2023. As on March 31, 2024, there were 8,869 fixed deposits aggregating to Rs.146.96 crores that have matured but remained unclaimed. There were no deposits, which were claimed but not paid by the Company. The unclaimed deposits have since reduced to 2,950 deposits amounting to Rs.31.53 crores. Appropriate steps are being taken continuously to obtain the depositors' instructions so as to ensure renewal/ repayment of the matured deposits in time.

In accordance with the Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 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 in favour of trustees on behalf of the public deposit holders of the Company.

Non-Convertible Debentures and Subordinated Debts

During the year under review, the Company has raised Rs.10,202.60 crores through issuance of privately placed Listed, Secured, Redeemable, Non-Convertible Debentures. The proceeds of the issue have been utilized for financing of all asset classes, refinancing of existing debt and other general purposes of the Company.

During the year under review, the Company has raised Rs.50 crores through issuance of Subordinated, Unsecured, Rated, Listed, Privately Placed, Redeemable Non-Convertible Debentures in the form of subordinated debt for inclusion as Tier II Capital.

External Commercial Borrowings ('ECB') (Senior Secured Notes & Loans)

Commitment towards socio-economic advancement is at the core of the Company's business. Your Company provides financing to drivers who typically do not qualify for bank loans due to the lack of stable income. Your Company plays an important role to promote financial inclusion by catering to the financial needs of millions, in particular First Time Borrowers ("FTB"), Driver-Turned-Owners ("DTOs"), Small Road Transport Operators ("SRTOS"), Micro, small and medium enterprises ("MSMEs") by offering affordable finance on pre-owned commercial vehicles, construction equipment, Tractor and Farm equipment loan which accounted for 68.42% of the Company's lending portfolio as on March 31, 2024.

The Company's Social Finance Framework meets the criteria and guidelines for the allocation of proceeds of the Social

Bonds as per International Capital Market Association ("ICMA") Social Bond Principles 2023 ("SBP") and the Loan Market Association ("LMA"), Asia Pacific Loan Market Association ("APLMA") and the Loan Syndication and Trading Association's ("LSTA") Social Loan Principles (2023). More details in this regard are available in the ESG Report forming part of the Annual Report. The updated Social Finance Framework is available on the Company's website at: https://cdn.shriramfinance.in/sfl-kalam/files/2023-12/SFL-Social-Finance-Framework-Dec-2023_0.pdf

In the past, the Company availed loans from various international agencies including Asian Development Bank (ADB), US Development Finance Corporation (DFC), MUFG International Financial Corporation, Proparco, OeEB, etc.

The Company had updated the Social Finance Framework in December 2023 for issuance of Social Bonds and/or availing Social Loans to finance or refinance a portfolio of new and/or existing Eligible Social Projects to promote sustainability.

On January 22, 2024, the Company issued USD 750,000,000 6.625% Senior Secured Notes due 2027 ("Social Bonds") under the USD 3,500,000,000 Global Medium Term Note Programme through updated Offering Circular dated December 29, 2023 to the Qualified Institutional Buyers (QIBs) under the Rule 144A of the U.S. Securities Act 1933 and to the eligible investors outside United States under Regulation S of the U.S. Securities Act 1933.

During the year under review, the Company availed ECB Loans of USD 879 million and EUR 50 million out of which USD 804 million were under the Company's Social Finance Framework.

The proceeds of Loans and Senior Secured Notes issued have been utilized by the Company to finance investments in Eligible Social Projects in accordance with International Capital Market Association ("ICMA") Social Bond Principles 2023 ("SBP") and the Loan Market Association ("LMA"), Asia Pacific Loan Market Association ("APLMA") and the Loan Syndication and Trading Association's ("LSTA") Social Loan Principles (2023) as permitted by the ECB Guidelines. All External Commercial Borrowings are fully hedged to mitigate risk of exchange rate volatility.

Commercial Papers

As at March 31 2024, the Company had Commercial Paper ("CPs") with an outstanding amount (face value) of Rs.2,450 crores. CPs constituted approximately 1.28% of the outstanding borrowings as at March 31, 2024. The CPs of



the Company are listed on the debt market segment of the National Stock Exchange of India Limited.

Securitisation

During the Financial Year 2023-24, the Company securitized its assets worth Rs.22,944.54 crores (accounting for 10.20% of the total Assets Under Management as on March 31, 2024). With securitisation, the Company ensures better borrowing profile, leading to lower interest liability owing to its lending to priority sector. The outstanding direct assigned portfolio stood at Rs.3,194.32 crores as on March 31, 2024.

EQUITY SHARE CAPITAL

The issued, subscribed and paid up Equity Share Capital of the Company as on March 31, 2024 stood at Rs.375,79,28,100/-.

During the Financial Year under review, the paid-up Equity Share Capital of the Company has been increased on account of issuance and allotment of 13,65,534 Equity Shares of Rs.10/- each pursuant to the exercise of stock options by the eligible employees under Shriram Finance Limited Employee Stock Option Scheme 2023 (No.1) ("SFL ESOS 2023 (No.1)") of the Company.

No Equity Shares were issued with differential rights as to dividend, voting or otherwise during the year under review.

The Company has not resorted to any buy back of its Equity Shares during the year under review.

None of the Directors of the Company holds instruments convertible into Equity Shares of the Company.

No sweat equity shares were issued to the employees of the Company during the year under review.

Increase in Equity Share Capital during the period from April 1, 2024 and upto the date of this report

The paid-up Equity Share Capital of the Company has been increased on account of issuance and allotment of 65,179 Equity Shares of Rs.10/- each pursuant to the exercise of stock options by the eligible employees under SFL ESOS 2023 (No.1). The issued, subscribed and paid up Equity Share Capital of the Company as on date of this report stood at Rs.375,85,79,890/-.

EMPLOYEE BENEFIT SCHEME/PLAN

Shriram Finance Limited Employee Stock Option Scheme 2023 (No.1)

As an integral part of the Composite Scheme of Arrangement and Amalgamation inter-alia, involving amalgamation of Shriram City Union Finance Limited (SCUF) with the

Company (Scheme of Arrangement and Amalgamation) and in order to continue the stock option benefits of the eligible employees of erstwhile SCUF under Shriram City Union Finance Limited Employee Stock Option Scheme 2013 (SCUF ESOS 2013), the Board of Directors of the Company in its meeting held on March 15, 2023 approved "Shriram Finance Limited Employee Stock Option Scheme 2023 (No.1)" or "SFL ESOS 2023 (No.1)" created in lieu of SCUF ESOS 2013.

The Nomination and Remuneration Committee of the Company in its meeting held on April 26, 2023 granted 21,26,875 Fresh Options under SFL ESOS 2023 (No.1) to the eligible employees in lieu of 13,71,779 unvested and unexercised stock options under the SCUF ESOS 2013.

During the year under review, no material changes were made to the SFL ESOS 2023 (No.1). The SFL ESOS 2023 (No.1) is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SBEB & SE Regulations").

A Certificate issued by SPNP & Associates, Secretarial Auditor of the Company for the F.Y. 2023-24, certifying that the SFL ESOS 2023 (No.1) has been implemented in accordance with the SBEB & SE Regulations and the same would be made available for inspection by the Members through electronic mode at the ensuing 45th Annual General Meeting scheduled to be held on July 30, 2024.

Disclosure pursuant to the provisions of Regulation 14 of the SBEB & SE Regulations as at March 31, 2024 is annexed as **Annexure-I**.

The same is also hosted on the website of the Company at <https://www.shriramfinance.in/investors/financials>

Shriram Finance Limited Employees Phantom Stock Appreciation Rights Plan 2024

The Nomination and Remuneration Committee and the Board of Directors in their respective meetings held on June 1, 2024 approved the employee benefit scheme titled Shriram Finance Limited Employees Phantom Stock Appreciation Rights Plan 2024 ("PSAR Plan") formulated by the Company with an objective to:

- provide means to enable the Company to attract and retain appropriate human talent;
- motivate the employees / directors with incentives and reward opportunities;
- achieve sustained growth of the Company and the creation of shareholders' value by aligning the interests

of the employees / directors which will lead to long-term wealth creation;

- create a sense of ownership and participation amongst the employees / directors or otherwise increase their proprietary interest; and
- provide additional deferred rewards to the employees/ directors.

Since, it is a pure cash settled Phantom Stock Appreciation Rights Plan and there is no involvement of fresh issuance/ purchase of equity shares of the Company.

The Company has yet not granted any SAR Units under the PSAR Plan as on the date of this Report. Upon approval of PSAR Plan by the Nomination and Remuneration Committee and the Board of Directors on June 1, 2024, it is necessary to make consequential changes/revision in the terms of remuneration of whole time directors of the Company to include grant of Stock Appreciation Rights ('SAR') Units under the PSAR Plan. The ordinary resolutions for seeking approval of the Members of the Company are set out at Item Nos. 11 to 13 of the Notice of the ensuing 45th Annual General Meeting.

DIRECTORS

Appointment/Re-appointment/change in designation of Directors during the F.Y. 2023-24 and upto the date of this report

Appointment/Re-appointment of Independent Directors

- The Board of Directors based on the recommendation of the Nomination and Remuneration Committee and in terms of Article 21 of the Articles of Association of the Company and Section 161(1) of the Companies Act, 2013 ("the Act") in its meeting held on August 31, 2023 appointed Mr. S. Ravindran (DIN 09778966) as an Additional Director of the Company, in the category of Non-executive Independent Director, not liable to retirement by rotation, for a term of 5 (five) consecutive years commencing from August 31, 2023 to August 30, 2028, subject to approval of Members of the Company. On October 5, 2023, the Members of the Company passed the Special Resolution through Postal Ballot for the appointment of Mr. S. Ravindran as Independent Director of the Company.
- Based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, the Members of the Company re-appointed Mr. Pradeep Kumar Panja (DIN 03614568) as an Independent

Director of the Company for a second term of 5 (five) years commencing from October 25, 2023 to October 24, 2028 by way of passing Special Resolution through Postal Ballot on October 5, 2023.

- The Board of Directors based on the recommendation of the Nomination and Remuneration Committee and in terms of Article 21 of the Articles of Association of the Company and Section 161(1) of the Act in its meeting held on June 1, 2024 appointed Mr. Gokul Dixit (DIN 00357170) and Mrs. M. V. Bhanumathi (DIN 10172983) as Additional Directors of the Company, in the category of Non-executive Independent Director, not liable to retirement by rotation, for a term of 5 (five) consecutive years with effect from June 1, 2024 upto May 31, 2029, subject to approval of Members at the ensuing 45th Annual General Meeting (45th AGM).

The Independent Directors hold high standards of integrity, expertise and experience (including the proficiency). They are exempted from the requirement to undertake the online proficiency self-assessment test.

Re-appointment of Whole Time Director designated as "Executive Vice Chairman"

The tenure of Mr. Umesh Revankar (DIN 00141189) as an Executive Vice Chairman of the Company will expire on October 25, 2024. Based on recommendation of the Nomination and Remuneration Committee and subject to approval of Members at the ensuing 45th AGM, the Board of Directors in its meeting held on June 1, 2024 approved re-appointment of Mr. Umesh Revankar as Executive Vice Chairman for a further period of 5 (five) years with effect from October 26, 2024 upto October 25, 2029, liable to retire by rotation.

The Company has received the notice pursuant to Section 160 of the Act signifying his intention to propose candidature of Mr. Umesh Revankar for his appointment as Executive Vice Chairman of the Company at the ensuing 45th AGM.

Change in designation of Mr. Parag Sharma, Joint Managing Director & Chief Financial Officer

The Board of Directors in its meeting held on June 1, 2024 elevated and re-designated Mr. Parag Sharma (DIN 02916744) as Managing Director & Chief Financial Officer ("Managing Director & CFO") of the Company w.e.f. June 1, 2024 for remainder term of his appointment i.e. up to December 12, 2026, subject to approval of Members at



the ensuing 45th AGM, on the same terms and conditions of appointment and payment of remuneration to him as approved by the Members by way of passing of ordinary resolutions in the 43rd Annual General Meeting held on June 23, 2022 and through Postal Ballot on February 21, 2023.

Re-appointment of director retiring by rotation

Mr. Parag Sharma (DIN 02916744), Managing Director & CFO of the Company will retire by rotation at the ensuing 45th AGM and being eligible, offers himself for re-appointment. The Board of Directors in its meeting held on April 26, 2024 based on the recommendation of Nomination and Remuneration Committee recommended to the Members re-appointment of Mr. Parag Sharma as director of the Company retiring by rotation.

The necessary resolutions for appointment of Mr. Gokul Dixit and Mrs. M. V. Bhanumathi as Independent Directors of the Company, re-appointment of Mr. Umesh Revankar as an Executive Vice Chairman of the Company and payment of remuneration to him, elevation and re-designation of Mr. Parag Sharma as Managing Director & CFO of the Company and his re-appointment as director retiring by rotation together with requisite disclosures are set out in the Notice of the 45th AGM. The Board recommends to the Members passing of the said resolutions.

Fit and Proper and Non-Disqualification Declaration by Directors

All the Directors of the Company have confirmed that they satisfy the 'fit and proper' criteria as prescribed under Chapter XI of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, and that they are not disqualified from being appointed/re-appointed/continuing as Director in terms of Section 164(1) and (2) of the Act.

Declaration by Independent Directors

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

Policies on appointment of Directors and Remuneration

The management of the Company is immensely benefitted from the guidance, support and mature advice from members of the Board of Directors who are also members

of various committees. The Board consists of directors possessing diverse skill, rich experience to enhance quality of its performance. The Company has adopted a Policy on Board Diversity formulated by the Nomination and Remuneration Committee. The Company's Remuneration Policy is framed for remuneration of Directors (Executive and Non-Executive), Key Managerial Personnel and Senior Management Personnel in line with the requirement of the Section 178 of the Act, Regulation 19 read with Part D of Schedule II to the Listing Regulations and Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023. These Policies are available on the Company's website at <https://www.shriramfinance.in/investors/governance>. The Company has also formulated policy on Succession Planning for Directors and Key Managerial Personnel for continuity and smooth functioning of the Company.

Number of Meetings of the Board

8 (Eight) Board Meetings were held during the Financial Year 2023-24. The details of the Board and various Committee meetings are given in the Corporate Governance Report.

Performance evaluation at Board and Independent Directors' Meetings

The Board, the Committees of the Board and independent directors continuously strive for efficient functioning of Board and its committees and better corporate governance practices. A formal performance evaluation was carried out at the meeting of the Board of Directors held on March 22, 2024 where the Board made an annual evaluation of its own performance, the performance of Directors individually as well as the evaluation of the working of its various Committees for the Financial Year 2023-24 on the basis of a structured questionnaire on performance criteria. The Policy on performance evaluation is available on the website of the Company. The Board expressed its satisfaction with the evaluation process. The observations made during the evaluation process were noted and based on the outcome of the evaluation and feedback of the Directors, the Board and the management agreed on various action points to be implemented in subsequent meetings.

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

The Independent Directors met on March 22, 2024 without the presence of other directors or members of Management.

All the Independent Directors were present at the meeting. In the meeting, the Independent Directors reviewed performance of Non-Independent Directors, the Board as a whole and Chairman. They assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board. The minutes of the Independent Directors' meeting were placed before the Board Meeting held on April 26, 2024 and the same were noted by the Board. The Independent Directors expressed satisfaction over the performance and effectiveness of the Board, individual Non Independent Directors and the Chairman.

They also expressed satisfaction with regard to the flow of information between the Management of the Company and the Board. The Management took note of various suggestions made in the meeting of Independent Directors.

The Independent Directors played active role in Board as well as Committee meetings in which they are members. The members of the Audit Committee without the presence of members of Management had a separate meeting with the Joint Statutory Auditors which covered Audit issues in general and the framework and the process of Internal Audit in specific. The members of the Audit Committee without the presence of members of Management also had a separate meeting with credit rating agencies.

KEY MANAGERIAL PERSONNEL

The Board of Directors, on recommendation of Nomination and Remuneration Committee, approved changes in the key managerial personnel as a part of periodical review of their role, function and responsibility and to meet organizational needs.

During the year under review, Mr. Aseem Gandhi ceased to be Key Management Personnel with effect from close of business hours on July 27, 2023 and Mr. P. Sridharan, Mr. Sudarshan Holla, Mr. Nilesh Odedara, Mr. G M Jilani and Mr. K. Srinivas ceased to be Key Management Personnel of the Company with effect from close of business hours on January 25, 2024.

The following persons continued as Key Managerial Personnel ("KMP") of the Company pursuant to Sections 2(51) of the Act:

1. Mr. Umesh Revankar, Executive Vice-Chairman
2. Mr. Y. S. Chakravarti, Managing Director & CEO
3. Mr. Parag Sharma, Managing Director & CFO
4. Mr. U Balasundararao, Company Secretary & Compliance Officer
5. Mr. S. Sunder, Joint Managing Director (not being part of the Board)
6. Mr. Hardeep Singh Tur, Chief Risk Officer (not being part of the Board)

7. Mr. R. Chandrasekar, Joint Managing Director & Chief Compliance Officer (not being part of the Board)

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) The accounting policies as mentioned in Note 1 to Note 7 to the Standalone financial statements and Note 1 to Note 8 to the Consolidated financial statements have been selected and applied consistently, and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and of the profit of the Company for the year ended on that date;
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The annual accounts have been prepared on a going concern basis.
- e) The Company had followed the internal financial controls laid down by the directors and that such internal financial controls are adequate and were operating effectively; and
- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

RBI GUIDELINES

Your Company has complied with the various requirements prescribed under the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 for NBFC-UL within the specified timelines including adopting policies for enhanced regulatory framework, Internal Capital Adequacy Assessment Process Policy (ICAAP), complying with large exposure norms, setting limits for sensitive sector exposure, etc.

The Company continues to comply with the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and all the applicable laws, regulations, guidelines, etc. prescribed by RBI from time to time.



BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

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

The Company has appointed M/s. Pijush Gupta & Co., Chartered Accountants for obtaining reasonable assurance of BRSR and the Assurance Report issued in this regard forms part of the BRSR for the Financial Year 2023-24.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR Committee comprises of following directors namely, Mr. Umesh Revankar – Chairman, Mr. Pradeep Kumar Panja and Mr. Y. S. Chakravarti. The CSR Report for the Financial Year 2023-24 is annexed to this report as **Annexure-II**. The details of the ongoing CSR projects/ programs/ activities are included in the CSR Report. The CSR Policy is uploaded on the Company’s website at <https://www.shriramfinance.in/investors/governance>

ANNUAL RETURN

In accordance with the provisions of Section 92(3) of the Act, Annual Return of the Company is hosted on website of the Company at <https://www.shriramfinance.in/investors/financials>

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

- a. The Company continues its initiatives for conservation of energy, the details of which are given in Business Responsibility and Sustainability Report.
- b. Technology absorption - During the year under review, the Company has launched “Shriram One” Super App as an one stop solution catering to all financial needs of the customers/investors of the Company for loans, payments, investments, Insurance, credit score check which reduces the need to download multiple apps to perform different functions, with an end goal of having everything in one app i.e. social networking, shopping, banking services, etc.

Considering the nature of services and businesses, no specific amount of expenditure is earmarked for Research and Development. However, the Company on an ongoing basis strives for various improvements in the products, technology platforms, and processes.

During the year, the Company has spent Rs.274.54 crores on capital and operating expenses of IT, an increase of 12.06% over the previous financial year.

- c. The Company made Foreign Exchange Earnings of Rs.1.45 crores
- d. Outgo under Foreign Exchange – Rs. 144.91 crores.

LOANS, GUARANTEE OR INVESTMENTS IN SECURITIES

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

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

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the related party transactions were entered into in the ordinary course of business on an arm’s length basis. Hence, no disclosure in Form AOC-2 is necessary and the same does not form part of this report. For details of the transactions with related party entered into in the ordinary course of business on an arm’s length basis, refer to the Note 49 to the financial statements.

As required under the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and Listing Regulations, the policy on materiality of related party transactions and dealing with related party transactions as approved by the Board is uploaded on the Company’s website at <https://www.shriramfinance.in/investors/governance>

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. None of the Directors has any pecuniary relationship or transaction vis-à-vis the Company save and except the payment of sitting fees and commission paid to Independent Directors, remuneration to Directors apart from transactions in the ordinary course of business and on arm’s length basis at par with any member of general public. The Company did

not advance any loans to any of its Directors. The details of the transactions with Related Parties are provided in the Note 49 to the Financial Statements.

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

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

FINANCIAL SUMMARY/HIGHLIGHTS

Income for the Financial Year 2023-24 increased by 17.43% to Rs.34,997.61 crores as compared to Rs.29,802.89 crores in the previous Financial Year 2022-23;

Income from operations for the Financial Year 2023-24 was Rs.34,964.41 crores as compared to Rs.29,772.16 crores in the previous Financial Year 2022-23, a growth of 17.44%;

Profit before tax for the Financial Year 2023-24 was Rs.9,683.64 crores as compared to Rs.8,184.89 crores in the previous Financial Year 2022-23;

Profit after tax for the Financial Year 2023-24 was Rs.7,190.48 crores as compared to Rs.5,979.34 crores in the previous Financial Year 2022-23.

The overall disbursement during Financial Year 2023-24 stood at Rs.142,175.12 crores as compared to Rs.1,11,848.44 crores in the previous Financial Year 2022-23.

Our interest income increased by 17.45% from Rs.28,607.36 crores for the year ended March 31, 2023 to Rs.33,599.66 crores for the year ended March 31, 2024.

Finance costs increased by 18.02% from Rs. 12,545.76 crores for the year ended March 31, 2023 to Rs.14,806.12 crores for the year ended March 31, 2024.

Other expenses increased from Rs.1,578.34 crores for the year ended March 31, 2023 to Rs.1,782.32 crores for the year ended March 31, 2024.

Our fees and commission expenses for the Financial Year 2023-24 was Rs.422.77 crores as compared to Rs.304.44 crores in Financial Year 2022-23.

RISK MANAGEMENT AND INTERNAL FINANCIAL CONTROL SYSTEM

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

The Company's well-defined organizational structure, documented policy guidelines, defined authority matrix and internal financial controls ensure operational effectiveness, reliability of financial data and compliance with applicable laws, regulations and Company's policies.

The financial control framework includes internal controls, delegation of authority procedures, segregation of duties, system access controls, and document filing and storage procedures. The Internal Auditor ensures the continued effectiveness of the Company's internal control system. The Audit Committee reviews internal financial control reports prepared by the internal auditor. The Company has framed risk based internal audit policy as part of its oversight function. The objective of risk based internal audit review is to identify the key activities and controls in the business processes, review effectiveness of business processes and controls, assess the operating effectiveness of internal controls and provide recommendations for business process and internal control improvement.

COMPOSITION OF AUDIT COMMITTEE

The Audit Committee comprised of following Independent Directors namely, Mr. S. Sridhar – Chairman, Mr. Pradeep Kumar Panja, Mrs. Maya S. Sinha and Mr. S. Ravindran.

OTHERS

- There were no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year of the Company and the date of the Directors' report.
- There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future. For other orders, please refer to Note 48 of the financial statement containing details of the contingent liabilities.
- There was no fraud reported by the Auditors of the Company under the Section 143(12) of the Act to the Audit Committee.
- There was no change in the nature of business of the Company.



- Your Company adopted ISO 27001 standards, practices its processes and upgrade its implementation on regular basis to maintain the information security as per the market trend. The Company is prepared to face emerging cyber threats such as Zero-day attacks, remote access threats and targeted threats. Our company has established disaster recovery centers and various security controls are in place to mitigate risks, also safeguard the Company against security breaches and technological lapses located in different seismic zones, periodic upgrading of servers and data storage, adopting new technology for data management. On regular basis different types of system audits are conducted by the external and internal auditors. Board constituted IT Strategy Committee governs the security policies and its implementation as per the Company corporate governance process. To improve cyber-security system, the Company continuously invests towards upgrading the technology, IT security related implementation, training and awareness program.
- The Company has a policy for prevention of Sexual Harassment for Women at Workplace. An Internal Complaints Committee has been constituted in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH Act'). On February 15, 2024, the Company had arranged online orientation programme, for its Internal Committee Members under POSH Act, at PAN India Level, in order to make them proficient to discharge their duties. The training was attended by all the Internal Committee Members at PAN India. The Company has in place a Module on "PREVENTION OF SEXUAL HARASSMENT IN WORKPLACE" (POSH) in - MyCoach E-Learning Platform, for sensitising the employees with the provisions under the POSH. During the year under review, there were 6 (six) complaints filed under the POSH Act out of which 1(one) was upheld and 2(two) are outstanding as on date.
- Disclosure regarding details relating to deposits covered under Chapter V of the Act is not applicable since our Company is a Non-Banking Financial Company regulated by Reserve Bank of India. The Company accepts deposits as per Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016.
- The Company has obtained a certificate from the statutory auditor certifying that the Company has complied with the requirements of the Regulation 9 of the Master Direction – Foreign Investment in India with regard to downstream investments.
- The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings, General Meetings and Dividend.
- There were neither any applications filed by or against the Company nor any proceedings were pending under the Insolvency and Bankruptcy Code, 2016 during the year under review.
- The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof. – Not Applicable
- The Company has not defaulted in repayment of loans from banks and financial institutions. There were no delays or defaults in payment of interest/principal of any of its debt securities.
- The provision of Section 148 of the Act relating to maintenance of cost records and cost audit are not applicable to the Company.
- The equity shares of the Company were not suspended from trading during the year on account of corporate actions or otherwise.
- The voting rights are exercised directly by the employees in respect of equity shares allotted under the Shriram Finance Limited Employee Stock Option Scheme 2023 (No.1). Thus, the disclosure requirements pursuant to Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable.
- Disclosures pursuant to RBI Master Directions, unless provided in the Directors' Report form part of the notes to the standalone financial statements and Report on Corporate Governance.

SUBSIDIARY AND ASSOCIATE

Shriram Housing Finance Limited (CIN - U65929TN2010PLC078004) ("SHFL"), subsidiary of the Company is a housing finance company registered with the National Housing Bank and regulated by Reserve Bank of India (Registration Number- 08.0094.11). The equity shares of SHFL are not listed on any stock exchange, but has its debt



securities listed on BSE Limited. The primary operation of SHFL is providing loans for the purchase or construction of residential property and loans against property. SHFL is not a material subsidiary within the meaning of the Listing Regulations. The Company's policy for determination of material subsidiary, as adopted by the Board of Directors, in conformity with Regulation 16 of the Listing Regulations, can be accessed on the Company's website at <https://www.shriramfinance.in/investors/governance>.

Provision of Regulation 24 of the Listing Regulations relating to subsidiary companies, to the extent applicable, have been duly complied with.

Mr. Y. S. Chakravarti, Managing Director & CEO of the Company is a Non-Executive, Non-Independent Director on the Board of SHFL. Mrs. Maya S Sinha and Mr. S. Sridhar, Independent Directors of the Company were appointed as Independent Directors of SHFL w.e.f. March 28, 2024 and April 1, 2024, respectively.

SHFL has 155 branches as on March 31, 2024 across India. SHFL has served 2,10,000 customers with loans in its portfolio as on March 31, 2024. (The no. of live customers as on March 31, 2024 is 71,005). The total employee strength of SHFL as on March 31, 2024 was 3,232. The CAGR of loan disbursement of SHFL over last five years was around 61.1% with total disbursement during the year being Rs.7,591 crores. The total borrowings of SHFL as on March 31, 2024 was Rs.9,654.94 crores out of which Rs.1,340.85 crores was by way of issuance of NCDs and the balance amount of Rs.4,782.70 crores was through borrowings from Banks and Financial Institutions (Rs.134.04 crores), National Housing Bank (Rs.1,357.10 crores), ECB (Rs.833.11 crores), securitisation through PTC (Rs.896.70 crores), and commercial paper (Rs.310.44 crores).

Shriram Automall India Limited (CIN-U50100TN2010PLC074572) ("SAMIL"), an associate of the Company engaged in facilitating buying and selling of passenger vehicles, commercial vehicles, construction equipment, farm equipment, two wheelers, three wheelers, gold and properties by providing a professionally managed auction platform to its customers in phygital, physical and online mode. As on March 31, 2024, SAMIL has 162 Automalls including Feeder Yards and Park and Sale point Yards located across the Country. As per the audited financial statements of SAMIL for the year ended March 31, 2024, its total income from operations and Net Profit was Rs.209.31 crores and Rs.17.52 crores respectively, on consolidated basis. The said financial statements of SAMIL will be made available to Members on request.

Pursuant to Section 129 of the Act read with Rule 5 to the Companies (Accounts) Rules, 2014, the statement containing salient features of the financial statement of subsidiary and associate company in Form AOC-1 forms part of the Annual Report. The consolidated financial statements forming part of this Annual Report are prepared in compliance with the applicable Indian Accounting Standards and Listing Regulations. Pursuant to the provisions of Section 136 of the Act, the financial statements of the Company and its subsidiary (SHFL) are placed on the Company's website at <https://www.shriramfinance.in/investors/financials>.

The annual report and the annual accounts of SHFL shall be made available to the Members of the Company seeking such information. The annual accounts shall also be kept for inspection by the Members at the Registered Office of the Company and of SHFL. The Company shall furnish hard copy of details of accounts of SHFL to any shareholder on demand.

During the Financial Year 2023-24, there was no other entity which became or ceased to be subsidiary, joint venture or associate of the Company.

UPDATE FROM APRIL 1, 2024 AND UPTO THE DATE OF THIS REPORT

Acquisition of new Subsidiary

The Audit Committee and the Board of Directors at their respective meetings held on April 26, 2024, subject to approval of RBI, approved acquisition of 100% equity stake in Shriram Overseas Investments Private Limited (CIN- U65990TN1995PTC129168) (SOIPL) from Shriram Investments Holdings Private Limited for total consideration up to Rs.48.05 crores for the purpose of carrying Primary Dealership business.

SOIPL is a Non-Banking Financial Company within the promoter group and engaged in the business of investment in, acquire and hold, underwrite, subscribe for and/or sell or dispose shares, bonds, stocks, securities, debenture stocks issued by any company constituted and carrying on business in India or elsewhere, and also act 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.

Post acquisition by the Company, SOIPL will make necessary application to Reserve Bank of India for undertaking Primary Dealership business. Accordingly the name of the Company would be changed to "Shriram Gilts Limited" to align the name with the business of Primary Dealership, subject to approval of Registrar of Companies. The current



fixed income activities of the Company can be rolled into Primary Dealership which will get a boost from wider acceptability and balance sheet capabilities. The Company intends to acquire entire share capital of the SOIPL which will commence Primary Dealership business on receipt of necessary approval/license of Primary Dealership from Reserve Bank of India. There exists significant opportunity to access to fixed income market with guaranteed source of funds through acquiring Primary Dealership license from RBI.

Disinvestment in Subsidiary

The Board of Directors at its meeting held on May 13, 2024 considered and approved the proposal for disinvestment/sale/transfer of its entire stake of the paid-up equity share capital in SHFL, high value debt-listed non-material subsidiary of the Company to Mango Crest Investment Ltd (affiliate of Warburg Pincus) for a consideration up to Rs.3,909 crores along with certain additional amounts based on occurrence of identified events. In this regard, the Share Purchase Agreement was executed on May 13, 2024.

Subject to the receipt of 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.

PARTICULARS OF EMPLOYEES AND REMUNERATION

Disclosures required under the provisions of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, containing, inter-alia, the ratio of remuneration of directors to median remuneration of employees, percentage increase in the median remuneration, are annexed to this Report as **Annexure - III**.

Statement containing the particulars of top ten employees and the employees drawing remuneration in excess of limits prescribed under Section 197(12) of the Act read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is an annexure forming part of this Report. In terms of the proviso to Section 136(1) of the Act, the Report and Accounts are being sent to the Members excluding the aforesaid annexure. The said statement is available for inspection with the Company. Any Member interested in obtaining a copy of the same may write to the Company Secretary at secretarial@shriramfinance.in

The Managing Director & CEO of the Company as per the terms of his appointment, does not draw any commission or remuneration from SHFL, subsidiary company. Hence, no disclosure as required under section 197(14) of the Act has been made.

AUDITORS

The current Joint Statutory Auditors of the Company viz. M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai (ICAI Firm Registration No. 004207S) and KKC & Associates LLP (formerly Khimji Kunverji & Co LLP), Chartered Accountants, Mumbai (ICAI Firm Registration No. 105146W/ W100621) who were appointed as Joint Statutory Auditors of the Company at the Extra-Ordinary General Meeting of the Company held on September 15, 2021 and 43rd Annual General Meeting held on June 23, 2022 will hold office till the conclusion of 45th Annual General Meeting of the Company in line with the Guidelines for Appointment of Statutory Central Auditors (SCAs)/ Statutory Auditors (SAs) of Commercial Banks (excluding Regional Rural Banks), Primary (Urban) Co-operative Banks and Non-Banking Finance Companies ("NBFCs") (including Housing Finance Companies) issued by Reserve Bank of India ("RBI") on April 27, 2021 ("RBI Guidelines").

Since, the current Joint Statutory Auditors of the Company will be completing their term as a Joint Statutory Auditors after conclusion of the ensuing 45th AGM of the Company, the Audit Committee and the Board of Directors in their respective meetings held on January 24, 2024 and January 25, 2024 recommended to the Members of the Company, pursuant to RBI Guidelines, the passing of the necessary resolutions at the ensuing 45th AGM of the Company for the appointment of 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 new Joint Statutory Auditors of the Company from the conclusion of 45th Annual General Meeting of the Company till the conclusion of 48th Annual General Meeting of the Company to conduct the audit of accounts of the Company for a term of three consecutive financial years ending March 31, 2025, March 31, 2026 and March 31, 2027 in place of the current Joint Statutory Auditors retiring at the 45th AGM of the Company.

The new Joint Statutory Auditors have confirmed that they are not disqualified to act as Auditors and are eligible to hold office as Joint Statutory Auditors of the Company. They have also confirmed that they hold a valid peer review certificate as prescribed under the Listing Regulations.

Approval of the Members at the ensuing 45th AGM of the Company is also being sought for fixation of remuneration of new Joint Statutory Auditors of the Company for the Financial Year 2024-25.

The Auditors' Report to the Members for the year under review is unmodified, i.e., it does not contain any qualification, reservation or adverse remark or disclaimer.

In terms of the RBI Master Directions – Non-Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 2016, the current Joint Statutory Auditors have also submitted an additional report dated April 26, 2024, for the Financial Year 2023-24 which has been filed with RBI. There were no comments or adverse remarks in the said report as well.

SECRETARIAL AUDIT

SPNP & Associates, Practicing Company Secretaries (Peer Review No: 1913/2022) were appointed as the Secretarial Auditor for conducting the Secretarial Audit of the Company for the Financial Year 2023-24 in accordance with the provisions of Section 204 of the Act read with the Rules framed thereunder.

Pursuant to the provisions of Section 204 (1) of the Act, the Secretarial Audit Report for the Financial Year 2023-24 issued by SPNP & Associates, Practicing Company Secretaries is annexed to this report as **Annexure-IV**. The report does not contain any qualification, reservation or adverse remark.

CORPORATE GOVERNANCE

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

- the Report on Corporate Governance;
- the Certificate duly signed by the Managing Director & CEO and the Joint Managing Director & Chief Financial Officer on the Financial Statements of the Company for the year ended March 31, 2024 as submitted to the Board of Directors at its meeting held on April 26 2024;
- the declaration by the Managing Director & CEO regarding compliance by the Board members and senior management personnel with the Company's Code of Conduct; and
- the Management Discussion & Analysis Report.

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

FELICITATION/ RECOGNITIONS/AWARDS RECEIVED BY YOUR COMPANY DURING THE YEAR

CSR - Felicitated by Logistics Sector Skill Council for Transforming Road Safety with Noble CSR effort

The Logistics Sector Skill Council (LSC) felicitated the Company for its Commercial Vehicle Driver Training/ Up-skilling CSR initiative in October, 2023.

Human Resources - Great Place to Work Certified 2023

The Company has also been certified by Great Place to Work Institute, as India's Best Workplaces in Health and Wellness 2023.

Information Technology

- "NBFC Leadership Awards 2023" - Visionary Technology Leader by Krypton Business Media Private Limited
- Elets BFSI CXO Awards - Excellent Use of Technology in NBFC Services
- Elets BFSI Game Changer Awards 2023 - Digital Service Innovator
- FE Visionary Leader 2023 - Exemplary Contribution to the Field of NBFC
- Security Leadership Summit Awards 2023 - Excellence in Security Leadership
- Cloud Tech Summit 2023 - Digital Innovation Leader in BFSI

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors
Jugal Kishore Mohapatra

Bhubaneswar
June 1, 2024

Chairman
(DIN 03190289)



ANNEXURE - I

Disclosure pursuant to Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 for the financial year ended March 31, 2024

A. Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time.

The disclosures are provided in the Note 50 to the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2024.

B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by Central Government or any other relevant accounting standards as issued from time to time.

Diluted EPS Financial Year ended March 31, 2024 is Rs.191.02.

C. Details Related to "Shriram Finance Limited Employee Stock Option Scheme 2023 (No.1)" or "SFL ESOS 2023 (No.1)" during the Financial Year ended March 31, 2024:

Sr. No	Particulars	Details
(i)	A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including:	SFL ESOS 2023 (No.1) was approved by the Board of Directors of the Company in its meeting held on March 15, 2023, on the recommendation of the Nomination and Remuneration Committee, in terms of clause 3.35.17 read with clause 3.35.11 of the composite scheme of arrangement and amalgamation, inter alia, involving amalgamation of Shriram City Union Finance Limited (SCUF/Transferor Company) with the Company sanctioned by the Hon'ble National Company Law Tribunal, Chennai, (NCLT) vide its common order dated November 14, 2022 (Scheme of Arrangement and Amalgamation). SFL ESOS 2023 (No.1) is created for the benefit of certain eligible employees of erstwhile SCUF whom stock options were granted/vested under SCUF ESOS 2013 who became employees of the Company upon dissolution of SCUF without winding up and coming into effect of the Scheme of Arrangement and Amalgamation.
(a)	Date of shareholders' approval	July 4, 2022, the date on which the Scheme of Arrangement and Amalgamation was approved by the shareholders of the Company and the same shall be deemed to be their consent in relation to all matters pertaining to the revised employee stock options scheme created by the Company titled SFL ESOS 2023 (No.1)
(b)	Total number of options approved under SFL ESOS 2023 (No.1)	24,79,508

Sr. No	Particulars	Details
(c)	Vesting requirements	<p>Fresh Options granted under SFL ESOS 2023 (No.1) would Vest after completion of a minimum period of 12 (twelve) months but not later than 5 (five) years from the date of grant of such Fresh Options.</p> <p>Where Fresh Options are granted by the Company under the SFL ESOS 2023 (No.1) in lieu of options held by eligible employee of erstwhile SCUF the period during which the options granted by erstwhile SCUF under SCUF ESOS 2013 were held by him/her shall be adjusted against the minimum Vesting Period required under SFL ESOS 2023 (No.1).</p> <p>Where options granted by erstwhile SCUF/ the Transferor Company under SCUF ESOS 2013 have completed the vesting period, such options shall stand cancelled and Fresh Options (as per clause 2.1) shall be granted under SFL ESOS 2023 (No.1) pursuant to SFL ESOS 2023 (No.1) and such Fresh Options shall vest immediately and be available for Exercise.</p> <p>Vesting of Fresh Options would be subject to continued employment of the eligible employee with the Company and subject to satisfaction of performance of Employees or other conditions as may be determined by the Nomination and Remuneration Committee.</p> <p>As a pre-requisite for a valid Vesting, an Employee is required to be in employment or service of the Company, on the date of Vesting and must neither be serving his notice for termination of employment/ service, nor be subject to any disciplinary proceedings pending against him on the such date of Vesting.</p>
(d)	Exercise price or pricing formula	<p>Exercise Price is Rs.193.55/- per Fresh Option under the SFL ESOS 2023 (No.1).</p> <p>The manner of computation of the exercise price is as under:</p> <ol style="list-style-type: none"> As per the Scheme of Arrangement and Amalgamation, for every one hundred equity shares held by shareholders in the erstwhile SCUF/ Transferor Company, they are entitled for one hundred and fifty-five equity shares in the Transferee Company. Hence, the Employees who were entitled for one hundred Options under the SCUF ESOS 2013 are entitled for one hundred and fifty-five Fresh Options under SFL ESOS 2023 (No.1). The exercise price under SCUF ESOS 2013 was Rs.300/- for each option. Hence, the Exercise Price under the SFL ESOS 2023 (No.1) is Rs.193.55 per Fresh Option (Rs.300*100 options /155 options). <p>Upon payment of this Exercise Price and the applicable taxes, if any, the Employee shall be entitled to one equity share of face value of Rs.10/- each fully paid up for each Fresh Option exercised by him/ her.</p>

Sr. No	Particulars	Details
(e)	Maximum term of options granted	<p>1. 10 years from the date of vesting of Fresh Options vested on April 26, 2023</p> <p>Where Fresh Options are granted and vested under SFL ESOS 2023 (No.1), the exercise period from date on which the options vested to the Employee by the Transferor Company under SCUF ESOS 2013 shall be adjusted against the exercise period required under SFL ESOS 2023 (No.1).</p> <p>2. 10 years from the date of vesting of balance Fresh Options.</p>
(f)	Source of shares	Primary
(g)	Variation in terms of options	Nil
(ii)	Method used to account for ESOS - Intrinsic or fair value	Fair value method
(iii)	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed at (ii) above and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	Not Applicable, as Fair value method is followed.
(iv)	Option movement during the year:	
	Number of options outstanding at the beginning of the period	Nil
	Number of options granted during the year	21,26,875
	Number of options forfeited / lapsed during the year	6,680
	Number of options vested during the year	21,26,875
	Number of options exercised during the year	13,65,534
	Number of shares arising as a result of exercise of options	13,65,534
	Money realized by exercise of options (INR), if scheme is implemented directly by the Company	Rs.26.43 crores
	Loan repaid by the Trust during the year from exercise price received	Not Applicable
	Number of options outstanding at the end of the year	7,54,661
	Number of options exercisable at the end of the year	7,54,661
(v)	Weighted-average exercise prices and weighted-average fair values of options for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Exercise Price is Rs.193.55/- per Fresh Option under the SFL ESOS 2023 (No.1)

Sr. No	Particulars	Details
(vi)	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to -	Nil
(a)	Senior managerial personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;	
(b)	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and	
(c)	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	
(vii)	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:	
(a)	The weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;	Not Applicable since SFL ESOS 2023 (No.1) is created for the benefit of certain eligible employees of erstwhile SCUF whom stock options were granted/vested under SCUF ESOS 2013 who became employees of the Company upon dissolution of SCUF without winding up and coming into effect of the Scheme of Arrangement and Amalgamation.
(b)	The method used and the assumptions made to incorporate the effects of expected early exercise;	
(c)	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	
(d)	Whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition.	

ANNEXURE - II

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR FINANCIAL YEAR 2023 – 2024

1. Brief outline on CSR Policy of the Company.

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

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation /Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Umesh Revankar Chairman	Executive Vice Chairman	3	3
2	Mr. Pradeep Kumar Panja	Non-Executive Independent Director	3	3
3	Mr. Y. S. Chakravarti	Managing Director & CEO	3	3

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

<https://www.shriramfinance.in/investors/governance>

<https://www.shriramfinance.in/corporate-social-responsibility>

4. Provide the executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 if applicable : **NIL**

5. (a) Average net profit of the company as per section 135(5) :- **Rs.4519.09 crores**

(b) Two percent of average net profit of the company as per sub-section (5) of Section 135:- **Rs.90.38crores**

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

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

(e) Total CSR obligation for the financial year [(b)+(c)+(d)]:- **Rs. 90.38crores**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):. **Rs. 89,87,53,433.00**

i) Details of CSR amount spent against ongoing projects for the financial year 2023-24

Sr. No	Type of the Project	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial year 2023-2024 (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation -Direct (Yes/No)	Mode of Implementation -Through Implementing agency	
					State	District						Name	CSR Registration Number
1	Ongoing project	Promoting Primary & Secondary Education	Education	Yes	Pan India	Pan India	3years	19,36,00,000	19,38,67,410	Not Applicable	No	Shriram Seva Sankalp Foundation	CSR00001315
2	Ongoing project	Support to Schools & Students for Education	Education	Yes	Pan India	Pan India	3years	4,05,00,000	4,06,61,880	Not Applicable	No	Shriram Seva Sankalp Foundation / Direct	CSR00001315
3	Ongoing project	Transforming Education in Aspirational Districts of India	Education	Yes	Uttar Pradesh, Madhya Pradesh, Chattisgarh, Himachal Pradesh, J&K, Rajasthan, Uttarakhand, Manipur, Meghalaya, Arunachal Pradesh, Nagaland, Sikkim, Tripura, Mizoram, Assam, Odisha, Tamilnadu, Telangana, Kerala, Karnataka and Andhra Pradesh	Siddharth Nagar, Chandauli, Fatehpur, Shrawasti, Sonbhadra, Bahraich, Udham Singh Nagar, Haridwar, Chandel, Ribhoi, Namsai, Kiphire, West District, Dhalai, Mamit, Halakandi, Baksa, Barpeta, Darrang, Udalgiri, Goalpara, Gajapati, Malkangiri, Nupada, Balangir, Khandwa, Singrauli, Barwani, Kondagaon, Kanke r, Bijapur, Sukma, Mahasamund, Naraya npur, Dantewada, Rajmandgaon, Korba, Chamba, Kupwara, Baramula, Karauli, Sirohi, Baran, Jaisalmer, Virudhunagar, Ramanathapuram, Asifabad, Bhopalpalali, Bhadravadi, Raichur, Yedgiri, Wayanad, Vishakhapatnam, Vijayanagaram and Y.S.R (Cuddapah)	1.7years	13,75,00,000	Not Applicable	No	Shriram Seva Sankalp Foundation	CSR00001315	
4	Ongoing project	Transforming the Public Education System to Impact Life Chances of 1million children	Education	No	Rajasthan, Madhya Pradesh, Jharkhand, Odisha, Union Territories of Jammu and Kashmir	Jaipur, Indore	1.7years	11,25,00,000	11,25,00,000	Not Applicable	No	Shriram Seva Sankalp Foundation	CSR00001315
5	Ongoing project	Promoting Research in Mathematics and Computer Science	Education	Yes	TamilNadu	Chennai	3years	10,00,00,000	10,00,00,000	Not Applicable	No	Shriram Seva Sankalp Foundation	CSR00001315
6	Ongoing project	Skilling & Drivers' Training Program	Training and Skill Development	Yes	Gujarat, Chattisgarh, Tamil Nadu, Madhya Pradesh and Maharashtra	Bhavnagar, Bilaspur, Korba, Madhavaram, Namakkal, Thanjavur, Indore, Raigarh and Pune	3years	12,50,00,000	12,92,23,388	Not Applicable	No	Shriram Seva Sankalp Foundation	CSR00001315



Sr. No	Type of the Project	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial year 2023-2024 (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation -Direct (Yes/No)	Mode of Implementation -Through Implementing agency	
					State	District						Name	CSR Registration Number
7	Ongoing project	Two Wheeler Automotive Program	Training and Skill Development	Yes	Maharashtra, Chattisgarh, Madhya Pradesh, Uttar Pradesh, Bihar and Tamil Nadu	Aurangabad, Bilsapur, Jabalpur, Kanpur, Muzaffarpur and Salem	3years	1,50,00,000	1,50,00,000	Not Applicable	No	Shriram Seva Sankalp Foundation	CSR00001315
8	Ongoing project	Ramakrishna Mission	Training and Skill Development	Yes	Tamil Nadu	Chennai	3years	80,00,000	80,00,000	Not Applicable	No	Shriram Seva Sankalp Foundation	CSR00001315
9	Ongoing project	Health Care & Mobile Medical Unit	Preventive Health Care	Yes	Rajasthan, Maharashtra, Andhra Pradesh, Gujarat, Jharkhand, Assam, West Bengal, Bihar, Odisha, Tamil Nadu, Karnataka and Telangana	Jaipur, Nagpur, Vishakhapatnam, Vapi, Ranchi, Silchar, Guwahati, Kolkata, Hooghly, Patna, Bhuvaneshwar, Chennai and Bangalore	3years	5,45,00,000	5,47,15,556	Not Applicable	No	Shriram Seva Sankalp Foundation	CSR00001315
10	Ongoing project	Promotion of Art & Culture - The South India Club	Preservation of Art, Culture and heritage	No	New Delhi	New Delhi	3years	4,35,00,000	4,39,10,503	Not Applicable	No	Shriram Seva Sankalp Foundation	CSR00001315
11	Ongoing project	Sri Shanmukhananda Nadaswara fellowship in music	Preservation of art, culture and heritage	No	Maharashtra	Mumbai	3years	50,00,000	50,00,000	Not Applicable	No	Shriram Seva Sankalp Foundation	CSR00001315
		Total (i)						83,51,00,000	84,03,78,737				

ii) Details of CSR amount spent against other than ongoing projects for the financial year 2023-24

Sr. No	Type of the Project	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project		Amount allocated for the project (in Rs.)	Amount spent for the project (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation -Direct (Yes/No)	Mode of Implementation -Through Implementing agency	
					State	District					Name	Registration Number
1	Other Project	Project Gift a smile_Ved Vignana Maha Vidyapeeth	Education	No	Assam, Maharashtra, Odisha, Tripura and West Bengal	Tinsukia, Cachar, Bongaigaon, Sangli, Solapur, Dhenkanal, Ganjam, Khowai, Gomati, North Dhanichara, Durgapur Sabang and Bagdah	50,00,000	50,00,000	Not Applicable	No	Shriram Seva Sankalp Foundation	CSR00001315
2	Other Project	Chiranthana	Training and skill development	No	Karnataka	Bangalore	5,00,000	5,00,000	Not Applicable	No	Shriram Seva Sankalp Foundation	CSR00001315
3	Other Project	Reconstruction of Dhanupali U.P. School - Sambalpur_Mo School Abhiyan Parichalana Sangathan	Education	No	Odisha	(Sambalpur) Bhubaneswar	10,00,000	10,00,000	Not Applicable	No	Shriram Seva Sankalp Foundation	CSR00001315
4	Other Project	Manipal Academy for Higher Education	Preventive Health Care	No	Karnataka	Bangalore	50,00,000	50,00,000	Not Applicable	No	Shriram Seva Sankalp Foundation	CSR00001315
5	Other Project	Cancer Care		Yes	Tamil Nadu	Chennai	25,00,000	25,00,000	Not Applicable			
6	Other Project	The Association Of People With Disability		No	Karnataka	Bangalore	40,00,000	40,00,000	Not Applicable			
7	Other project	Promotion of Fine Arts and Music Festival	Preservation of Art,Culture and heritage	Yes	Tamil Nadu & Maharashtra	Chennai & Mumbai	87,00,000	87,00,000	Not Applicable		Shriram Seva Sankalp Foundation	CSR00001315
8	Other Projects	Shri Shanmukhananda Fine Arts & Sangeetha Sabha	Measures for the benefit of armed forces veterans, War widows & their dependents.	No	Maharashtra	Mumbai	27,00,000	27,50,000	Not Applicable	No	Shriram Seva Sankalp Foundation	CSR00001315
9	Other Projects	Shri Shanmukhananda Fine Arts & Sangeetha Sabha - Felicitation of Women Force behind Chandrayan 3,Shri Jayamaruthi Seva Trust Shirdi Sai Prarthana Samaj Trust	Preservation of Art,Culture and heritage	No	Maharashtra	Mumbai	33,00,000	33,00,000	Not Applicable	No	Shriram Seva Sankalp Foundation	CSR00001315
10	Other Projects	Annai Charitable Trust	Education	Yes	Tamil Nadu	Chennai	37,00,000	37,80,200	Not Applicable	No	Shriram Seva Sankalp Foundation	CSR00001315
11	Other Projects	Training to Promote Sports	Promotion of Olympic/National Sports	No	Karnataka	Bangalore	1,03,00,000	1,00,00,000	Not Applicable	No	Shriram Seva Sankalp Foundation	CSR00001315
				No	Maharashtra	Mumbai		3,33,000	Not Applicable	No	Shriram Seva Sankalp Foundation	CSR00001315



Sr. No	Type of the Project	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project		Amount allocated for the project (in Rs.)	Amount spent for the project (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing agency		
					State	District					Name	CSR Registration Number	
12	Other Projects	Blood Donation -The Indian Red Cross Society	Preventive Health Care	No	Andhra Pradesh	Hyderabad	22,00,000	12,21,530	Not Applicable	No	Shriram Seva Sankalp Foundation	CSR00001315	
		Blood donation -Indian Red Cross Society	Preventive Health Care	No	Maharashtra	Mumbai	30,00,000	20,00,000	Not Applicable	No	Shriram Seva Sankalp Foundation	CSR00001315	
		Ladies Circle India		Yes	Tamil Nadu	Chennai	50,00,000	31,95,412	Not Applicable	No	Shriram Seva Sankalp Foundation	CSR00001315	
		The Registrar Madurai Kamaraj University	Sanitation	Yes	Tamil Nadu	Chennai	3,50,000	1,50,000	Not Applicable	No	Shriram Seva Sankalp Foundation	CSR00001315	
		The Motor Lorry Owners & Operation Union Association		No	Andhra Pradesh	Hyderabad	3,50,000	1,05,000	Not Applicable	No	Shriram Seva Sankalp Foundation	CSR00001315	
		The Mount Lodge Charitable Trust	Preservation of Art,Culture and heritage	Yes	Tamil Nadu	Chennai	8,00,000	5,00,000	Not Applicable	No	Shriram Seva Sankalp Foundation	CSR00001315	
		Apda Rahat Kosh-2023	Ensuring Environmental Sustainability	No	Himachal Pradesh	Shimla	51,00,000	21,00,000	Not Applicable	No	Shriram Seva Sankalp Foundation	CSR00001315	
		Safeguarding Environmental Sustainability (Solar Panel)	Ensuring Environmental Sustainability	Yes	Tamil Nadu	Chennai	45,00,000	17,20,656	Not Applicable	No	Shriram Seva Sankalp Foundation	CSR00001315	
		Road Safety (United Digital Media)	Road Safety Awareness Program	Yes	Tamil Nadu	Chennai	7,00,000	2,09,250	Not Applicable	No	Shriram Seva Sankalp Foundation	CSR00001315	
			Miscellaneous expenses				-	3,09,648					
		13		Total (i)				6,87,00,000	5,83,74,696.00				
				Total (i+ii)				90,38,00,000.00	89,87,53,433.00				

- (b) Amount spent in Administrative Overheads: **Rs. 1,00,15,387**
- (c) Amount spent on Impact Assessment, if applicable: **Nil**
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)] : **Rs. 90,87,68,820.00**
- (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per Sub-section (6) Section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount (in Rs.)	Date of transfer	Name of the Fund	Amount (in Rs.)	Date of transfer
Rs. 90.88 Crores	NIL	Not Applicable	Not Applicable	Nil	Not Applicable

- (f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in Rs.)
i)	Two percent of average net profit of the company as per Sub-Section (5) of Section 135	90.38 Crores
ii)	Total amount spent for the Financial Year	90.88 Crores
iii)	Excess amount spent for the financial year [(ii)-(i)]	0.50 Crores
iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.50 Crores

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Balance amount in unspent CSR account under subsection (6) of section 135 (in Rs.)	Amount spent in the Financial Year (Rs. in Crores)	Amount transferred to a fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding financial years (in Rs.)	Deficiency if any
					Amount (in Rs.)	Date of transfer		
1.	2022-23	Nil	Nil	90.88	Nil	Not Applicable	Nil	Nil
2.	2021-22	Nil	Nil	69.72	Nil	Not Applicable	Nil	Nil
3.	2020-21	Nil	Nil	64.96	Nil	Not Applicable	Nil	Nil

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **No**

If Yes, enter the number of Capital assets created/ acquired : **Not Applicable**



Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent (in Rs.)	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

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

Not Applicable since the Company has spent Rs.90.88 crores during the Financial Year 2023 -24 as against the prescribed CSR obligation of Rs.90.38crores.

For and on behalf of the Board of Directors

Umesh Revankar
Executive Vice Chairman
(Chairman, CSR Committee)
(DIN :00141189)

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

Place : Mumbai
Date : April 26,2024

ANNEXURE III

Remuneration details under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended for the financial year ended March 31, 2024

Sr. No.	Name of Director/ Key Managerial Personnel	Category	Ratio of remuneration of each Director to median remuneration of employees	% Increase in remuneration in FY 2023-24
1	Mr. Jugal Kishore Mohapatra	Chairman, Independent	6.33	0
2	Mr. Umesh Revankar	Executive Vice Chairman	49.71	12.75
3	Mr. Y. S. Chakravarti	Managing Director & CEO	30.09	18.35
4	Mr. S. Sridhar	Independent	6.33	0
5	Mr. Pradeep Kumar Panja	Independent	6.33	0
6	Mr. S. Ravindran	Independent	3.69	0
7	Mrs. Maya S Sinha	Independent	6.33	0
8	Mr. Parag Sharma	Joint Managing Director & Chief Financial Officer	29.96	6.24
9	Mr. Ignatius Michael Viljoen	Non- Executive, Non Independent	NA	NA
10	Mr. D. V. Ravi	Non- Executive, Non Independent	NA	NA
11	Mr. U Balasundararao	Company Secretary & Compliance Officer	30.52	22.62

Notes for Sr. No.:

5 Mr. Pradeep Kumar Panja was re-appointed as an Independent Director w.e.f. October 25, 2023.

6 Mr. S. Ravindran was appointed as an Independent Director w.e.f. August 31, 2023.

Remuneration to Independent Directors does not include sitting fee paid to them for attending Board and/or Committee meetings. The commission to Independent Directors is paid as per the statutory provisions and within the limit approved by the Shareholders. The Non-Executive, Non-Independent Directors did not receive any remuneration from the Company.

I In the Financial Year 2023-24, there was an increase of 8.52% in the median remuneration of the employees.

II There were 74,645 permanent employees on the role of Company as on March 31, 2024.

III For employees other than Managerial Personnel who were in employment for whole of the Financial Year 2022-23 and Financial Year 2023-24, the average increase in the remuneration was 11.06%. The average increase in remuneration for Managerial Personnel in Financial year 2023-24 was 9.69% .

IV Key parameters for any variable component of remuneration received by the Directors

Executive Directors: Nomination and Remuneration Committee and the Board of Directors determine the variable component of remuneration based on achievement of their individual performance parameters and the Company's performance.

Non Executive Independent Directors: Commission is paid on the basis of performance evaluation carried out of the Board of Directors on an annual basis.

While deciding the commission, various factors such as Director's participation in the Board and Committee meetings during the year, other responsibilities undertaken, such as Membership or Chairpersonship of Committees and such other factors as the Nomination and Remuneration Committee deemed fit were taken into consideration.

Non Executive Non- Independent Directors: Not applicable.

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



ANNEXURE - IV

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FINANCIAL YEAR ENDED MARCH 31, 2024

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

To

The Members,

SHRIRAM FINANCE LIMITED,

CIN: L65191TN1979PLC007874,

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

Industrial Estate, Guindy,

Chennai – 600032.

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

Based on my verification of Company’s books, papers, minute books, forms, statutory registers and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on March 31, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made there under;
- 2) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment.
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
 - d. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021
 - e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- f. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- g. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
- 6) Reserve Bank of India Act, 1934
- 7) Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023
- 8) Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016
- 9) Master Direction - External Commercial Borrowings, Trade Credit, Borrowing and Lending in Foreign Currency by Authorised Dealers and Persons other than Authorised Dealers as amended
- 10) Master Direction - Information Technology Framework for the NBFC Sector
- 11) Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016
- 12) Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016

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

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

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

I further report that

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

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

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

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

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

- (i) During the period under review, the shareholders of the Company at the 44th Annual General Meeting held on June 23, 2023, had accorded their Consent for Alteration of Articles of Association of the Company by insertion of Article 24.d after the existing Article 24.c and substitution of Article 3 of Articles of Association of the Company.
- (ii) Renewal of limit to issue non-convertible debentures on private placement basis by way of special resolution passed by the Members of the Company on February 25, 2024.



(iii) The Company had received an Order from Directorate of Enforcement, Southern Regional Office, Chennai (Directorate of Enforcement) in accordance with the Provisions of the Foreign Exchange Management Act 1999 vide Order no SDE/SRO/CEZO-I/02/2020(SK) dated March 04, 2020 imposing a penalty of Rs. 5,00,00,000 (Rupees Five Crores) for the Company and has also levied a penalty of Rs. 50,00,000 (Rupees Fifty Lakhs) each on the then director of erstwhile Shriram Holdings (Madras) Private Limited (SHMPL) which includes a non-independent director of the Company.

The Company and the concerned directors had filed a writ petition dated June 04, 2020 before the High Court of Madras, challenging the said order of the Enforcement Directorate. During the reporting period, the said Writ Petitions were allowed by the Hon'ble Madras High Court vide order dated July 27, 2023 and accordingly the Company and directors of erstwhile SHMPL were not liable to pay the penalty imposed by the Directorate of Enforcement.

Further, an appeal was filed by Deputy Legal Advisor, Directorate of Enforcement, Chennai before Hon'ble Appellate Tribunal under SAFEMA, New Delhi against the impugned order dated March 04, 2020 of the Special Director for enhancement of penalty. The Appellate Tribunal vide order dated March 07, 2024 disposed of the said Appeal as infructuous and accordingly, the matter has been finally disposed off in favour of the Company and the directors of erstwhile SHMPL.

Place: Chennai
Date: April 26, 2024

P.SRIRAM
SPNP & ASSOCIATES
FCS No. 4862/C P No: 3310
PEER REVIEW NO: 1913/2022
UDIN: F004862F000246301

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

Annexure A

To
**The Members,
Shriram Finance Limited**

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

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

Place: Chennai
Date: April 26, 2024

**PSRIRAM
SPNP & ASSOCIATES**
FCS No. 4862/C P No: 3310
PEER REVIEW NO: 1913/2022
UDIN: F004862F000246301



ANNEXURE - V

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

To,
The Members,

Shriram Finance Limited (formerly Shriram Transport Finance Company Limited)

1. This certificate is issued in accordance with the terms of our engagement letter dated June 27, 2023.
2. We have examined the compliance of conditions of Corporate Governance by Shriram Finance Limited (the 'Company'), for the year ended March 31, 2024, as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of Regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility for the Statement

3. The compliance of the conditions of Corporate Governance is the responsibility of the management. This responsibility includes the design, implementation and maintenance of internal control procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Independent Auditors' Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the

compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of Regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2024.
9. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on Use

10. This certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept

or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this certificate for any events or circumstances occurring after the date of this certificate.

Place: Mumbai
Date: April 26, 2024

For KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
FRN: 105146W/W10062

Devang Doshi
Partner
Membership No: 140056
UDIN: 24140056BKFFOW7587



REPORT ON CORPORATE GOVERNANCE

The Report for the financial year ended March 31, 2024 on compliance by the Company with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) is given below.

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

BOARD OF DIRECTORS

The Company has put in place an internal governance structure. The Board of Directors of the Company is broad-based consisting of experienced professionals, bureaucrats from varied/diverse disciplines/fields including banking, finance, regulatory etc. The day-to-day management of the affairs of the Company is entrusted with the leadership team of senior management personnel who receive guidance from the Executive Vice Chairman and the Managing Director & CEO, Chief Financial Officer and other Key Managerial Personnel. They function under the overall supervision, direction and control of the Board of Directors (“the Board”) of the Company. The Board meets regularly to discuss, review, decide and approve critical business/ financial matters, review of policies and formulation of new policies, setting up of goals, appraisal of performances with the goals, overseeing risk-management control functions, etc. In order to facilitate the day-to-day business affairs of the Company, the Board has constituted various Committees of the Board and has delegated necessary powers to the Committees and Key Managerial Personnel. The Board thus exercises control over the overall functioning of the Company with a view to enhance the stakeholder’s value.

The Independent Directors on the Board of the Company have submitted their respective declarations confirming that they meet the criteria of independence and disclosures confirming that there are no material, financial and/or commercial transactions between Independent Directors and the Company which could have potential conflict of interest with the Company at large.

BOARD MEETING AND PROCEDURES

The notes on Agenda setting out the business to be transacted at the Board Meeting were sent to each Director seven days before the date of the Board Meeting except for the meetings which were convened at a shorter notice. The financial results were generally tabled at the Board meeting. The Board reviews and approves quarterly/ half-yearly unaudited financial results and the audited annual financial results, financial statements (both standalone and consolidated), business plans and annual budgets. The management submits to the Board the Action Taken Report on the status of implementation of important matters reviewed at the previous Board Meeting. The calendar of the quarterly Board meetings was finalised in advance. During the year under review, eight meetings of the Board of Directors were held on April 27, 2023, June 23, 2023, July 27, 2023, August 31, 2023, October 26, 2023, November 15, 2023, January 25, 2024 and March 22, 2024.

The maximum gap between any two meetings was not more than one hundred and twenty days. As mandated by proviso under Regulation 17A (1) of the Listing Regulations as of March 31, 2024, none of the Independent Directors of the Company served as an Independent Director in more than seven listed entities and as per Regulation 26 of Listing Regulations, none of Directors is a member of more than ten Committees or acting as Chairperson of more than five Committees across all the Indian public limited companies in which he/she is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

The names and categories of Directors, their attendance at Board Meetings held during the Financial Year and at the last Annual General Meeting (AGM), number of Memberships/ Chairmanships of Directors in other Boards and Committees of Board, Category of directorship and names of listed entities where person is a director are as follows:

COMPOSITION OF BOARD

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

Name of the Director and Category of Directorship	No. of Board Meetings attended during the FY 2023-24	Whether attended the last AGM held on June 23, 2023	Total no. of Directorships	Member-ships in Audit / Stakeholders Relationship Committee	Chairmanship in Audit / Stakeholders Relationship Committee	Category of directorship and Names of other listed entities where person is a director.
Mr. Jugal Kishore Mohapatra Chairman Non-Executive Independent Director (DIN: 03190289)	8	Yes	2	1	0	Nil
Mr. Umesh Govind Revankar Executive Vice Chairman (DIN: 00141189)	8	Yes	4	2	0	Nil
Mr. Yalamati Srinivasa Chakravarti Managing Director & CEO (DIN: 00052308)	8	Yes	1	0	1	Nil
Mr. Srinivasan Sridhar Non-Executive Independent Director (DIN: 00004272)	8	Yes	8	1	4	Non-Executive Independent Director 1. Go Fashion (India) Limited 2. Jubilant Pharmova Limited 3. Strides Pharma Science Limited
Mr. Pradeep Kumar Panja Non-Executive Independent Director (DIN: 03614568)	8	Yes	3	2	0	Non-Executive Independent Director 1. The Karnataka Bank Limited 2. Brigade Enterprises Limited
Mrs. Maya Swaminathan Sinha Non-Executive Independent Director (DIN: 03056226)	8	Yes	7	4	2	Non-Executive Independent Director 1. Ceinsys Tech Limited 2. Reliance Naval And Engineering Limited 3. Vishnu Surya Projects And Infra Limited 4. Shreyas Shipping And Logistics Limited
Mr. Ravindran Shunmugakani (#) Non-Executive Independent Director (DIN: 09778966)	5	NA	3	0	4	Non-Executive Independent Director 1. Tamilnad Mercantile Bank Limited
Mr. Ravi Devaki Venkataraman Non-Executive Non Independent Director (DIN: 00171603)	8	Yes	1	0	0	Nil
Mr. Ignatius Michael Viljoen Non-Executive Non-Independent Director (Nominee Director) (DIN: 08452443)	8	Yes	0	0	0	Nil
Mr. Parag Sharma Joint Managing Director and Chief Financial Officer (DIN: 02916744)	8	Yes	0	0	0	Nil



Notes:

1. In the above table, the total number of Directorships of a Director excludes his/her Directorship in the Company, Section 8 companies, private limited companies and foreign companies
2. The Memberships and Chairmanships of Directors in Committees do not include their Memberships and Chairmanships in the Company
3. None of the above Directors are related inter- se
4. Mr. D. V. Ravi, Non-Executive Non-Independent Director of the Company holds 20 shares in the Company
5. (#) Mr. Ravindran Shunmugakani was appointed as an Independent Director of the Company for the term of 5 (five) consecutive years commencing from August 31, 2023 to August 30, 2028
6. None of the independent directors have resigned during the year

The Directors take an active part at the Board and Committee Meetings and provide valuable guidance to the senior management on various aspects of business and governance. The Directors possess necessary experience, skills/expertise/competence and ability relevant to the Company's business and affairs which enhances the quality of policy decisions. The following table gives details of the skills/ expertise/competence identified by the Board of Directors pursuant to Regulation 34(3) read with Schedule V Part (C) (2)(h)(ii) of Listing Regulations and currently available with the Board.

Name of Director	Skills / Expertise / Competence of Directors						
	Leadership knowledge of Financial Service and Banking Industry	Strategic & Business Planning	Governance, Ethics & Regulatory Oversight	Audit & Risk Management	Sustainability	Human Resource	Information Technology knowledge
Mr. Jugal Kishore Mohapatra Chairman, Independent Director	✓	-	✓	-	✓	✓	-
Mr. Umesh Revankar Executive Vice Chairman	✓	✓	✓	✓	✓	✓	✓
Mr. Y. S. Chakravarti Managing Director & CEO	✓	✓	✓	✓	✓	✓	✓
Mr. Srinivasan Sridhar Independent Director	✓	✓	✓	✓	✓	✓	✓
Mr. Pradeep Kumar Panja Independent Director	✓	✓	✓	✓	-	✓	✓
Mrs. Maya Sinha Independent Director	✓	✓	✓	✓	✓	✓	-
Mr. Ravindran Shunmugakani Independent Director	✓	-	✓	✓	-	✓	-
Mr. D. V. Ravi Non-Executive and Non- Independent Director	✓	✓	✓	✓	✓	✓	✓
Mr. Ignatius Michael Viljoen Non-Executive and Non-Independent Director	✓	✓	-	✓	✓	-	-
Mr. Parag Sharma Joint Managing Director and Chief Financial Officer	✓	✓	✓	✓	✓	✓	✓

The brief profiles of Directors are also available on the website of the Company <https://www.shriramfinance.in/investors/governance>

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

MEETING OF INDEPENDENT DIRECTORS

The Independent Directors met on March 22, 2024 without the presence of Non-Independent directors and members of senior management. In its meeting held on March 22, 2024 the Independent Directors reviewed performance of non-Independent Directors, performance of Board as a whole, performance of Chairman. They evaluated functioning of the Board, frequency of meetings of the Board and Committees of directors, level of participation of directors at the Board and Committee meetings, independence of judgments, performance of duties and obligations by directors, implementation of good corporate governance. The independent directors assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board. The Independent Directors were satisfied with the overall functioning of the Board, its various Committees, Non-Independent Directors and the Chairman.

FAMILIARISATION PROGRAMME

Pursuant to Regulation 25(7) of the Listing Regulations, the Company has put in place a system to familiarise its Independent Directors about the Company, its financial products, the industry and business model of the Company. The familiarisation commences from the stage of induction of Independent Director. The letter of appointment issued and other documents and information shared with the new Independent Director include the details about their role, rights, responsibilities, duties and liabilities under the Companies Act, 2013, Listing Regulations, RBI directions, etc.

During the Financial Year 2023-24, the Independent Directors were updated from time to time/on continuous basis on the significant changes in the regulations including those pertaining to RBI circular on Framework for Scale Based Regulation for Non-Banking Financial Companies, Outsourcing of Information Technology Services, Fair Lending Practices, Internal Ombudsman (IO) Direction, amendments by SEBI in relation to provisions Online Dispute Resolution process, Cyber Security Incidence Disclosure.

The external experts were invited to give presentation and updates on 1. Environmental, Social and Governance Reporting and Sustainability Reporting 2. Various employees' benefit plans, operational procedures, regulatory requirements and impact on the Company's financials and 3. Global economy, foreign bankers view on Indian economy, banking industry, financial environment, anticipation of future borrowing/lending rates.

The Independent Directors interact with senior management during the Board and Committee meetings and familiarisation programs. The Independent Directors get familiarised with workings of the Company and regulatory changes impacting the Company forming part of agenda items and during the deliberations and discussions on policies of the Company.

The Company conducted 11 programs/meetings during FY 2023-24 and the time spent by Independent Directors was in the range of 10 hours 15 minutes. The cumulative programs/meetings conducted till date were 80 and the time spent by Independent Directors was in the range of 72-76 hours. Pursuant to Regulation 46 of Listing Regulations the details of Familiarisation Programme is uploaded on the Company's website at the web link: https://cdn.shriramfinance.in/sfl-kalam/files/2024-04/Familiarisation-Programme-2024_SFL.pdf

POLICY FOR PROHIBITION OF INSIDER TRADING

Pursuant to SEBI (Prohibition of Insider Trading) Regulations 2015, as amended, the Company has adopted Prohibition of Insider Trading Code and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. The Code also provides for preclearance of transactions by designated persons. Pursuant to provisions of Regulation 3(5) and 3(6) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations), the Company has a Structured Digital Database (SDD) in place and is maintained as stipulated by the PIT Regulations.

COMMITTEES OF DIRECTORS

The constitution and terms of reference of Committees of the Board are mentioned below. The terms of reference of the Committee are reviewed and updated from time to time depending upon business needs. The minutes of the Committee meetings were placed before the Board meeting.

AUDIT COMMITTEE

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

Terms of reference

- A. The terms of reference of the Audit Committee, inter alia includes:
1. Overseeing the financial reporting process
 2. To ensure proper disclosure in the Quarterly, Half yearly and Annual Financial Statements. To recommend appointment, re-appointment of auditors, fixing of their remuneration and approval of payment to auditors for any other services rendered by them.



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

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

During the year under review, eight meetings were held on April 27, 2023, June 23, 2023, July 26, 2023, October 25, 2023, October 26, 2023, January 24, 2024, January 25, 2024 and March 22, 2024. The maximum gap between any two meetings was not more than one hundred and twenty days. The necessary quorum was present for all the meetings.

Composition of Audit Committee:

Name of the Member	Status	No. of Meetings Attended
Mr. S. Sridhar	Chairman	8
Mr. Pradeep Kumar Panja	Member	8
Mrs. Maya Sinha	Member	8
Mr. Ravindran Shunmugakani (w.e.f. August 31, 2023)	Member	5

The Company Secretary acts as the Secretary for the Audit Committee. The Statutory Auditors, Internal Auditor, the Executive Vice Chairman, Managing Director & CEO, Heads of Finance and Accounts Department, Chief Compliance Officer and other persons attend the meeting on invitation.

On March 22, 2024, the Committee held a separate meeting with the Joint Statutory Auditors without the presence of management representatives.

NOMINATION AND REMUNERATION COMMITTEE

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

Terms of reference

The terms of reference of the NRC, inter alia includes:

1. To oversee the framing, review and implementation of Remuneration/Compensation policy of the Company, approved by the Board
2. Formulation of the criteria for determining qualifications, positive attributes, and independence of a Director and recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. The Committee shall ensure that –
 - a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel of the quality required to run the Company successfully;
 - b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c) remuneration to directors, Key Managerial Personnel and Senior Management Personnel involves a balance between fixed and variable pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
 - d) The Committee may revisit the principles basis industry and regulatory context, company context and emerging best practices from time to time

3. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down by the Committee, recommend to the Board their appointment and removal
4. The Committee shall formulate the criteria and specify the manner for effective evaluation of performance of Board, its committees and individual directors (Independent & Non-Independent Directors) to be carried out either by the Board or by the Nomination and Remuneration Committee and review its implementation and compliance
5. To determine whether to extend or continue the term of appointment of the Independent Director on the basis of the report of their performance evaluation. The tenure of extension or continuity of Independent Director shall be computed as per the provisions of sub-section (10) and (11) of Section 149 of the Companies Act, 2013 read with Explanation there to and Regulation 16(1)(b) of the Listing Regulations.
6. To recommend to the Board, all remuneration, in whatever form, payable to Senior Management Personnel
7. Devising a policy on Board diversity
8. For every appointment of an independent director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates.
9. Formulation of Succession policy and Succession plan for Executive Vice Chairman, Managing Director and CEO, Key Managerial personnel and Senior Management Personnel
10. To work in close coordination with Risk Management Committee of the Company to achieve effective alignment between compensation and risks to ensure that the compensation outcomes are symmetric with risk outcomes
11. To ensure that compensation levels are supported by the need to retain earnings of the Company and the need to maintain adequate capital based on Internal Capital Adequacy Assessment Process (ICAAP)
12. To ensure 'fit and proper' status of proposed directors and that there is no conflict of interest in appointment of directors on Board of the Company, Key Managerial Personnel and senior management

During the year, the Committee met four times on April 26, 2023, July 25, 2023, August 31, 2023 and January 24, 2024.

The necessary quorum was present for all the meetings.

Composition of Nomination and Remuneration Committee:

Name of the Member	Status	No. of Meetings Attended
Mr. Pradeep Kumar Panja	Chairman	4
Mr. Jugal Kishore Mohapatra	Member	4
Mrs. Maya Sinha	Member	4
Mr. D.V. Ravi	Member	4

CRITERIA FOR PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS

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

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

REMUNERATION OF DIRECTORS

Independent Directors of the Company were paid sitting fees Rs. 1,00,000/- for every meeting of Board, Rs. 75,000/- for every Audit Committee meeting, Rs. 35,000/- for every Committee meeting and Rs. 35,000/- for every meeting of Independent Directors attended by them.

The Company is being benefited from the expertise, advice and inputs provided by the Independent Directors. The Independent Directors devote their valuable time in deliberating on the strategic and critical issues in the course of the Board and Committee meetings of the Company and give their valuable advice, suggestion and guidance to the management of the Company from time to time.

The commission is being paid to all Independent Directors as decided by the Board of Directors. The shareholders of the Company in their 43rd Annual General Meeting held on June 23, 2022 have approved payment of commission to all Independent Directors of the Company for an aggregate



amount not exceeding Rs. 200 Lakhs for every financial year over the period for three financial years ending March 31, 2025 subject to the statutory limits. The Board on April 26, 2024, had approved the commission to be paid to each Independent Director for the financial year ended March 31, 2024 as given in the below table.

The remuneration of Whole Time Directors is recommended by the NRC to the Board, within the overall limits approved by the shareholders of the Company.

Remuneration of Whole Time Directors comprises of Fixed Pay that includes salary, perquisites, allowances and other benefits and Performance-linked Variable Pay.

The NRC, while deciding the basis for determining the remuneration of the Whole Time Directors, takes into consideration the Company's performance and the individual performance based on the pre-defined key performance indicators. The performance is evaluated on an annual basis at the end of the financial year.

THE DETAILS OF SITTING FEES/REMUNERATION PAID TO THE DIRECTORS DURING THE FINANCIAL YEAR 2023 -24 ARE AS UNDER:

Sr. No.	Name of the Director	Sitting Fees for attending Meetings (Rs.)	Salary, Perquisites (Rs.)	Commission (to be paid) (Rs.)	Perquisite u/s 17(1) of Income Tax Act, 1961	Total (Rs.)
1	Mr. Jugal Kishore Mohapatra (Chairman)	12,20,000	-	20,00,000	-	32,20,000
2	Mr. Umesh Revankar (Executive Vice Chairman)	-	1,57,11,970	-	-	1,57,11,970
3	Mr. Y. S. Chakravarti (Managing Director & CEO)	-	85,42,530	-	9,67,237	95,09,767
4	Mr. Srinivasan Sridhar, (Independent Director)	17,85,000	-	20,00,000	-	37,85,000
5	Mr. Pradeep Kumar Panja, (Independent Director)	17,85,000	-	20,00,000	-	37,85,000
6	Mrs. Maya Sinha (Independent Director)	17,15,000	-	20,00,000	-	37,15,000
7	Mr. Ravindran Shunmugakani (Independent Director) (w.e.f. August 31, 2023)	10,50,000	-	11,66,667	-	22,16,667
8	Mr. D. V. Ravi (Non-executive and Non-Independent Director)	-	-	-	-	-
9	Mr. Ignatius Michael Viljoen (Non-executive and Non-Independent Director)	-	-	-	-	-
10	Mr. Parag Sharma (Joint Managing Director and Chief Financial Officer)	-	94,69,666	-	-	94,69,666
GST on sitting fees paid to the Directors		6,79,950				6,79,950

Notes:

- Mr. Umesh Revankar, Executive – Vice Chairman of the Company, his remuneration includes Salary of Rs. 1,30,71,970/-, contribution to Provident Fund of Rs. 14,40,000/- and NPS of Rs. 12,00,000/-.
- Mr. Y. S. Chakravarti, Managing Director & CEO of the Company, his remuneration includes Salary of Rs. 78,22,530/-, and contribution to Provident Fund of Rs. 7,20,000/-.
- Mr. Parag Sharma, Joint Managing Director and Chief Financial Officer of the Company, his remuneration includes Salary of Rs. 81,49,666/-, contribution to Provident Fund of Rs. 7,20,000/- and NPS of Rs. 6,00,000/-.
- The appointment of Whole-Time directors may be terminated by giving three months' notice in writing or salary in lieu thereof. There is no separate provision for the payment of severance fees.
- As per Remuneration Policy, no remuneration, sitting fees and commission was paid to Non-Executive Non-Independent Directors.

Refer Remuneration Policy uploaded on the Company's website <https://cdn.shriramfinance.in/sfl-kalam/files/2024-06/Remuneratio-Policy-2024.pdf?VersionId=ajNXMI9isO0.DB.6TJdQ9JpeH8Ydh6Ua>

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

No Directors of the Company have been granted options/shares pursuant to Shriram Finance Limited Employee Stock Option Scheme 2023 (No.1).

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

Terms of reference

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

The Committee in particular looks into:

- To oversee and reviews redressal of shareholder and investor grievances, on matters relating to transfer / transmission of securities, non-receipt of annual report, non-receipt of declared dividends/interests
- To issue duplicate share/debenture certificate(s) reported lost, defaced or destroyed as per the laid down procedure and to resolve the grievances of security holders of the Company
- Attending to complaints of security holders routed by SEBI (SCORES)/Stock Exchanges/RBI or any other Regulatory Authorities
- Taking decision on waiver of requirement of obtaining the Succession Certificate/Probate of Will on case to case basis within the parameters set out by the Board of Directors
- To monitor transfer of the amounts/shares transferable to Investor Education and Protection Fund
- To list the securities of the Company on Stock Exchanges
- Review of measures taken for effective exercise of voting rights by shareholders
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholder of the Company
- Any other matters that can facilitate better investor services and relations
- A summary / report on Customer Grievances Redressal pertaining to grievances / complaints received from the Company's customers is placed before the Committee for its review

During the year, the Committee met three times on April 26, 2023, and October 25, 2023 and January 24, 2024. The necessary quorum was present for the meetings.

Composition of Stakeholders Relationship Committee:

Name of the Member	Status	No. of Meetings Attended
Mr. Jugal Kishore Mohapatra	Chairman	3
Mr. Pradeep Kumar Panja	Member	3
Mr. Umesh Revankar	Member	3
Mr. Y. S. Chakravarti	Member	3
Mr. Ravindran Shunmugakani (w.e.f. August 31, 2023)	Member	2

Mr. U Balasundararao, Company Secretary also acts as the Compliance Officer of the Company.

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

Security Holders Complaints:

Particulars	No. of Complaints	
	Equity Shares	Non-Convertible Debentures
Complaints pending as on April 01, 2023	Nil	Nil
Complaints received during the period April 01, 2023 to March 31, 2024.	12	3
Complaints identified and reported under Regulation 13(3) of Listing Regulations.	12	3
Complaints disposed of during the year ended March 31, 2024.	11	3
Complaints unresolved as of March 31, 2024.	1*	Nil

(*) All these complaints were attended to and resolved within the stipulated period (30 days) of receipt of the complaint except one complaint received on March 31, 2024 which was redressed on April 05, 2024.

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



CUSTOMER COMPLAINTS

The Internal Ombudsman conducted review meetings with the Grievances Redressal Team of the Company and analysed the nature of the various complaints/grievances received during the year ended March 31, 2024. The Internal Ombudsman confirmed that all investors complaints/grievances were handled in a satisfactory manner.

Online Dispute Resolution (ODR) Mechanism

SEBI vide Circular No. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated July 31, 2023 (further updated as on December 20, 2023) have issued a Circular for online resolution of disputes in the Indian securities market. With the said Circular, the existing dispute resolution mechanism is being streamlined under the aegis of Stock Exchanges and Depositories by expanding their scope and by establishing a common Online Dispute Resolution Portal (“ODR Portal”) which harnesses online conciliation and online arbitration for resolution of disputes arising in the Indian securities market. As per the said SEBI Circulars, in case of any grievances, the shareholders are advised to first approach the Company or its RTA. If the response is not received/not satisfactory, they can initiate dispute resolution through the ODR Portal at <https://smartodr.in/login>.

In compliance with SEBI Circular, the Company has sent email communication to the shareholders intimating them the mechanism to facilitate online resolution of all kinds of disputes arising in the Indian securities market. The said Circular can be accessed by the members from the Company’s website at <https://www.shriramfinance.in/investors/investor-information> or on the website of RTA <https://www.integratedregistry.in/investorcharter.aspx>. During the year, the Company received two complaints reported under the ODR portal and the same were resolved.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility (CSR) Committee has been constituted in line with the provisions of Section 135 of the Act and the rules made thereunder.

Terms of reference

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

- 1) Formulating and recommending to the Board of Directors the CSR Policy and monitoring the same from time to time
- 2) The Committee will review and evaluate the sustainability agenda, suggest modifications, discuss and recommend action plan to take the CSR activities forward
- 3) The Committee will monitor the amount spend on CSR activities by the Company as well as ensure that the

Company spends at least the minimum sum as may be prescribed from time to time pursuant to the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014 or such higher sum as may be decided by the Board of Directors of the Company

During the year under review, the Committee met three times on April 26, 2023, October 25, 2023 and January 24, 2024. The necessary quorum was present for all the meetings.

Composition of Corporate Social Responsibility Committee:

Name of the Member	Status	No. of Meetings Attended
Mr. Umesh Revankar	Chairman	3
Mr. Pradeep Kumar Panja	Member	3
Mr. Y. S. Chakravarti	Member	3

RISK MANAGEMENT COMMITTEE

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

The terms of reference of the Risk Management Committee are as follows:

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

During the year under review, the Committee met three times on May 01, 2023, October 26, 2023 and February 19, 2024. The necessary quorum was present for all the meetings.

COMPOSITION OF RISK MANAGEMENT COMMITTEE:

Name of the Member	Status	No. of Meetings Attended
Mr. Umesh Revankar	Chairman	2
Mr. S. Sridhar	Member	3
Mr. S. Sunder	Member	2
Mr. Y. S. Chakravarti	Member	3
Mr. Hardeep Singh	Member	3

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

ASSET LIABILITY MANAGEMENT COMMITTEE**Terms of reference**

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

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

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

During the year under review, the Committee met four times April 27, 2023, July 27, 2023, October 26, 2023 and January 25, 2024. The necessary quorum was present for all the meetings.

Composition of Asset Liability Management Committee:

Name of the Member	Status	No. of Meetings Attended
Mr. Y. S. Chakravarti	Chairman	4
Mr. Parag Sharma	Member	4
Mr. Hardeep Singh	Member	4
Mr. S Sridhar	Member	4
Mr. Umesh Revankar	Member	4

BANKING AND FINANCE COMMITTEE

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

Terms of reference

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

1. Opening, operating and closing of Bank Accounts;
2. Issuance of Non-Convertible Debentures/Subordinated Debentures on Private Placement basis;
3. Issuance of Commercial Paper;
4. Borrowing of money from Bank, Financial Institutions and Corporates etc. and providing Bank Guarantee; within the permissible limit either by way of short term loan or long term loan by whatever name called i.e. term loan, working capital loan, cash credit. Working capital demand loan, over draft, commercial papers, External Commercial Borrowings (ECB) securities and assignment or securitisation of any assets of the Company to any bank or institution within permissible limits and to do activities thereof with respect to such borrowings

including creation of security on assets, registration of charges and execution of any agreements or deeds with banks, financial institution and corporates etc.

5. Securitisation of receivables by way of sell down through PTC/ Direct Assignment;
6. Availing and giving Inter Corporate Deposit;
7. Availing Foreign Currency Term Loan, FCNR (B);
8. Investment of Surplus funds in Fixed Deposit for Short Term/ Mutual Funds etc., Invest, deposit or otherwise the funds of the Company in any form with banks/ mutual funds, any funds, any institutions, Companies or any bodies, and transfer/ change/ modify/ encash/ liquidate any or all of these.
9. Monitoring asset coverage of the loan and issuance of NOC and release of security;
10. Giving confirmation to Bank in respect of loans availed by signing Acknowledgement of Debt;
11. Applying for any license/affiliation for business purpose
12. Entering into Service Provider Agreement for Electronic Toll collection program;
13. Authorising official of the Company to appear on behalf of the Company before various regulatory and law enforcing authorities/government department/local administration or authority/market intermediaries under applicable laws, rules and regulations and submitting documents undertaking, affidavits, papers etc. ;
14. Authorising officials of the Company to sign various agreements in connection with purchase/sale/ registration of property etc;
15. Fixing Record Date for payment of monthly, half yearly and annual Interest and redemption of Debentures/ Bonds/ Notes;
16. Revision in Terms and Conditions including interest rates of Fixed Deposit / Recurring Deposit Scheme.
17. Availing 'Corporate Internet Banking', Payment & Collection Services, online viewing facility, E-commerce –payment gateway Merchant Account from Banks;
18. Authorising to procurement of Digital Signature Certificates from e Mudhra Limited/NSEIT Limited;
19. Authorising to creation of the Login ID with CERSAI (Central Registry of Securitisation Asset Reconstruction and Security Interest of India);
20. To Give approval/authorisation for the matters required for day to day management of the affairs of the Company.
21. To borrow for the purpose of the business of Company from time to time on such terms and conditions as the Committee may deem fit



22. To take all steps and exercise power to issue the notes / bonds and to implement the same.
23. To approve the buy-back of Non-Convertible Debentures
24. Enter into derivative transactions & execute the required documents thereof.
25. To issue, allot, finalise and decide all matters with respect to External Commercial Borrowings, Global Medium Term Note (“GMTN”) Programme, issuance of the Notes including but not limited to appointment of various agencies related thereto including, lead manager(s), paying agent(s), Trustee(s), fiscal agent(s), printer(s), auditor(s), registrar(s), transfer agent(s), calculation agent(s), listing agent(s), process agent(s), advertisement agent(s), legal counsel(s)/adviser(s) various aspects of the Notes and structure thereof including currency, price, tenor, duration, maturity creation, registration and satisfaction as well as perfection of charges or security/ collateral, applying to/ filing with and obtaining necessary approvals from various authorities in India or outside India seek ratings from ratings agencies, the Final Offering Circular, supplemental/ addendum Offering Circular, and related documentation.
26. Appointment of valuers under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 and others, if any.

The Committee meets regularly to discharge its functions. During the year under review, the Committee met 118 times. The necessary quorum was present for all the meetings.

Composition of Banking and Finance Committee:

Name of the Member	Status	No. of Meetings Attended
Mr. Y. S. Chakravarti	Chairman	118
Mr. Parag Sharma	Member	109
Mr. S. Sunder	Member	114
Mr. Umesh Revankar	Member	95

IT STRATEGY COMMITTEE

Terms of reference

The terms of reference of the IT Strategy Committee include :

1. Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;
2. Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
3. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
4. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;

5. Ensuring proper balance of IT investments for sustaining NBFC’s growth and becoming aware about exposure towards IT risks and controls,
6. Any other role and responsibility as per the directions of RBI issued from time to time.

During the year under review, the Committee met three times on May 19, 2023, September 26, 2023 and February 19, 2024. The necessary quorum was present for the meeting.

Composition of IT Strategy Committee:

Name of the Member	Status	No. of Meetings Attended
Mr. S. Sridhar	Chairman	3
Mr. Umesh Revankar	Member	2
Mr. Gayadhar Behera	Member	3
Mr. Prashant Deshpande	Member	3
Mr. Y.S. Chakravarti	Member	3
Mr. S. Varadachary	Member	3

ENVIRONMENTAL AND SOCIAL GOVERNANCE COMMITTEE (ESG)

Terms of reference

The terms of Reference of the ESG Committee comprise of:

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

During the year under review, the Committee met three times on April 26, 2023, October 25, 2023 and January 24, 2024.

The necessary quorum was present for the meeting.

Composition of Environmental and Social Governance Committee:

Name of the Member	Status	No. of Meetings Attended
Mr. Jugal Kishore Mohapatra	Chairman	3
Mr. Umesh Revankar	Member	3
Mr. Parag Sharma	Member	3
Mr. S. Sunder	Member	3
Mr. Ravindran Shunmugakani (w.e.f. August 31, 2023)	Member	2
Mrs. Maya Sinha	Member	3
Mr. Y. S. Chakravarti	Member	3

GENERAL BODY MEETING**(i) Annual General Meeting (AGM):**

The last three Annual General Meetings (AGMs) were conducted through video conferencing (VC) and other audio-visual means (OAVM) pursuant to applicable circulars/notifications/ clarifications issued by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI). The said details and the Special Resolution(s), if any, passed in the said AGMs are given below:

Year	AGM	Location	Date & Time	Details of Special Resolutions passed
FY 2020-21	42 nd AGM	The Company conducted the AGM through video conferencing (VC) / other audio visual means (OAVM) pursuant to the MCA circular.	June 24, 2021 at 2.00 P.M	To renew authorisation for raising capital through issuance of Equity Shares and/or other Eligible Securities with an enhanced limit upto Rs.4,000 Crores
FY 2021-22	43 rd AGM	The Company conducted the AGM through video conferencing (VC)/ other audio visual means (OAVM) pursuant to the MCA circular.	June 23, 2022 at 2.00 P.M	No Special Resolution was passed
FY 2022-23	44 th AGM	The Company conducted the AGM through video conferencing (VC) / other audio visual means (OAVM) pursuant to the MCA circular	June 23, 2023 at 2.00 P.M.	(i) To consider and approve insertion of Article 24.d. after the existing Article 24.c. of Articles of Association of the Company to comply with the requirement of Regulation 23(6) of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended. (ii) To consider and approve deletion and substitution of Article 3 of Articles of Association of the Company.

(ii) (a) Postal Ballot

- 1) Pursuant to the special resolutions passed by shareholders with requisite majority on October 05, 2023 through postal ballot notice dated August 31, 2023 for: (i) Re-appointment of Mr. Pradeep Kumar Panja (DIN 03614568) as an Independent Director of the Company (ii) Appointment of Mr. S. Ravindran (DIN 09778966) as an Independent Director of the Company.

The Board of Directors on August 31, 2023 had appointed Mr. P. Sriram (Membership No. FCS 4862), Practising Company Secretary (CP No. 3310) or failing him Ms. Nithya Pasupathy (Membership No. FCS 10601), Practising Company Secretary (CP No. 22562) of SPNP & Associates, Chennai as the Scrutiniser for conducting process of remote e-voting in accordance with the provisions of the Act read with Rules and the MCA Circulars made thereunder in a fair and transparent manner.

The details of voting pattern of the Special Resolutions passed through Postal Ballot are as follows –

- (i) Re-appointment of Mr. Pradeep Kumar Panja (DIN 03614568) as an Independent Director of the Company.

Particulars	Total No. of valid Votes	Votes Assenting the Resolution	% of Votes Cast	Votes Dissenting the Resolution	% of Votes Cast
Votes cast through Electronic Mode	322628310	305516530	94.70	17111780	5.30
Votes cast through Physical Mode	0	0	0	0	0
Total	322628310	305516530	94.70	17111780	5.30

The resolution was passed with requisite majority.



(ii) **Appointment of Mr. S. Ravindran (DIN 09778966) as an Independent Director of the Company.**

Particulars	Total No. of Valid Votes	Votes Assenting the Resolution	% of Votes Cast	Votes Dissenting the Resolution	% of Votes Cast
Votes cast through Electronic Mode	322773109	321159101	99.50	1614008	0.50
Votes cast through Physical Mode	0	0	0	0	0
Total	322773109	321159101	99.50	1614008	0.50

The resolution was passed with requisite majority.

The procedure for Postal Ballot /electronic voting (e-voting) for aforesaid special resolutions was mentioned in the said Postal Ballot Notice.

2) **Pursuant to the special resolution passed by shareholders with requisite majority on February 25, 2024 through postal ballot notice dated January 25, 2024 for Renewal of limit to issue debentures on private placement basis by the Board.**

The Board of Directors on January 25, 2024 had appointed Ms. Nithya Pasupathy (Membership No. FCS 10601), Practising Company Secretary (PCS No. 22562) of SPNP & Associates, Chennai as the Scrutiniser to Scrutinise the remote e-voting/ Postal ballot process in a fair and transparent manner for conducting process of remote e-voting in accordance with the provisions of the Act read with Rules and the MCA Circulars.

The details of voting pattern of the Special Resolution passed through Postal Ballot are as follows –

Renewal of limit to issue debentures on private placement basis by the Board

Particulars	Total No. of Valid Votes	Votes Assenting the Resolution	% of Votes Cast	Votes Dissenting the Resolution	% of Votes Cast
Votes cast through Electronic Mode	313141907	309693073	98.90	3448834	1.10
Votes cast through Physical Mode	0	0	0	0	0
Total	313141907	309693073	98.90	3448834	1.10

The resolution was passed with requisite majority.

The procedure for Postal Ballot /electronic voting (e-voting) for aforesaid special resolutions was mentioned in the said Postal Ballot Notice.

SHRIRAM FINANCE LIMITED EMPLOYEE STOCK OPTION SCHEME 2023 (NO.1)

The Company has created Shriram Finance Limited Employee Stock Option Scheme 2023 (No.1) (“SFL ESOS 2023 (No.1)”) in lieu of employee stock options held by the employees under Shriram City Union Finance Limited Employee Stock Options Scheme 2013 (SCUF ESOS 2013) as provided in the terms of the Scheme of Arrangement and Amalgamation inter-alia, involving amalgamation of (i) Remaining undertaking of Shriram Capital Limited (SCL) after de-merger of a few undertakings from the said SCL with the Company and (ii) Shriram City Union Finance Limited (SCUF) with the Company, under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“the Act”). The Members of the Company and Secured Creditors and Unsecured Creditors of the Company in their respective meetings held on July 04, 2022 approved the Scheme of Arrangement and Amalgamation with overwhelming majority. The Hon’ble National Company Law Tribunal, Special Bench – II, Chennai vide its Common Order dated November 14, 2022 read with corrigendum dated November 17, 2022 to the Common Order sanctioned the Scheme of

Arrangement and Amalgamation of erstwhile SCUF with the Company.

The Company received in-principle approvals from the BSE Limited and National Stock Exchange of India Limited on April 06, 2023 for listing of upto a maximum of 24,79,508 Equity Shares of face value of Rs.10/- each of the Company to be issued pursuant to SFL ESOS 2023 (No.1). The ESOP Allotment Committee in its various meetings held during the Financial year has allotted 13,65,534 Equity Shares to the eligible employees. Pursuant to allotment of the Equity Shares, the paid-up share capital of the Company stood increased from Rs. 374,42,72,760 to Rs. 375,79,28,100 /-.

SHARE CAPITAL AUDIT

The Share Capital Audit as required under Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018, read with SEBI Circular No. CIR/MRD/DP/30/2010 Dated September 06, 2010, a Qualified Practising Company Secretary carries out Capital Audit to reconcile the total admitted equity capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India)

Limited (CDSL) and the total issued and listed equity capital. This audit is carried out every quarter and the reconciliation of share capital audit report thereon is submitted to the Stock Exchanges and to the Board of Directors.

CERTIFICATION BY MANAGING DIRECTOR & CEO AND JOINT MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER

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

MEANS OF COMMUNICATION

The Company utilises various means of communications to keep its shareholders and stakeholders informed of its financial performance, events and updates. The Board recognises the importance of two-way communication with shareholders and giving a report of results and progress and responding to questions and issues raised in a timely and consistent manner. The Company follows a robust process of communicating with its investors, the Audited financial results, the quarterly results and half yearly results of the Company are published in English (Financial Express) and Tamil newspaper (Makkal Kural) and are also available on the Company's website; (<https://www.shriramfinance.in/investors/governance>), BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (www.nseindia.com). In addition to this, all quarterly results are emailed to shareholders/fixed deposit holders and debenture holders whose email addresses are registered with the Company/ RTA requesting Members to update their KYC details with the Company/RTA and ascertain the position of unpaid/unclaimed dividend from website of the Company www.shriramfinance.in -Investor Section by visiting the website from time to time and claim the unpaid/unclaimed dividends, if any from the Company / RTA. Press release is also given in the leading newspapers upto date financial results, press releases, quarterly investor updates/ presentations made to institutional investors, investors/ earning conference calls or to the analysts, official news releases and other general information about the Company are also available on the Company's website <https://www.shriramfinance.in/investors/investor-information>

The aforesaid financial results are disseminated to the Stock Exchanges within thirty minutes from the close of the Board meetings at which these are considered and approved. Shareholders have been provided with an opportunity to provide their email id for receiving correspondence and annual report in electronic form. The annual report and quarterly financial results have been sent in electronic form to shareholders and debenture holders who have registered their email ids. Our Company does online filing with National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) through web based application: NEAPS (NSE Electronic Application Processing System), Digital Exchange and BSE Listing Centre. The Company has also intimated its investors about deduction of TDS from the Interest on Non-Convertible Debentures (NCDs) from FY 2023-24.

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

The Company sends reminders to its shareholders to claim their unclaimed dividend and also to update their Permanent Account Number (PAN), Bank account details, signatures, nomination or other important details that may affect their shareholdings. Shareholders can claim back their shares and unclaimed dividends transferred to the Investor Education Protection Fund (IEPF) by following the prescribed procedure under the IEPF Rules. The shareholder/claimant must make an online application to the IEPF Authority in e-Form No. IEPF-5 (available at www.iepf.gov.in) and submit the necessary documents to the Company/RTA.

The Board of Directors has approved a policy for determining materiality of events and a team comprising of Senior Managerial Personnel for the purpose of determining materiality of an event or information and making disclosures to Stock Exchanges. For details, please refer the link: https://cdn.shriramfinance.in/sfl-kalam/files/2023-08/9.Policy%20on%20disclosure%20of%20material%20events_0.pdf



GENERAL SHAREHOLDER INFORMATION

45TH Annual General Meeting (45th AGM)

Particulars	As on March 31, 2024
a. Day and Date	Tuesday, July 30, 2024
b. Time	2:00 P.M.
c. Venue	The Company is conducting meeting through video conferencing (VC)/other audio visual means (OAVM) pursuant to the MCA circular. For details please refer to the Notice of 45th AGM.
d. Financial Year	FY 2023-24
e. Dividend Payment Date	<p>i) The Board of Directors had declared first Interim dividend for FY 2023-24 of Rs.20/- per equity share of Rs.10/- each fully paid-up (200%) at its meeting held on October 26, 2023. The same is already paid to the eligible Members on November 20, 2023 after deducting tax at source at applicable rate(s).</p> <p>ii) The Board of Directors had declared second Interim dividend for FY 2023-24 of Rs.10/- per equity share of Rs.10/- each fully paid-up (100%) at its meeting held on January 25, 2024. The same is already paid to the eligible Members on February 17, 2024 after deducting tax at source at applicable rate(s).</p> <p>iii) The Board of Directors have recommended a Final dividend of Rs.15/- per equity share of face value of Rs.10/- each fully paid up (i.e.150%) for Financial Year ended March 31, 2024. Subject to shareholders approval at the ensuing 45th AGM the said Final dividend will be paid on or before August 28, 2024, subject to deduction of tax at source as per the applicable rate(s) to the eligible shareholders.</p> <p>iv) Book Closure: The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, July 24, 2024 to Tuesday, July 30, 2024 (both days inclusive) for taking record of the Members of the Company for the purpose of 45th AGM and payment of Final dividend.</p>
f. The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s)	<p>BSE Limited P J Towers, Dalal Street, Mumbai – 400 001.</p> <p>National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot no. C/1, G Block, Bandra- Kurla Complex, Bandra (East), Mumbai – 400 051</p> <p>The Company has paid the annual listing and custodian fees for FY 2023-24 to the Stock Exchanges and Depositories.</p>
g. Stock Code	
BSE Limited	511218
National Stock Exchange of India Limited	SHRIRAMFIN
Singapore Exchange Securities Trading Limited NSE IFSC Limited India International Exchange (IFSC) Limited (India INX)	Social Bonds – US825547AE20 (Rule 144A), USY7758EEH00 (Regulation S)
India International Exchange (IFSC) Limited (India INX)	Social Bonds XS2606114457 (Regulation S) US824556FAA03 (Rule 144A) USY775M1BG76 (Regulation S)
Demat ISIN in NSDL & CDSL	INE721A01013

The Company's Non-Convertible Debentures (NCD 8) offered for subscription to public under the Shelf Prospectus dated June 22, 2018 in tranches vide Tranche I Prospectus dated June 25, 2018, Tranche II Prospectus dated October 08, 2018 Tranche III Prospectus dated December 27, 2018 and (NCD 9) Shelf Prospectus dated July 09, 2019 vide Tranche I Prospectus dated July 12, 2019 and Tranche II Prospectus dated December 26, 2019 are listed on National Stock Exchange of India Limited and BSE Limited. The Non-Convertible Debentures (NCD 2019) of the erstwhile Shriram City Union Finance Limited offered for subscription to public under the Tranche 1 Prospectus dated March 27, 2019 and Tranche 2 Prospectus dated August 16, 2019 are listed on BSE Limited. The ISIN details of these NCDs are as under:

Security Description	ISIN	Codes in Stock Exchanges	Coupon (%) p.a.	Coupon Duration and Interest Payable	Date of Allotment	Maturity Dates
NCD 8 - Tranche 1 (June 2018)						
Secured NCDs (Series II)	INE721A07NU1	BSE - 936230 NSE - YI	(*) (@) 9.03% p. a.	Monthly	July 12, 2018	July 12, 2028
Secured NCDs (Series V)	INE721A07NX5	BSE - 936236 NSE - YL	(*) (@) 9.40% p. a.	Annual	July 12, 2018	July 12, 2028
NCD 8 - Tranche 2 (October 2018)						
Secured NCDs (Series II)	INE721A07OC7	BSE - 936326 NSE - YP	(*) 9.30% p. a.	Monthly	November 02, 2018	November 02, 2028
Secured NCDs (Series V)	INE721A07OF0	BSE - 936332 NSE - YS	(*) 9.70% p. a.	Annual	November 02, 2018	November 02, 2028
NCD 8 - Tranche 3 (December 2018)						
Secured NCDs (Series II)	INE721A07ON4	BSE - 936454 NSE - YW	(*) 9.30% p.a.	Monthly	February 06, 2019	February 06, 2029
Secured NCDs (Series V)	INE721A07OQ7	BSE - 936460 NSE - YZ	(*) 9.70% p. a.	Annual	February 06, 2019	February 06, 2029
NCD 9 - Tranche 1 (July 2019)						
Secured NCDs (Series II)	INE721A07OZ8	BSE - 936782 NSE - Z4	(*) 9.22% p.a.	Monthly	August 22, 2019	August 22, 2024
Secured NCDs (Series III)	INE721A07PA8	BSE - 936784 NSE - Z5	(*) 9.31% p.a.	Monthly	August 22, 2019	August 22, 2026
Secured NCDs (Series VI)	INE721A07PD2	BSE - 936790 NSE - Z8	(*) 9.60% p.a.	Annual	August 22, 2019	August 22, 2024
Secured NCDs (Series VII)	INE721A07PE0	BSE - 936792 NSE - Z9	(*) 9.70% p.a.	Annual	August 22, 2019	August 22, 2026
Secured NCDs (Series IX)	INE721A07PG5	BSE - 936796 NSE - ZB	NA Cumulative	(#)(\$)	August 22, 2019	August 22, 2024
Secured NCDs (Series X)	INE721A07PH3	BSE - 936798 NSE - ZC	NA Cumulative	(#)(\$)	August 22, 2019	August 22, 2026
NCD 9 - Tranche 2 (December 2019)						
Secured NCDs (Series II)	INE721A07PJ9	BSE - 937063 NSE - ZE	(*) 8.66% p.a.	Monthly	January 28, 2020	January 28, 2025
Secured NCDs (Series III)	INE721A07PK7	BSE - 937065 NSE - ZF	(*) 8.75% p.a.	Monthly	January 28, 2020	January 28, 2027
Secured NCDs (Series V)	INE721A07PM3	BSE - 937069 NSE - ZH	(*) 9.00% p.a.	Annual	January 28, 2020	January 28, 2025
Secured NCDs (Series VI)	INE721A07PN1	BSE - 937071 NSE - ZI	(*) 9.10% p.a.	Annual	January 28, 2020	January 28, 2027
Secured NCDs (Series VIII)	INE721A07PP6	BSE - 937075 NSE - ZK	NA Cumulative	(*) (@) (#\$)	January 28, 2020	January 28, 2025



ERSTWHILE SHRIRAM CITY UNION FINANCE LIMITED

Security Description	ISIN	Codes in Stock Exchanges	Coupon (%) p.a.	Coupon Duration and Interest Payable	Date of Allotment	Maturity Dates
NCD 2019 - Tranche 1						
Secured NCDs (Series VI)	INE722A07935	BSE - 936602	9.75%	Annual	April 30, 2019	April 30, 2024
Secured NCDs (Series VII)	INE722A07943	BSE - 936604	9.35%	Monthly	April 30, 2019	April 30, 2024
Secured NCDs (Series VIII)	INE722A07950	BSE - 936606	NA Cumulative	(*#)	April 30, 2019	April 30, 2024
NCD 2019 - Tranche 2						
Secured NCDs (Series VI)	INE722A07AB6	BSE - 936882	9.85%	Annual	September 25, 2019	September 25, 2024
Secured NCDs (Series VII)	INE722A07AC4	BSE - 936884	9.45%	Monthly	September 25, 2019	September 25, 2024
Secured NCDs (Series VIII)	INE722A07AD2	BSE - 936886	NA Cumulative	(@\$)	September 25, 2019	September 25, 2024

Subject to applicable tax deducted at source, if any.

Note:

- (*) - Senior Citizens (only First Allottee) shall be entitled to an additional yield at the rate of 0.25 % per annum
- (@) - Additional incentive of 0.10% available to Category III and IV investors provided the NCDs issued under the Tranche -1 Issue are continued to be held by such investors under Category III and Category IV on the relevant Record Date applicable for payment of coupon
- (#) - The amount payable on redemption for NCDs under Series IX and Series X are Rs.1,582.25 per NCD and Rs. 1,912.80 per NCD respectively on the relevant Record Date for the relevant Redemption Payment date for Series IX and Series X
- (\$)- The amount payable on redemption to such Senior Citizens for NCDs under Series IX and Series X are Rs. 1,600.40 per NCD and Rs. 1,943.55 per NCD respectively provided the NCDs issued under the NCD 9 Tranche 1 Issue are continued to be held by such investors under Category III and Category IV on the relevant Record Date for the relevant Redemption Date for Series IX and Series X
- (*@) - The amount payable on redemption for NCDs under Series VIII is Rs. 1,539.35 per NCD on the relevant Record Date for the relevant Redemption Payment date for Series VIII
- (# \$) - The amount payable on redemption to such Senior Citizens for NCDs under Series VIII is Rs. 1,557.11 per NCD provided the NCDs issued under the NCD 9 Tranche 2 Issue are continued to be held by such investors under Category III and Category IV on the relevant Record Date for the relevant Redemption Date for the Series VIII
- (*#) - The amount payable on redemption for NCDs under Series – VIII is Rs. 1593.15 per NCD on the relevant Record Date for the relevant Redemption Payment date for Series VIII
- (@\$) - The amount payable on redemption for NCDs under Series – VIII is Rs. 1600.40 per NCD on the relevant Record Date for the relevant Redemption Payment date for Series VIII

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

The Company has adopted the policy and procedures notified by Securities and Exchange Board of India vide its circular SEBI/HO/DDHS/DDHS-RAC-1/P/CIR/2023/176 dated November 08, 2023 with regard to standardizing process regarding unclaimed amounts associated with Non-Convertible Debentures (“NCDs”) and manner of claiming such amounts by the NCD holders. The said policy on claiming of unclaimed amounts by NCD holders is available on the website of the Company at <https://cdn.shriramfinance.in/sfl-kalam/files/2024-03/Unclaimed-Escrow-Account-Policy.pdf>

RIGHTS EQUITY SHARES

As on March 31, 2024, there were 6 Eligible shareholders holding 914 Rights Shares allotted on August 06, 2020 who did not furnish the demat account details to the Registrars to the Issue / the Company. Hence, the said rights shares are lying in separate demat account "STFC Rights Allotment Demat Suspense Account" of the Company.

DIVIDEND DISTRIBUTION POLICY

The dividend distribution policy of the Company is enclosed. The same is also available on the website. For details click on the link for https://cdn.shriramfinance.in/sfl-kalam/files/2024-05/Dividend-Distribution-Policy.pdf?VersionId=uGRmgVz0g8_x9sCkLfCtkH19fy042JC9

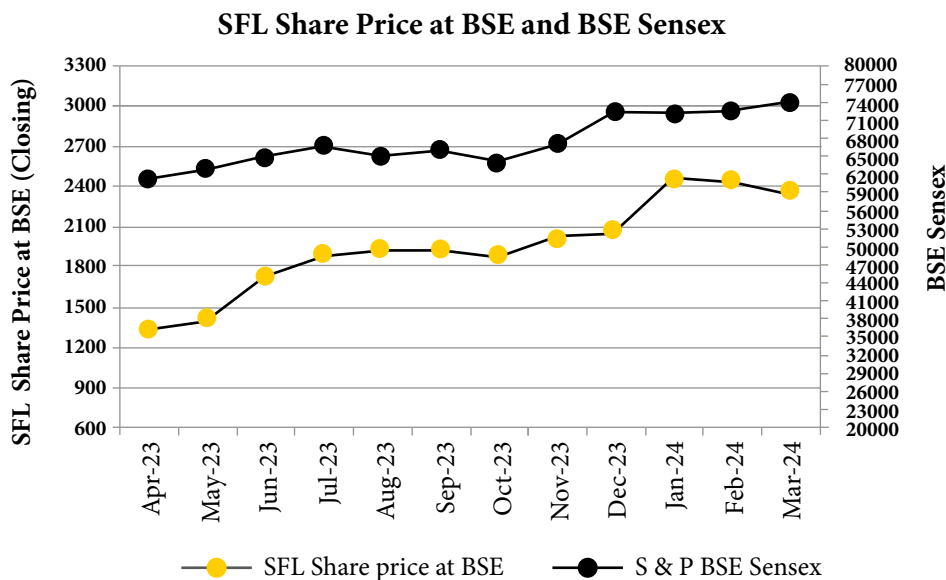
GENERAL SHAREHOLDER INFORMATION

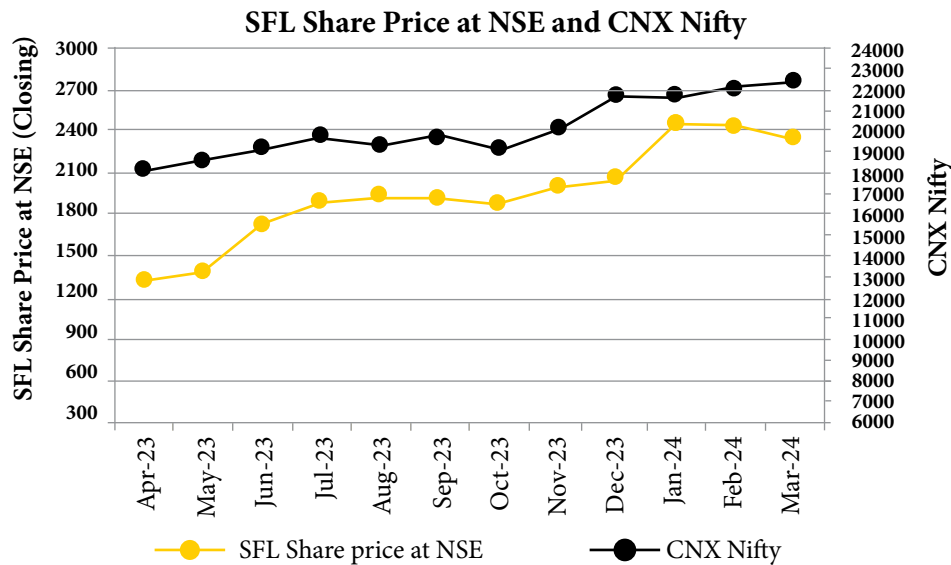
h. Stock Market

The high and low market price and volume of shares traded during each month of the financial year ended March 31, 2024 as given below:

Months	BSE Limited			National Stock Exchange of India Limited		
	Share Prices		Volume (No. of Shares)	Share Prices		Volume (No. of Shares)
	High (Rs.)	Low (Rs.)		High (Rs.)	Low (Rs.)	
April 2023	1469.20	1266.90	3,39,785	1469.30	1266.00	1,27,77,160
May 2023	1423.45	1306.60	3,53,265	1423.40	1306.00	1,51,14,508
June 2023	1767.05	1390.20	1,14,72,007	1793.55	1385.75	4,51,83,711
July 2023	1898.00	1705.00	10,20,947	1898.00	1703.85	3,47,88,024
August 2023	1937.40	1759.20	9,57,791	1939.00	1760.10	2,59,27,168
September 2023	1974.95	1858.30	58,18,109	1971.80	1856.35	2,62,46,626
October 2023	1977.40	1760.90	7,48,334	2029.70	1760.85	2,70,84,173
November 2023	2050.00	1877.00	8,60,237	2051.00	1876.15	1,86,38,688
December 2023	2129.55	1973.55	7,23,226	2130.00	1972.00	2,67,68,901
January 2024	2495.60	2016.40	40,70,804	2496.55	2016.00	3,19,48,544
February - 2024	2535.00	2237.20	6,10,020	2535.00	2235.25	2,81,14,654
March - 2024	2501.05	2251.00	5,18,991	2499.90	2251.00	4,05,79,114

SFL share price performance in comparison to BSE Sensex and S&P CNX Nifty





i. No securities were suspended from trading during FY 2023-24 on account of corporate action or otherwise.

j. Registrar to an issue and Share Transfer Agents

The Registrar and Share Transfer Agents of the Company are:

Integrated Registry Management Services Private Limited

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

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

Email: einward@integratedindia.in Website: <https://www.integratedregistry.in/>

k. Trustees for Senior Secured Notes

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

(b) Security Trustee: Axis Trustee Services Limited, the Ruby, 2nd Floor, SW, 29 Senapati Bapat Marg, Dadar West, Mumbai - 400028

l. Share Transfer System:

The Securities Transfer Committee meets as and when required to, inter alia consider issue of duplicate share certificates in lieu of original share certificates reported as lost/stolen/misplaced by the shareholders of the Company.

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialised form. Pursuant to SEBI Circular dated January 25, 2022, the listed companies shall issue the securities in dematerialised form only, for processing any service requests from shareholders viz., issue of duplicate share certificates, endorsement, transmission, transposition, etc. After processing the service request, a letter of confirmation will be issued to the shareholders and shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant for dematerialising those shares. If the shareholders fail to submit the dematerialisation request within 120 days, then the Company shall credit those shares in the Shriram Finance Limited - Suspense Escrow Demat account held by the Company. Shareholders can claim these shares transferred to Shriram Finance Limited - Suspense Escrow Demat account on submission of necessary documentation.

The Committee generally meets on a weekly basis to ensure that all security holders service requests are considered and actioned within the prescribed timelines.

The Company obtains an Annual Certificate from a Practicing Company Secretary as per the requirement of Regulation 40(9) of Listing Regulations. The same is filed with the Stock Exchanges.



m. Distribution of shareholding as on March 31, 2024

Sr. No	No. of Equity Shares	No of Shareholders	% of Shareholders	No of Shares held	% of Shareholding
1	1 – 500	114665	94.00	5927495	1.57
2	501 – 1000	3509	2.87	2556809	0.68
3	1001 – 2000	1587	1.30	2209607	0.59
4	2001 – 3000	447	0.37	1084650	0.29
5	3001 – 4000	223	0.18	776558	0.21
6	4001 – 5000	143	0.12	646187	0.17
7	5001 – 10000	305	0.25	2186100	0.58
8	10001 and above	1107	0.91	360405404	95.91
	Total	121986	100.00	375792810	100.00

n. Categories of shareholders as on March 31, 2024

Sr. No.	Category	Total	
		No. of Shares held	% of shareholding
1	Promoters and Promoter Group	95516276	25.42%
2	Foreign Portfolio Investor (Category I & II)	202528332	53.89%
3	Insurance Company	14541248	3.87%
4	Mutual Fund	40578255	10.80%
5	Resident Indian	14798509	3.94%
6	Investor Education and Protection Fund	1308449	0.35%
7	Bank	2285	0.00%
8	Bodies Corporate	1119172	0.30%
9	Alternative Investment Fund	915550	0.24%
10	Corporate Body-Central Govt.	704	0.00%
11	Non-Resident Indian	559874	0.15%
12	Clearing Member	228357	0.06%
13	Trusts	296341	0.08%
14	HUF	229128	0.06%
15	Pension/Provident Fund	2925580	0.78%
16	Suspense Escrow Demat Account	1098	0.00%
17	Unclaimed Securities Suspense Account	160564	0.04%
18	F I I	12734	0.00%
19	Limited Liability Partnership	66914	0.02%
20	Foreign National	220	0.00%
21	NBFCs	1872	0.00%
22	Foreign Portfolio Investor (Category III)	434	0.00%
23	Rights Allotment Demat Suspense Account	914	0.00%
	Total	375792810	100.00%

o. Dematerialisation of shares and liquidity

The Company's scrip forms part of the compulsory Demat segment for all investors effective from July 24, 2000. To facilitate the investors in having an easy access to the demat system, the Company has signed up with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The connectivity has been established through Integrated Registry Management Services Private Limited. As on March 31, 2024, the total of 37,42,07,571 equity shares constituting 99.58 % of the paid up capital, have been dematerialised.

p. The Company has not issued any outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments.

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

r. Locations

List of branches are mentioned in the "Our Reach" Section on page no. 13 in the Annual Report.

s. Address for correspondence & Registered Office:

Registered Office: Sri Towers, Plot No. 14A, South Phase, Industrial Estate, Guindy, Chennai – 600 032, Tamil Nadu.

Phone: 91- 44- 48524666 Fax: +91 44 4852 5666.

Corporate Office: Wockhardt Towers, Level-3, West Wing, C-2, G-Block, Bandra- Kurla Complex, Bandra - (East), Mumbai - 400051. Phone: 91-22 - 40959595, Fax: 91-22 - 40959597, Website: www.shriramfinance.in



Email ID for Investor Grievance:

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

- For Equity Shares related queries/complaints: secretarial@shriramfinance.in
- For Public Issue of Non-Convertible Debentures 2018 Shelf and Tranche 1 Prospectus- related queries/complaints: sflncd8t1comp@shriramfinance.in
- For Public Issue of Non-Convertible Debentures 2018 Tranche II Prospectus - related queries/complaints: sflncd8t2comp@shriramfinance.in
- For Public Issue of Non-Convertible Debentures 2018 Tranche III Prospectus- related queries/complaints: sflncd8t3comp@shriramfinance.in
- For Public Issue of Non-Convertible Debentures 2019 Tranche I Prospectus- related queries/complaints: sflncd9t1comp@shriramfinance.in
- For Public Issue of Non-Convertible Debentures 2019 Tranche II Prospectus- related queries/complaints: sflncd9t2comp@shriramfinance.in
- For erstwhile Shriram City Union Finance Limited Public Issue of Non-Convertible Debentures 2019 Tranche I & II Prospectus- related queries/complaints: scufncd9@shriramfinance.in

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

- t. The list of all credit ratings along with affirmations/revisions during FY 2023-24 for all debt instruments, fixed deposit, U.S. Dollar senior secured notes, for details refer Directors' Report and Note 90 to the financial statements.
- u. The particulars of senior management including the changes therein since the close of the previous financial year, for details refer Directors' Report.
- v. There is no information which is required to be disclosed under Clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations.

w. Other Disclosures

- A. There are no materially significant Related Party Transactions (RPTs) with the Company's Promoters, Directors, Key Managerial Personnel or their relatives or any other related parties of the Company, which may have potential conflict with the interests of the Company at large. Disclosures on transactions with related parties, as required under the Indian Accounting Standard 24, have been incorporated in the Notes to the Accounts. The statement of RPTs is placed before the Audit Committee and the Board on quarterly basis. Omnibus approval was obtained for the transactions of repetitive nature. The Policy on Materiality of RPTs and dealing with RPTs as approved by the Board is uploaded on the Company's website at the web link: https://cdn.shriramfinance.in/sfl-kalam/files/2023-08/8.Policy%20on%20Materiality%20of%20Related%20Party%20Transactions_0.pdf. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company save and except the payment of sitting fees and commission to Independent Directors, remuneration to Directors apart from transactions in the ordinary course of business and on arm's length basis at par with any member of general public. The Company did not advance any loans to any of its Directors. The details of the transactions with Related Parties are provided in the notes to the Financial Statements.
- B. There were no instances of breach of covenants with respect to loan availed or debt securities issued.
- C. There were no instances of non-compliance by the Company for which any penalties or strictures were imposed on the Company by the Stock Exchanges, RBI and SEBI, or any statutory authority on any matter related to capital markets or other applicable compliances during the last three years.
- D. The Company has adopted the Whistle Blower Policy and has established the necessary mechanism in line with the Stock Exchanges, for employees to report concerns about unethical behaviour. No person has been denied access to the Audit Committee. The Vigil Mechanism as per Regulation 22 of Listing Regulations ensures standards of professionalism, honesty, integrity and ethical behaviour. The Whistle Blower Policy/Vigil Mechanism is uploaded on the Company's website at the web link of https://cdn.shriramfinance.in/sfl-kalam/files/2023-08/Whistle-Blower-Policy-Vigil-Mechanism-Policy_0.pdf

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

The Company has complied with all mandatory requirements of the Listing Regulations for FY 2023-24 and details of discretionary requirements under Part E of Schedule II of the Listing Regulations are mentioned below:

a) **Maintenance of Chairman's office:**

The Company does not maintain a separate office for the Non-executive Chairman

b) **Shareholders' Rights:**

The quarterly/half/yearly financial results are published in the newspapers of wide circulation and sent to individual shareholders through email to those shareholders registered their email ids with the Company, Financial Results are also available on the website of the Company <https://www.shriramfinance.in/investors/financials>, BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (www.nseindia.com)

c) **Modified Opinion in Auditors' Report:**

The Auditors' Report on the financial statements of the Company for the FY 2023-24 does not contain any modified audit opinion.

d) **The Chairman of the Board is Non-Executive Director and not related to the Managing Director & CEO of the Company:**

A clear distinction exists between the roles and duties of the Chairman and those of the Managing Director & CEO.

e) **Reporting of Internal Auditor:**

The Internal Auditor functionally reports to the Audit Committee and makes detailed presentation at quarterly Audit Committee meetings.

F. The Company does not have any material listed/ unlisted subsidiary companies as defined in Regulation 24 (1) of Listing Regulations. However, the Company has Shriram Housing Finance Limited, a debt listed non material subsidiary. The Company has framed the Policy on Material Subsidiaries and the same is uploaded on the Company's website at the web link: https://cdn.shriramfinance.in/sfl-kalam/files/2023-08/7.Policy-on-Material-Subsidiaries_0.pdf

G. The policy on dealing with related party disclosures is uploaded on the Company's website at the web link of https://cdn.shriramfinance.in/sfl-kalam/files/202308/8.Policy%20on%20Materiality%20of%20Related%20Party%20Transactions_0.pdf

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

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

J. In FY 2023-24 the Board has accepted all recommendations of its Committees.

K. The Company has paid the following fees on a consolidated basis for all services rendered by:

The details of total fees for all services paid by the Company to the Joint Statutory Auditors and all entities in the network firm/ network entity of which the Auditors are a part, are as follows :

Particulars	Amount (Rs.in Crores)
Statutory Audit Fees	1.75
Fees for other services	0.37
Total	2.12

The details of total fees for all services paid by Shriram Housing Finance Limited, Subsidiary of the Company to its Statutory Auditor (M/s .T R Chadha & Co. LLP, Chartered Accountants) and all entities in the network firm/ network entity of which the Auditors are a part, is as follows:

Particulars	Amount (Rs.in Crores)
Statutory Audit Fees	0.43
Fees for other services	0.11
Total	0.54



- L. The disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, for details refer Directors' Report.
- M. The Company has complied with all the requirements of Corporate Governance report as contained in Clause C (2) to (10) of Schedule V read with Regulation 34(3) of Listing Regulations.
- N. The Company has adopted Code of Conduct ('Code') for the Board of Directors and Senior Management Personnel as required under Regulation 17(5) of the Listing Regulations. The Board of Directors and the Senior Management Personnel have affirmed compliance of the Code. The Annual Report of the Company contains a declaration to this effect signed by the Managing Director and CEO. Further, the Code of Conduct of the Company applicable to the Board and Senior Management Personnel is also uploaded on the Company's website at the web link of <https://cdn.shriramfinance.in/sfl-kalam/files/2024-01/Code-Of-Conduct.pdf>
- O. Disclosure by listed entity and its subsidiaries of Loans and advances in the nature of loans to firms/companies in which Directors are interested:
- During the financial year ended March 31, 2024, there were no loans or advances provided by the Company or its subsidiaries to firms/companies in which Directors are interested.
- P. Utilisation of funds raised through preferential allotment/qualified institutional placement:
- The Company has not raised funds by issue of equity shares either on preferential basis or through qualified institutional placement during FY 2023-24. Therefore, there are no details to be disclosed as per Regulation 32(7A) of Listing Regulations.

x. Equity Shares in the Suspense Account

As required under Schedule V of Listing Regulations, the Company has opened "STFC- Unclaimed Securities Suspense Account" with the Depository Participants for the purpose of transferring unclaimed equity shares held in physical form. The Company transfers the shares lying unclaimed to the eligible shareholders as and when the request for the same has been received after proper verification. As on March 31, 2024, there were 1,60,564 unclaimed equity shares in the Unclaimed Suspense Account. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Particulars	No. of Shareholders	No. of Shares
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Securities Suspense Account as on April 01, 2023.	766	1,87,528
Number of Shareholders / legal heirs who approached the Company for transfer of shares from the Unclaimed Securities Suspense Account, for the period from April 01, 2023 to March 31, 2024.	70	20,208
Number of Shareholders / legal heirs to whom the shares were transferred from the Unclaimed Securities Suspense Account upon receipt and verification of necessary documents, for the period from April 01, 2023 to March 31, 2024.	70	20,208
Number of Shareholders / legal heirs of whose shares were transferred from the Unclaimed Securities Suspense Account to Investor Education and Protection Fund Authority pursuant to the Government of India Gazette notification No. REGD. NO. D. L.-33004/99 dated February 28, 2017 issued by Ministry of Corporate Affairs (MCA), April 01, 2023 to March 31, 2024.	36	6,756
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Securities Suspense Account as on March 31, 2024.	660	1,60,564

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

The key policies of the Company are also available on the website at <https://www.shriramfinance.in/investors/governance>.

DIVIDEND DISTRIBUTION POLICY

Preamble

Dividend is the payment made by a Company to its shareholders in the form of distribution of its profits. The profits earned by the Company can either be retained in business and used for acquisitions, expansion or diversification, or it can be distributed to the shareholders. The Company may choose to retain a part of its profits and distribute the balance among its shareholders as dividend. This Dividend Distribution Policy ('Policy') aims to reconcile between all these needs in accordance with the applicable laws.

The objective of this Policy is to ensure a regular dividend income for the shareholders and long term capital appreciation for all shareholders of the Company. The Company would ensure to strike the right balance between the quantum of dividend paid and the amount of profits retained in the business for various purposes. The Board of Directors (Board) will refer to the Policy while declaring interim dividend(s)/ recommending final dividend. Through this Policy, the Company would endeavour fairness, consistency and sustainability while distributing profits to the shareholders.

This Policy also stipulates the process for recommendation/ declaration of dividend(s) and its pay-out by the Company in accordance with the provisions of the Companies Act, 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), guidelines issued by Reserve Bank of India ('RBI') and other rules, regulations etc. as applicable to the Company.

Class of Shares

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

Category of Dividends

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

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

Recommendation / Declaration of Dividend

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

- i) **Current financial year's profit:**
 - a) after providing for depreciation in accordance with law and setting off carried over previous losses and depreciation not provided in previous year(s), if any.
 - b) after transferring to reserves such amount as may be prescribed under the Act or applicable law, regulations, norms or as may be otherwise considered appropriate by the Board at its discretion.
- ii) **The profits for any previous financial year(s):**
 - a) after providing for depreciation in accordance with law;
 - b) remaining undistributed; or
- iii) **out of i) & ii) both.**
- iv) **out of free reserves in the manner permissible under the Act.**

Factors to be considered while declaring Dividend

The decision regarding dividend is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. The Board will endeavour to take a decision with an objective to enhance shareholders wealth and market value of the shares. However, the decision regarding dividend is subject to several factors and hence any optimal policy in this regard may be far from obvious. The Board considers a stable dividend to constitute an important element of the Company's investment attractiveness and shareholder return. The Company is classified as Investment and Credit Company by RBI, operates in rapidly developing, yet a volatile market. The Company's primary need is to maintain sufficient resources and financial flexibility to meet financial and operational requirements. The Company continually seeks ways to create shareholder value through both commercial and financial strategies, which may include both organic and inorganic development as well as the Company's capital management practices.

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

The Company will ensure that the eligibility criteria prescribed by the regulatory authorities under the applicable law are met including the following minimum prudential requirement for declaration of dividend prescribed by RBI:



Sl. No.	Parameter	Requirement
1.	Capital Adequacy	The Company should have met the following regulatory capital requirement for each of the last three financial years including the financial year for which the dividend is proposed: <ul style="list-style-type: none"> Minimum capital ratio consisting of Tier I and Tier II capital of not less than 15 percent of aggregate risk weighted assets on- balance sheet and of risk adjusted value of off- balance sheet items. The Tier I capital at any point of time, shall not be less than 10%
2.	Net NPA	The net NPA ratio shall be less than 6% in each of the last three financial years, including as at the close of the financial year for which dividend is proposed to be declared.
3.	Other criteria	The Company shall comply with the provisions of Section 45 IC of the Reserve Bank of India Act, 1934. The Company shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every financial year as disclosed in the profit and loss account and before any dividend is declared. No appropriation of any sum from the reserve fund shall be made by the Company 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 prescribed period i.e. twenty-one days from the date of such withdrawal or any extension given by RBI in the regard. The Company shall be compliant with the prevailing regulations/ guidelines issued by RBI. The RBI shall not have placed any explicit restrictions on declaration of dividend.

The Board, while considering the proposals for dividend, will also take into account the supervisory findings, if any, of the RBI on divergence in classification and provisioning for Non-Performing Assets (NPAs) and qualifications, if any, in the Auditors' Report to the financial statements of the Company or emphasis of matter by the statutory auditor that indicates an overstatement of net profit. In case the net profit for the relevant period includes any exceptional and/or extra-ordinary profits/ income, the net profit shall be suitably adjusted to exclude such extra-ordinary items for computing dividend pay-out ratio.

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

External Factors:-

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

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

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

Internal Factors:-

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

Other factors

- i) Profits earned during the year;
- ii) Present and future capital requirements of the existing businesses; / capital expenditures and the Company's debt position;
- iii) Business Acquisitions opportunities;
- iv) Expansion/ Modernisation of existing businesses; / growth opportunities available to the Company;
- v) Additional investments in subsidiaries/associates of the Company;
- vi) Fresh investments into external businesses;
- vii) Cash flow from operations;
- viii) Cost of raising funds;
- ix) Providing for unforeseen events and contingencies with financial implication;
- x) Quality of assets and NPA;
- xi) Asset-Liability Management Position;
- xii) Carried forward balance in P & L account and accumulated reserves; and
- xiii) Any other factor as deemed fit by the Board.

Process for approval of Payment of Interim and Final Dividend

The Company will give prior intimation of at least 2 working days in advance to Stock Exchanges (excluding the date of intimation and the date of the Board meeting) of date of Board Meeting in which the declaration / recommendation of dividend will be considered.

The Company will inform about the decision taken by Board regarding dividend to Stock Exchange within 30 minutes of the closure of the Board Meeting.

The Company will fix Record date for the purpose of determination for list of shareholders eligible to receive dividend.

The Company shall recommend or declare dividend at least 5 working days (excluding the date of intimation and the record date) before the record date is fixed for the purpose.

The intimation for fixing Record date shall be given to exchange at least seven working days in advance (excluding the date of intimation and the record date).

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

The Company stands committed to deliver sustainable value to all its stakeholders. The Company will strive to distribute an optimal and appropriate level of the profits earned by it in business with the shareholders' funds in the form of dividend. As explained in the earlier part of this Policy, determining the dividend pay-out is dependent upon several factors, both internal to a business and external to it. Taking into consideration the aforementioned factors the Board may consider maintaining a Dividend Pay-out ratio in the range of 20-25% of the profits after tax (PAT), subject to applicable regulations. However, the Board may amend the pay-out range, whenever considered appropriate by it, keeping in mind the aforesaid factors having a bearing on the dividend pay-out decision, subject to maximum dividend payout ratio of 50%. However, if the Company does not meet the applicable prudential requirement prescribed above for each of the last three financial years, may be eligible to declare dividend, subject to a cap of 10 percent on the dividend payout ratio, provided the Company complies with the following conditions :

- (a) meets the applicable minimum capital adequacy requirement in the financial year for which it proposes to pay dividend; and
- (b) has net NPA of less than 4% as at the close of the financial year.

The Dividend Payout Ratio is the ratio between the amount of the dividend payable in a year and the net profit as per the audited financial statements for the financial year for which the dividend is proposed.

Manner of Payment of dividend

The Company shall use any of the electronic mode of payment facility approved by the Reserve Bank for the payment of the dividends. Where it is not possible to use electronic mode of payment, 'payable-at-par' warrants or Demand drafts will be issued to the eligible shareholders.

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

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

Utilisation of Retained Earnings

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

Reporting Requirements

The Company shall report details of dividend declared during the financial year as per the prescribed format in Annex IX of the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued by RBI on October 19, 2023, as updated from time to time within a fortnight after declaration of dividend to the Regional Office of the Department of Supervision of the Reserve Bank, under whose jurisdiction the Company is registered.

Review

This policy is in accordance with the Act, Listing Regulations and Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 on October 19, 2023, as updated from time to time issued by RBI. The same will be reviewed by the Board periodically for additions, deletions, changes or alterations in the parameters, process of recommendation/declaration/pay-out of dividend considered in the policy and in line with changes in regulations as applicable to the Company.



ANNEXURE - A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No	Name of Director	DIN	Designation	Original Date of appointment in Company	Date of appointment in the current Designation
1	Mr. Jugal Kishore Mohapatra	03190289	Non-Executive Independent Director and Chairman	04/12/2022	21/02/2023
2	Mr. Srinivasan Sridhar	00004272	Non-Executive Independent Director	20/10/2014	20/10/2019
3	Mr. Panja Pradeep Kumar (#)	03614568	Non-Executive Independent Director	25/10/2018	25/10/2023
4	Ms. Maya Swaminathan Sinha	03056226	Non-Executive Independent Director	04/12/2022	21/02/2023
5	Mr. Srinivasa Chakravarthi Yalamati	00052308	Managing Director and Chief Executive Officer	13/12/2021	05/12/2022
6	Mr. Parag Sharma	02916744	Joint Managing Director & Chief Financial officer	13/12/2021	23/06/2022
7	Mr. Umesh Govind Revankar	00141189	Executive Vice Chairman	25/10/2016	05/12/2022
8	Mr. Ravi Devaki Venkataraman	00171603	Non-Executive Non Independent Director	18/06/2015	31/07/2015
9	Mr. Ignatius Michael Viljoen	08452443	Non-Executive Non Independent Director	14/05/2019	27/06/2019
10.	Mr. Ravindran Shunmugakani (##)	09778966	Non-Executive - Independent Director	31/08/2023	05/10/2023

(#) Mr. Panja Pradeep Kumar was re-appointed as an Independent Director of the Company for a second term of 5 (five) consecutive years with effect from October 25, 2023 upto October 24, 2028.

(##) Mr. Ravindran Shunmugakani was appointed as an Independent Director of the Company for a period of 5 (five) consecutive years with effect from August 31, 2023 upto August 30, 2028.

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

For SPNP & Associates

P. SRIRAM

FCSNo. 4862/CPNo: 3310

PEER REVIEW NO: 1913/2022

UDIN: F004862F000246356

Place: Chennai

Date: April 26, 2024



CEO/CFO CERTIFICATION

To,

The Board of Directors of Shriram Finance Limited

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

- A. We have reviewed financial statements and the cash flow statements for the year ended March 31, 2024 and that to the best of our knowledge and belief;
- 1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - 2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have disclosed, based on our evaluation wherever applicable to the Auditors and the Audit Committee that;
- 1) there were no significant changes in internal controls over financial reporting during the year;
 - 2) there are no significant changes in accounting policies during the year, and
 - 3) there were no instances of significant fraud of which we are become aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Y.S. CHAKRAVARTI
Managing Director & CEO

Place: Mumbai
Date: April 26, 2024

PARAG SHARMA
Joint Managing Director & CFO

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

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

As per Regulation 17(5) and Regulation 26(3) of Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 executed with the Stock Exchanges, all Board Members and Senior Management Personnel have affirmed Compliance with the Code of Conduct for the year ended March 31, 2024.

Place: Mumbai
Date: April 26, 2024

Y.S. CHAKRAVARTI
Managing Director & CEO

SECRETARIAL COMPLIANCE REPORT OF SHRIRAM FINANCE LIMITED FOR THE YEAR ENDED MARCH 31, 2024

I, P. Sriram, Partner of SPNP & Associates have examined:

- (a) All the documents and records made available to us and explanation provided by **SHRIRAM FINANCE LIMITED** (formerly “Shriram Transport Finance Company Limited”) (“the listed entity”),
- (b) The filings/ submissions made by the listed entity to the stock exchanges,
- (c) Website of the listed entity,
- (d) Any other document/ filing, as may be relevant, which has been relied upon to make this certification,

For the year ended March 31, 2024 (“Review Period”) in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

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

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018,
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;(Not Applicable to the Company during the review period)
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021
- (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; as amended
- (h) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- (i) Securities and Exchange Board of India (Depositories and Participant) Regulations,2018;

and circulars guidelines issued thereunder;

and based on the above examination, I hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars / guidelines issued thereunder, except as mentioned in **Annexure 1**
- (b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No	Observations/ Remarks of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 2022-23	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Details of violation / deviations and actions taken / penalty imposed	Remedial actions, if any, taken by the listed entity	Comments of the PCS on the actions taken by the listed entity
NIL						



(c) I hereby report that, during the review period the compliance status of the listed entity with the following requirements:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/Remarks by PCS
1.	<p><u>Secretarial Standards:</u></p> <p>The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI)</p>	Yes	
2.	<p><u>Adoption and timely updation of the Policies:</u></p> <ul style="list-style-type: none"> All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/circulars/guidelines issued by SEBI 	Yes	
3.	<p><u>Maintenance and disclosures on Website:</u></p> <ul style="list-style-type: none"> The Listed entity is maintaining a functional website Timely dissemination of the documents/ information under a separate section on the website Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website 	Yes	
4.	<p><u>Disqualification of Director:</u></p> <p>None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013</p>	Yes	
5.	<p><u>Details related to Subsidiaries of listed entities :</u></p> <ul style="list-style-type: none"> Identification of material subsidiary companies Requirements with respect to disclosure of material as well as other subsidiaries 	Yes	The Company has no material subsidiary
6.	<p><u>Preservation of Documents:</u></p> <p>The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under the LODR Regulations</p>	Yes	
7.	<p><u>Performance Evaluation:</u></p> <p>The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations.</p>	Yes	
8.	<p><u>Related Party Transactions:</u></p> <p>a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions</p> <p>b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently/approved/ratified/rejected by the Audit committee</p>	Yes	Since, all related party transactions were entered into by the Company only with prior approval of Audit Committee point (b) is not applicable

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by PCS
9.	<u>Disclosure of events or information:</u> The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of the LODR Regulations within the time limits prescribed thereunder	Yes	
10.	<u>Prohibition of Insider Trading:</u> The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	
11.	<u>Actions taken by SEBI or Stock Exchange(s), if any:</u> No actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/guidelines issued thereunder (or) The actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges are specified in the last column	Yes	
12.	<u>Resignation of statutory auditors from the listed entity or its material subsidiaries:</u> In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and / or its material subsidiary(ies) has / have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the LODR Regulations by listed entities	NA	During the year under review, there was no resignation of statutory auditor from the listed entity. Further, the Company has no material subsidiary
13.	<u>Additional non-compliances, if any:</u> No additional non-compliance observed for any of the SEBI regulation/circular/guidance note etc. except as reported above	NA	Nil

FOR SPNP & ASSOCIATES

P. SRIRAM

FCS No. 4862 / CPNo: 3310

PEER REVIEW NO:1913/2022

UDIN: F004862F000246345

Place: Chennai

Date: April 26, 2024



ANNEXURE 1

Sr. No	Compliance Requirement (Regulations/ Circulars/ Guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remark
1.	The listed entity shall give advance notice of at least seven working days (excluding the date of intimation and the record date) to the recognised stock exchange(s)	Regulation no. 60(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	There was one day delay in intimation of Record Date for the purpose of payment of principal amount with interest for privately placed NCDs	BSE Limited where the NCDs are listed	Fine	There was one day delay in intimation of Record Date for the purpose of payment of principal amount with interest for privately placed NCDs	Rs. 21,600/- (net off TDS)	It is observed that the Company has paid on December 7, 2023 the fine amount for the delayed disclosures.	The Company has in place proper systems for timely compliance of the Listing Regulations and the delay was completely inadvertent and un-intentional	Nil

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

Sr. No.	Particulars	FY 2023-2024
1	Corporate Identity Number (CIN) of the Listed Entity	L65191TN1979PLC007874
2	Name of the Listed Entity	Shriram Finance Limited (SFL)
3	Year of incorporation	30-06-1979
4	Registered office address	Sri Towers, Plot No. 14A, South Phase, Industrial Estate, Guindy, Chennai, Tamil Nadu- 600 032
5	Corporate address	Wockhardt Towers, Level-3, West Wing, C-2, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai, Maharashtra - 400 051
6	E-mail	secretarial@shriramfinance.in
7	Telephone	022-4095 9595
8	Website	www.shriramfinance.in
9	Financial year for which reporting is being done	April 01, 2023 to March 31, 2024
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
11	Paid-up Capital	Rs. 3,75,79,28,100
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. U. Balasundararao Company Secretary and Compliance Officer Contact: 022 - 4095 9595 Email: balasundar@shriramfinance.in
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone Basis
14	Name of assurance provider	M/s. Pijush Gupta & Co.
15	Type of assurance obtained	Reasonable Assurance

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Financial Services	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.	93.96%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product/Service	NIC Code	% of total Turnover Contributed
1.	Financial Services	64920*	93.96%

* Other Credit Granting



III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	0	3,082	3,082
International	0	0	0

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	31*
International (No. of Countries)	0

*26 States + 5 Union Territories

b. What is the contribution of exports as a percentage of the total turnover of the entity?	NA*
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*The Company does not export any products or services.

c. A brief on types of customers	As a leading financial institution in the country, we pride ourselves on our commitment to serving the financial needs of the most vulnerable and underserved segments of our society. Our focus is on providing reliable and affordable financial services to Small Road Transport Operators (“SRTOs”) and First-Time Buyers (“FTBs”) of the commercial vehicles who often belong to the weaker sections of society. In addition to catering to the needs of these groups, we also offer loans for equipment and other business purposes to support their growth and expansion. We also extend our financial services to small and medium enterprises. Our offerings further extend to a range of financial products including loans for two-wheelers and three-wheelers, gold, personal needs and vehicles.
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IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1	Permanent (D)	74,645	65,560	87.83%	9,085	12.17%
2	Other than Permanent (E)	NA*	NA*	NA*	NA*	NA*
3	Total employees (D + E)	74,645	65,560	87.83%	9,085	12.17%
WORKERS **						
4	Permanent (F)	NA	NA	NA	NA	NA
5	Other than Permanent (G)	NA	NA	NA	NA	NA
6	Total workers (F + G)	NA	NA	NA	NA	NA

*The Company does not have any employees in the ‘Other than permanent’ category.

** The Company does not have any staff in the ‘Workers’ category.

b. Differently abled Employees and workers:

Sr. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1	Permanent (D)	60	50	83.33%	10	16.67%
2	Other than Permanent (E)	NA*	NA*	NA*	NA*	NA*
3	Total differently abled employees (D + E)	60	50	83.33%	10	16.67%

*The Company does not have any differently abled employees in the 'Other than permanent' category.

DIFFERENTLY ABLED WORKERS *						
4	Permanent (F)	NA	NA	NA	NA	NA
5	Other than Permanent (E)	NA	NA	NA	NA	NA
6	Total differently abled workers (F + G)	NA	NA	NA	NA	NA

* The Company does not have any staff in the 'Workers' category.

21. Participation/Inclusion/Representation of women

Particular	Total	No. and percentage of Females	
	(A)	No. (B)	% (B / A)
*Board of Directors (BoD)	10	1	10%
*Key Management Personnel (KMP)	7	0	0%

*3 KMP (Mr. Umesh Revankar, Executive Vice Chairman; Mr. Y. S. Chakravarti, Managing Director and CEO; Mr. Parag Sharma, Joint Managing Director and CFO) are covered under BoD and KMP both.

22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

Particular	FY 2023-24*			FY 2022-23*			FY 2021-22**		
	(Turnover rate in current FY)			(Turnover rate in previous FY)			(Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	29.71%	33.07%	30.09%	30.23%	35.26%	30.74%*	19.70%	13.16%	19.36%
Permanent Workers***	NA	NA	NA	NA	NA	NA	NA	NA	NA

*During FY 2023-24 and FY 2022-23, the high turnover was on account of employees leaving the Company in less than one year from their date of joining. Calculation methodology is as per BRSR guidelines.

**During FY 2021-22, the turnover was on account of employees leaving the Company in less than one year from their date of joining and the new recruitment of employees having been impacted due to COVID- 19 Pandemic. Calculation methodology is as per BRSR guidelines.

*** The Company does not have any staff in the 'Workers' category.

*/** As per the Company's internal guidelines, the Turnover rate is as follows:

Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

Particular	FY 2023-24			FY 2022-23			FY 2021-22		
	(Turnover rate in current FY)			(Turnover rate in previous FY)			(Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	21.77%	22.40%	21.85%	21.81%	23.52%	21.99%	16.23%	10.90%	15.95%
Permanent Workers	NA	NA	NA	NA	NA	NA	NA	NA	NA

Turnover rate as per Company's internal guidelines = (Total number of relieved employees during the FY/ (Opening count of employees for the FY + Total count of employees added during FY))*100



V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

Sr. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business responsibility initiatives of the listed entity? (Yes/No)
1.	Shriram Housing Finance Limited	Subsidiary	83.78%	No
2.	Shriram Automall India Limited	Associate	44.56%	No

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes
a. Turnover (Rs.)	3,49,97,58,78,547.00
b. Net worth (Rs.)	4,84,63,82,18,497.00

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) **	FY 2023-24			FY 2022-23		
		Current Financial Year			Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	NA	0	0	NA
Investors (other than shareholders)*	Yes	3	0	NA	1	0	NA
Shareholders	Yes	11	1	The pending complaint was duly resolved as on the date of the report.	6	0	NA
Employees and workers	Yes	0	0	NA	0	0	NA
Customers	Yes	16,553	462	The pending complaints were duly resolved as on the date of the report.	10,490	136	The pending complaints were duly resolved.
Value Chain Partners	Yes	0	0	NA	0	0	NA
Other (please specify)				NA	0	0	NA

*Here 'Investors (other than shareholders)' refers to debenture holders of the Company.

**** Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)**

Stakeholder group from whom complaint is received	Web Link for Grievance Policy
Communities	https://cdn.shriramfinance.in/sfl-kalam/files/2023-08/2.Business%20Responsibility%20Policy.pdf
Investors (other than shareholders)	
Shareholders	
Employees and workers	https://cdn.shriramfinance.in/sfl-kalam/files/2023-08/Whistle-Blower-Policy-Vigil-Mechanism-Policy_0.pdf
Customers	
Value Chain Partners	
Other (please specify)	

26. Overview of the entity’s material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	GHG Emissions	Risk	The Company consumes electricity in offices and fuel in employee commute and business travel. Both fuel and electricity generate direct and indirect greenhouse gas (GHG) emissions, including carbon dioxide and methane. Uncontrolled pollutants and emissions during operation and associated activities impose legal and environmental risks for the Company.	The Company prioritises sustainability and understands the need to reduce greenhouse gas emissions. In response to this challenge, the Company is dedicated to implementing eco-friendly policies, investing in clean energy, encouraging the use of energy-saving methods, and participating in carbon offsetting programs. These efforts are aimed at minimizing our environmental impact and fostering a more sustainable world.	Negative
2	Climate Change	Risk	Climate change events, including physical threats like flooding and wildfires and transitional challenges such as focus renewable energy policies, carbon taxes, etc have the potential to affect business operations. Therefore, provide an opportunity to evaluate and reduce these risks.	The Company’s strategy to mitigate climate change related risk involves evaluating and controlling its operational environmental footprint, fostering investments in renewable energy, adopting practices that conserve energy, and participating in sustainable financial methods that bolster initiatives for climate adaptability. Additionally, the Company has revised its lending policy to prevent financing older vehicles that have a higher probability of contributing to atmospheric carbon emissions.	Negative



Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
				<p>This year, the Company has taken the following initiatives aimed at mitigating climate change related risks:</p> <ol style="list-style-type: none"> 1. Measure and report Scope 3 Emissions, 2. Adopt a vendor Code of Conduct incorporating ESG parameters. 	
3	Customer Support and Satisfaction	Risk	<p>In the Non-Banking Financial Company (NBFC) industry, achieving customer satisfaction is crucial. A negative customer experience can threaten the ongoing operations of the business, whereas a positive one can lead to increased earnings and a stronger brand image.</p>	<p>To reduce the likelihood of customer discontent, the Company prioritises direct communication, tailored services, swift problem-solving, and ongoing feedback gathering. The Company also allocates resources to strong systems for handling complaints, training for its staff, and adherence to regulatory standards, all aimed at preserving customer contentment and trust.</p>	Negative
4	Financial Inclusion	Opportunity	<p>Financial inclusion is a central concern for the Company. It contributes to narrowing the economic disparity, elevating the quality of life, and enhancing the availability of credit, thereby stimulating economic advancement and progress. Focusing on Financial Inclusions aids the Company by opening up new market segments, expanding their clientele, and fostering financial education and stability.</p>		Positive
5	Responsible Financing	Opportunity	<p>Responsible financing is important for the Company as it upholds financial steadiness, safeguards borrower rights, and boosts the Company's standing. It also fortifies trust in the financial framework, curtails default risks, and fosters the NBFC's enduring expansion. Moreover, ethical lending methods can draw further investments and bolster the nation's economic progress.</p>	<p>The Company's strategy for ensuring responsible financing includes comprehensive vetting of borrowers and their collateral, compliance with regulatory norms, robust internal governance, application of risk evaluation frameworks, advancement of financial education, and the cultivation of openness and responsibility in every financial dealing.</p>	Positive

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	Data Security and Privacy	Risk	The Company understands the high importance of ensuring data security and privacy. The NBFC industry holds large amounts of sensitive data. Safeguarding customer data is of highest priority for the Company.	The Company has established safeguards against data security and privacy threats, which include strong authorization protocols, data encryption for confidential information, frequent security evaluations, and training programs for employees on proper data management procedures.	Negative
7	Employee Wellbeing	Risk	Prioritizing the welfare of employees can enhance their morale and positively affect their work. Focusing on employee wellbeing also results in diminished expenses associated with recruitment.	The Company is committed to ensure employee well-being and productivity by conducting consistent health examinations, fostering a balanced approach to work and personal life, providing access to mental health resources, offering stress management education, and maintaining a secure and welcoming workplace.	Negative
8	Diversity and Inclusion	Opportunity	A high rate of diversity and inclusion within a Company indicates that employees feel a strong sense of equity and belonging. Enhancing these aspects aids in backing underrepresented groups, which in turn contributes to the development of a positive community-oriented brand image for the Company.		Positive
9	Corporate Governance	Risk	Companies are evaluated on their handling of critical governance matters such as ownership structure, executive compensation, financial reporting, ethical conduct, and openness in taxation. This area of assessment focuses on how a Company's governance and ethical practices impact its shareholders and the broader investment community.	To mitigate corporate governance issues, the Company focuses on establishing stringent internal regulations, performing frequent audits, adhering to legal standards, cultivating an environment of openness and responsibility, and emphasizing effective risk management strategies to protect the interests of the stakeholders.	Negative

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
10	Business Ethics	Risk	Key to business ethics are the management and resolution of issues like fraud, executive wrongdoing, corruption, money laundering, and breaches of competition law. Violations of ethical standards may result in law enforcement scrutiny, substantial penalties, settlement expenses, and reputational harm.	The Company upholds ethical standards through a detailed risk mitigation strategy. The Company regularly organizes training to encourage ethical conduct among team, applies rigorous adherence to regulations, sets up solid internal governance, and performs extensive vetting of clients. This strategy is key to maintaining good standing and earning the confidence of the stakeholders.	Negative
11	Regulatory Compliance	Risk	Adhering to regulatory compliance is essential for companies, as it ensures their operations align with the laws and ethical guidelines established by regulatory bodies and industry norms. Non-compliance can lead to severe repercussions, both financially and in terms of reputation, such as penalties, lawsuits, and erosion of brand credibility and consumer confidence.	The Company ensures compliance with all relevant legal and regulatory standards, keeps accurate records, carries out routine internal reviews, offers employee training, and interacts with regulatory bodies to remain informed about changing regulations.	Negative
12	Fraud Risk Management	Risk	As a NBFC, it is critical to prioritize the control of fraud risks. Fraudulent activities can result in substantial monetary damage and tarnish the Company's reputation, which in turn can erode the trust and confidence of customers.	The Company adopts a comprehensive strategy to minimise fraud risks. Through consistent internal evaluations, solidifying governance procedures, utilizing anti-fraud technologies, fostering integrity among staff, and delivering continuous education to the workforce, the Company focuses on preemptive actions to ensure stakeholder trust and safety.	Negative
13	Innovation	Opportunity	As a NBFC, embracing digital and business innovation is vital. It facilitates improved operational efficiency, cost reduction, betterment of customer service, and broadening of market access. The integration of digital solutions is also key for NBFCs to remain competitive and adapt to the evolving needs of consumers in the rapidly advancing tech-centric financial sector.		Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles, Core Elements and also describes the structures, policies and processes aligned to nine principles of business responsibility. These briefly are as follows:

Sr. No.	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1. a	Whether your entity’s policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b	Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c	Web Link of the Policies, if available	<p>P1 to P9: https://cdn.shriramfinance.in/sfl-kalam/files/2023-08/2. Business%20Responsibility%20Policy.pdf</p> <p>P1:</p> <ol style="list-style-type: none"> https://cdn.shriramfinance.in/sfl-kalam/files/2024-05/Code-of-Conduct-for-Board-of-Directors-and-Senior-Management-Personnel.pdf?VersionId=2ABENRnbZZ29CJaAf119nf4WCQ5p6Cef https://cdn.shriramfinance.in/sfl-kalam/files/2023-08/Whistle-Blower-Policy-Vigil-Mechanism-Policy_0.pdf https://cdn.shriramfinance.in/sfl-kalam/files/2023-08/10. Policy%20on%20Board%20Diversity%20_0.pdf <p>P3:</p> <ol style="list-style-type: none"> https://cdn.shriramfinance.in/sfl-kalam/files/2023-08/Equal-Opportunity-Policy_0.pdf https://cdn.shriramfinance.in/sfl-kalam/files/2023-08/SHRIRAM%20TRANSPORT%20FINANCE%20COMPANY%20LTD%20-%202011.Remuneration%20Policy.pdf <p>P4 to P8: https://cdn.shriramfinance.in/sfl-kalam/files/2023-08/4. Corporate%20Social%20Responsibility%20Policy%20_0.pdf</p>								
2	Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	No	No	No	No	No	No	No	No	No
4	Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	-	-	-	-	-	-	-	-	ISO/IEC 27001 :2013
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	As part of its sustainability journey, the Company has prioritised the enhancement of its ESG performance year on year. SFL has endeavoured to solidify its ESG reporting further by prioritizing areas of carbon neutrality, sustainable finance, financial inclusion, digital innovation, diversity and inclusion and stronger governance mechanisms. In the current Financial Year, the Company has decided to set specific targets on each of the mentioned priority areas.								



Sr. No.	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	<p>The Company has taken great strides in the current Financial Year in its sustainability performance. SFL has expanded its GHG emissions data capturing and reporting to include five categories of Scope 3 emissions namely, across all 3,082 branches and offices :</p> <ul style="list-style-type: none"> Category 1-Purchased Goods and Services Category 2-Capital Goods Category 5 -Waste Generated in Operations Category 6 -Business Travel Category 7 -Employee Commute <p>Further, the Company has initiated the process of including its value chain partners into its ESG ambit. This year, the Company has adopted a Value Chain Code of Conduct, defining the ESG related roles and responsibilities of its value chain partners. This is aimed at facilitating greater transparency and responsibility in all operations of the Company.</p> <p>The Company has improved the process of BRSR data collection and tracking. The internal system of the Company has been improved to include data required by the BRSR report ensuring minimum errors and increased transparency, accuracy and traceability of data.</p>								
Governance, leadership and oversight										
7	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	<p>Dear stakeholders,</p> <p>I take immense pleasure in presenting the BRSR report for Shriram Finance Limited (SFL). As a leading retail NBFC, we are proud to contribute to and make positive impacts in the environment, economy, and social fronts. Thanks to the relentless efforts of our experienced management teams, employees, and investments in cutting-edge technologies. It fills our hearts with pride to witness the transformation of our customers’ dreams into reality through our credit solutions.</p> <p>Sustainable finance and reducing the unwanted impact resulting from our operations have always been key priorities for us. Carrying forward our principles of protecting and nurturing the environment, we have adopted environmentally conscious policies, promoted energy-efficient practices, and engaged in carbon offset initiatives. We prioritize providing credit to vehicles running on alternate fuels to aid this process. Moreover, our stringent policies prohibit financing of older vehicles that have a higher likelihood of emitting carbon emissions into the atmosphere. Additionally, principles of resource conservation and waste minimization are widely embraced at all our facilities.</p> <p>At SFL, we truly believe that our shared future is defined through social welfare programs and collaborative community spirit. Therefore, we have taken the onus of running educational programs, undertaking healthcare initiatives, and promoting skill development to leverage employment opportunities for rural communities. As a socially responsible corporate citizen, we have extended primary and secondary education scholarships to 61,378 underprivileged children across the length and breadth of the country. We strongly believe that accessing the best quality healthcare services is everyone’s right, and to ensure this, we have established 15 Mobile Medical Units (MMUs) for the trucker community, impacting 1,62,711 lives. Additionally, as a part of our employment generation initiative, we have upskilled 21,904 drivers, half of whom belong to vulnerable and marginalized communities, ensuring they earn their livelihood in a sustainable manner.</p> <p>Our stringent corporate governance policies ensure openness in decision-making processes, alignment with ethical standards, and compliance with laws and regulations. We are committed to providing maximum benefits to our stakeholders and employees, which can be determined from our comprehensive life, health, and accidental insurance schemes. Additionally, we conduct various training workshops periodically to open new doors and opportunities for our employees.</p>								

Sr. No.	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9																
	<p>Lastly, I want to inform all directly or indirectly associated with us that ESG principles are the bedrock of our policies. Our environmentally inclined strategies and practices will create new financial opportunities and contribute positively to society and the environment. We will continue introducing capabilities and partnerships to further our position as a profitable and sustainable leader in the financing industry.</p> <p>Thank you for your continued support and partnership. Sincerely, Mr. Y. S. Chakravarti Managing Director and CEO Shriram Finance Limited</p>																									
8	<p>Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). Mr. Y. S. Chakravarti, Managing Director & CEO, is responsible for the implementation and oversight of the Business Responsibility policy. Mr. S. Sunder, Joint Managing Director, is the Business Responsibility Head of the Company.</p>																									
	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No).									Yes																
9	<p>If Yes please provide details</p> <p>The primary role of Environmental, Social and Governance Committee (“ESG Committee”) is to assist the Board in fulfilling its oversight role regarding ESG matters crucial to the Company’s operations. This involves identifying key ESG matters, aiding the Board on the relevant ESG issues, as well as exercising oversight in shaping the Company’s Sustainability and ESG strategy.</p> <p>Following is the composition of the ESG Committee:</p> <table border="1"> <thead> <tr> <th>Name of the Committee member</th> <th>Designation of the Committee member</th> </tr> </thead> <tbody> <tr> <td>Mr. Jugal Kishore Mohapatra</td> <td>Chairman, Independent Director</td> </tr> <tr> <td>Mrs. Maya Sinha</td> <td>Member, Independent Director</td> </tr> <tr> <td>Mr. S. Ravindran</td> <td>Member, Independent Director</td> </tr> <tr> <td>Mr. Umesh G. Revankar</td> <td>Member, Executive Vice Chairman</td> </tr> <tr> <td>Mr. Y. S. Chakravarti</td> <td>Member, Managing Director & CEO</td> </tr> <tr> <td>Mr. Parag Sharma</td> <td>Member, Joint Managing Director & CFO</td> </tr> <tr> <td>Mr. S. Sunder</td> <td>Member, Joint Managing Director</td> </tr> </tbody> </table>	Name of the Committee member	Designation of the Committee member	Mr. Jugal Kishore Mohapatra	Chairman, Independent Director	Mrs. Maya Sinha	Member, Independent Director	Mr. S. Ravindran	Member, Independent Director	Mr. Umesh G. Revankar	Member, Executive Vice Chairman	Mr. Y. S. Chakravarti	Member, Managing Director & CEO	Mr. Parag Sharma	Member, Joint Managing Director & CFO	Mr. S. Sunder	Member, Joint Managing Director									
Name of the Committee member	Designation of the Committee member																									
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Mr. Umesh G. Revankar	Member, Executive Vice Chairman																									
Mr. Y. S. Chakravarti	Member, Managing Director & CEO																									
Mr. Parag Sharma	Member, Joint Managing Director & CFO																									
Mr. S. Sunder	Member, Joint Managing Director																									

10 Details of Review of NGRBCs by the Company

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
a. Performance against above policies and follow up action	ESG Committee								
b. Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	Managing Director and CEO								
Subject for Review	Frequency (Annually / Half yearly /Quarterly/ Any other-please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
a. Performance against above policies and follow up action	Annually								
b. Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	Quarterly								
11 Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/ No).	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes



Subject for Review	Frequency (Annually / Half yearly / Quarterly/ Any other-please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
If yes, provide name of the agency.	Vinod Kothari Consultants Private Limited								
12 If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity does not have the financial or/ human and technical resources available for the task (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
It is planned to be done in the next financial year (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

(This principle focuses on the importance of ethical conduct and transparency in business operations. Companies should follow ethical business practices and adhere to high standards of integrity. They should also be transparent about their activities, operations, and financial reporting, as well as be accountable for their actions)

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors (BoD)	8	<ol style="list-style-type: none"> Detailed presentation which includes micro and macroeconomic factors impacting the industry in general Discussion on Global economy, foreign bankers view on Indian economy, banking industry, financial environment, anticipation of future borrowing/lending rates. Significant changes in regulatory environment. Functioning of various Committees of the Board and business and operations of the Company, risk management, IT strategies, internal control system etc. Redressal of customers and investors complaints, risk management framework, quarterly and financial results through the Board/Committee meetings Updates on BRSR Matters related to ESG and Sustainability Report Discussion on various Employee benefit plans, operational procedures, regulatory requirements and impact on the Company’s financials 	100%

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Key Managerial Personnel (KMP)	12	<ol style="list-style-type: none"> 1. Detailed presentation which includes micro and macroeconomic factors impacting the industry in general 2. Discussion on Global economy, foreign bankers view on Indian economy, banking industry, financial environment, anticipation of future borrowing/lending rates. 3. Significant changes in regulatory environment. 4. Functioning of various Committees of the Board and business and operations of the Company, risk management, IT strategies, internal control system etc. 5. Redressal of customers and investors complaints, risk management framework, quarterly and financial results through the Board/Committee meetings 6. Updates on BRSR 7. Matters related to ESG and Sustainability Report 8. Discussion on various Employee benefit plans, operational procedures, regulatory requirements and impact on the Company's financials 9. Discussion on Social Finance Framework 10. Training on compliances under the Company's Prohibition of Insider Trading Code 11. Discussion on new avenues for raising funds 12. Updates on CSR Reporting 	100%
Employees other than BoD and KMPs	1,840	<ol style="list-style-type: none"> 1. Induction Programme for Management Trainees 2. Induction Training for Commercial Vehicle Channel Level II 3. Induction Training for New Employees. 4. Induction Training Programme for Commercial Staff 5. Product Training 6. Branch Managers Training 7. Branch Team Leaders Training Program 8. Business Loan Training 9. Collection Mangers Training Programme 10. Gold Loan Training Programme 11. MSME Training Programme 12. Refresher Need Based Training 13. Refresher Programme for Branch Managers 14. Refresher Programme for Commercial Staff 15. Refresher Programme for Field Staff 16. Refresher Training Legal 17. Two Wheeler Training Programme 	100%
Workers	NA	NA	NA



2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website)

Monetary					
Particular	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Fine	Nil	Nil	Nil	Nil	Nil
Settlement	Nil	Nil	Nil	Nil	Nil
Compounding fee	Nil	Nil	Nil	Nil	Nil

Non-Monetary					
Particular	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment					Nil
Punishment					

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NA*	NA*

*There were no cases where appeal/revision was preferred in the reporting period.

4. Does the entity have anti-corruption or anti-bribery policy? (Yes/ No)

Yes

If Yes, provide details in brief

The Company is committed to upholding the highest standards of integrity and fairness in all our business dealings. We strictly prohibit any form of abusive, corrupt, or anti-competitive practices, ensuring our operations promote a healthy, ethical, and competitive business environment. This commitment is integral to our corporate values and is enforced through the Business Responsibility Policy.

The Company places immense emphasis on Integrity and Ethical conduct in all its business affairs and conduct of its employees across all the levels. Accordingly, employees are expected to strictly comply with and adhere to the Company's Code of Conduct Policy. The Company is committed to comply with all relevant anticorruption legislations such as Prevention of Corruption Act, 1988 and Prevention of Money Laundering Act, 2002, as amended from time to time.

If Yes, Provide a web link to the policy, if available -Web link anti-corruption or anti bribery policy is place

<https://cdn.shriramfinance.in/uploads/investor/pdf/Whistle-Blower-Policy-Vigil-Mechanism-Policy.pdf>

5. Number of Directors/ KMPs/ employees/ workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Particular	FY 2023-24	FY 2022-23
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest:

Case Details	FY 2023-24		FY 2022-23	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.	NA*
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*There were no such cases in the reporting period.

8. Number of days of accounts payables (Accounts payable *365) / Cost of goods/services procured) in the following format:

Particular	FY 2023-24	FY 2022-23
Number of days of accounts payables	44.48	68.15

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0	0
	b. Number of trading houses where purchases are made from	0	0
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	0	0
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	0	0
	b. Number of dealers / distributors to whom sales are made	0	0
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	0	0
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0	0
	b. Sales (Sales to related parties / Total Sales)	0	0
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0	0
	d. Investments (Investments in related parties/ Total investments made)	0.12%	0.05%

Leadership Indicators**1. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No)**

Yes

If Yes, provide details of the same.

The Company secures an annual declaration from its Directors and Senior Management Personnel to confirm adherence to its Code of Conduct, which applies to both the Board of Directors and Senior Management Personnel. Additionally, the Company routinely performs internal audits to verify compliance.



PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe.

(This principle highlights the importance of sustainable and safe production practices. Companies should strive to minimize the environmental impact of their activities and ensure that their products and services are safe for consumers and the environment.)

Essential Indicator

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

Sr. No.	Particular	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
1	R&D	0	0	NA*
2	Capex	0	0	NA*

*The Company has not invested in R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts.

2.	a.	Does the entity have procedures in place for sustainable sourcing? (Yes/No)	No
	b.	If yes, what percentage of inputs were sourced sustainably?	0%
3.		Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for	
	(a)	Plastics (including packaging)	NA*
	(b)	E-waste	NA*
	(c)	Hazardous waste	NA*
	(d)	other waste	NA*

*This is not relevant to SFL operations as 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 and does not manufacture any products.

4.	a.	Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No)	No*
	b.	If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards?	NA*
	c.	If not, provide steps taken to address the same	NA*

* This is not applicable to SFL, the Company is primarily engaged in the business of financing and does not manufacture any physical products.

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains.

(This principle emphasizes the importance of employee well-being. Companies should provide safe and healthy working conditions, fair wages, and opportunities for career development to all employees in their value chains, including suppliers, contractors, and temporary workers.)

Essential Indicators

- 1 a. **Details of measures for the well-being of employees:**

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	65,560	65,560	100%	65,560	100%	0	0	0	0%	0	0%
Female	9,085	9,085	100%	9,085	100%	9,085	100%	0	0%	0	0%
Total	74,645	74,645	100%	74,645	100%	9,085*	100%	0	0%	0	0%

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Other than permanent employees											
Male	NA**										
Female											
Total											

*Maternity leave benefit has been extended to all female employees of the Company.

**There are no employees in the 'other than permanent' category.

1. b. Details of measures for the well-being of workers:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	NA*										
Female											
Total											
Other than permanent workers											
Male	NA*										
Female											
Total											

* The Company does not have any staff in the 'Workers' category.

1. c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

	FY 2023-24	FY 2022-23
Cost incurred on well- being measures as a % of total revenue of the Company	0.20%	0.15%

The figures for FY 2023-24 and FY 2022-23 include the premium paid towards health insurance, term life insurance and personal accidental insurance, death compensation and staff welfare expenses.

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers**	Deducted and deposited with the authority (Y/N/NA)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers**	Deducted and deposited with the authority (Y/N/NA)
PF	100%	NA	Yes	100%	0	Yes
Gratuity	100%	NA	Yes	100%	0	Yes
ESI*	62%	NA	Yes	63%	0	Yes
Others – please specify	0	0	0	0	0	0

*ESI is given to 100% of eligible personnel.

** The Company has no staff in the "Worker" category.



3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

If not, whether any steps are being taken by the entity in this regard.

SFL supports its differently abled staff completely. Our premises/offices are accessible to differently abled employees wherever they are employed.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016?

Yes

If so, provide a web-link to the policy.

<https://cdn.shriramfinance.in/uploads/investor/pdf/Equal-Opportunity-Policy.pdf>

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers*	
	Return to work rate	Retention Rate	Return to work rate	Retention Rate
Male	NA	NA	NA	NA
Female	92.7%	78.41%	NA	NA
Total	92.7%	78.41%	NA	NA

* The Company has no staff in the “Workers” category.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Category	Yes/No	If Yes, then give details of the mechanism in brief
Permanent Workers	NA*	
Other than Permanent Workers	NA*	
Permanent Employees	Yes	The Human Resources Management System (HRMS) Portal is open to all employees for the submission of their concerns. It is overseen by the HR Head of the Company, who ensures strict privacy when handling complaints or grievances. The HR Head of the Company is committed to addressing and resolving all matters promptly.
Other than Permanent Employees	NA**	

* The Company has no staff in the “Worker” category.

** The Company has no staff in the ‘Other than permanent’ category.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2023-24			FY 2022-23		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent employees						
Male	65,560	0	0%	57,276	0	0%
Female	9,085	0	0%	6,776	0	0%
Total Permanent Workers						
Male	NA*					
Female	NA*					

* The Company has no staff in the “Permanent Workers” category.

8. Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23				
	Total (A)	On Health and Safety Measures		On Skill Upgradation		Total (D)	On Health and Safety Measures		On Skill Upgradation	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (F/D)
Employees										
Male	65,560	62,193	94.86%	62,193	94.86%	57,276	23,935	41.79%	23,935	41.79%
Female	9,085	8,425	92.74%	8,425	92.74%	6,776	2,648	39.08%	2,648	39.08%
Total	74,645	70,618	94.61%	70,618	94.61%	64,052	26,583	41.50%	26,583	41.50%
Workers										
Male	NA*									
Female	NA*									
Total	NA*									

* The Company has no staff in the “Workers” category.

9. Details of performance and career development reviews of employees and worker:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	65,560	52,593	80.22%	57,276	22,709	39.65%
Female	9,085	6,669	73.41%	6,776	2,513	37.09%
Total	74,645	59,262	79.39%	64,052	25,222	39.38%
Workers						
Male	NA*					
Female	NA*					
Total	NA*					

* The Company has no staff in the “Workers” category.



10. Health and safety management system

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No)	Yes
If Yes, the Coverage such systems?	
The Company acknowledges that there are no occupational health and safety hazards associated with its business operations. However, the well-being of its employees remains a top priority. We ensure the availability of a first aid kit at all our business locations. We also advise our employees to use helmets while riding through various training programs.	
b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	
The Company has an employee review process, through which the Company identifies any concerns of its workforce including work related hazards. The identified hazards are duly conveyed to the management and appropriate action is taken as necessary. Additionally, all business locations of the Company have fire extinguishers and fire drills are conducted at regular intervals.	
c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks? (Yes/ No)	NA*
d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	No

* The Company has no staff in the “Workers” category.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	NA**	NA**
Total recordable work-related injuries	Employees	0	0
	Workers	NA**	NA**
No. of fatalities	Employees	0	0
	Workers	NA**	NA**
High-consequence work-related injury or ill health (excluding fatalities)	Employees	0	0
	Workers	NA**	NA**

*Including in the contract workforce

**The Company does not have any staff in the ‘Workers’ category.

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company prioritizes the health and safety of its workforce and their family members. SFL offers health insurance (including family members), term life insurance and personal accidental cover to all its employees.

The field staff are regularly advised to ensure maximum safety while on road. Periodic reminders via SMS and email are sent to educate employees on personal safety practices. Fire extinguishers are placed at all branches and offices and fire safety drills are conducted periodically.

13. Number of Complaints on the following made by employees and workers:

Particulars	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	NA	0	0	NA
Health & Safety	0	0	NA	0	0	NA

14. Assessment for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

Each branch is regularly visited by senior officials and internal auditors of the Company. As part of the visit, the working conditions and health and safety practices are observed and checked.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health & safety practices and working conditions.

NA*

*There were no incidents during the reporting period.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of

(A) Employees (Y/N)	Yes
(B) Workers (Y/N)	NA*

* The Company has no staff in the “Workers” category.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company diligently ensures that all statutory payment challans from the previous month are appended to the current month’s invoices for our regular vendors. This practice is part of our commitment to maintaining transparent and compliant financial transactions.

3. Provide the number of employees/workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Particular	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	0	0	0	0
Workers*	NA	NA	NA	NA

*The Company does not have any staff in the ‘Workers’ category.

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders.

(This principle highlights the importance of stakeholder engagement. Companies should consider the interests and perspectives of all stakeholders, including shareholders, employees, customers, suppliers, and the communities in which they operate. They should also be responsive to stakeholder concerns and feedback.)

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company prioritizes stakeholder identification as a critical element in the success of its operations. The process begins with an in-depth analysis of Company operations to accurately identify key stakeholders, including employees, customers, investors, shareholders, suppliers, vendors, government bodies, and regulatory authorities. Furthermore, SFL recognizes the significance of local communities where it operates, considering them vital stakeholders in its engagement strategies. By understanding the needs and concerns of these groups, the Company proactively meets their expectations, mitigate risks, and foster sustainable relationships essential to its ongoing success. SFL’s commitment to continuous stakeholder engagement ensures that it remains informed, adaptive, and responsive to their evolving needs.



2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other- Please Specify)	Frequency of engagement (Annually, Half-yearly, Quarterly, others- Please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	Email, SMS, Newspaper, Website	Quarterly	To share updates of the Company and to call for meetings
Investors	No	Email, Newspaper, Website, Investor meetings and presentations	Monthly	To share updates of the Company like business strategy and performance, market outlook, etc.
Vulnerable Customers	Yes	Email, SMS, Newspaper, Website, Chatbot, Whatsapp, Shriram One App	As required	To share new offerings, intimate about interest rate changes, redressal of complaints and CSR activities.
Other Customers	No	Email, SMS, Newspaper, Website, Chatbot, Whatsapp, Shriram One App	As required	To share new offerings, intimate about interest rate changes and redressal of complaints
Employees	No	Email, Website and engagement events	As required	To share updates of the Company, health and safety related information, learning and development, employee benefits and work related updates
Government and Regulators	No	Email, Documents	As required	To update on various compliances, financial performance and to seek approvals
Value Chain Partners	No	Email	As required	To further strengthen the business relationship and update about the Company
CSR Community	Yes	In-person, Community meetings	During and after the project implementation	To gather feedback and understand needs and engage them in the projects

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company is committed to maintaining open communication and providing stakeholders with relevant information regarding decisions that affect them, while also safeguarding sensitive business strategies and data. For SFL, stakeholder interaction is an ongoing activity led by the Company's senior management. The ESG Committee receives regular updates on the outcomes of these interactions to provide its advice or feedback on related issues.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No).

Yes

If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Continuous engagement with stakeholders is pivotal in aligning with their expectations, thereby enhancing the Company's capability to better serve its stakeholders. This ongoing interaction ensures that we are responsive to their needs and can effectively address their concerns.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

Through its Corporate Social Responsibility (CSR) policy, the Company has launched multiple initiatives aimed at benefiting various societal segments, particularly focusing on the marginalized, vulnerable, and underprivileged groups. Notably, truck drivers are offered an upskilling training program designed to enhance their professional skills and increase their earning potential. Upon successful completion of this program, participants undergo an online assessment and receive a Level 4 certificate from the Logistics Sector Skill Council (LSC), accredited by Skill India.

PRINCIPLE 5 Businesses should respect and promote human rights.

(This principle focuses on the importance of human rights. Companies should respect and promote human rights, including the rights to freedom of expression, association, and privacy. They should also prevent and address human rights violations in their operations and value chains.)

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	74,645	70,618	94.60%	64,052	26,583	41.50%
Other than permanent	0	0	0%	0	0	0%
Total Employees	74,645	70,618	94.60%	64,052	26,583	41.50%
Workers						
Permanent						NA*
Other than permanent						
Total Workers						

*The Company has no staff in the "Workers" category.

2. Details of minimum wages paid to employees and workers

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	65,560	3,218	4.91%	62,342	95.09%	57,276	2,395	4.18%	54,881	95.82%
Female	9,085	1,243	13.68%	7,842	86.32%	6,776	914	13.49%	5,862	86.51%
Total	74,645	4,461	5.98%	70,184	94.02%	64,052	3,309	5.17%	60,743	94.83%



Category	FY 2023-24				FY 2022-23					
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Other than Permanent										
Male	NA*									
Female										
Total										
Workers										
Permanent										
Male	NA**									
Female										
Total										
Other than Permanent										
Male	NA**									
Female										
Total										

*The Company does not have any employees in the 'Other than permanent' category.

**The Company does not have any staff in the 'Workers' category.

3. Details of remuneration/salary/wages

a. Median remuneration / wages:

Particular	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (Rs.)	Number	Median remuneration/ salary/ wages of respective category (Rs.)
Board of Directors (BoD)*	9	37,85,000	1	37,15,000
Key Managerial Personnel (KMP) **	4	97,28,856	0	0
Employees other than BoD and KMP	65,553	3,28,056	9,085	2,58,988
Workers	NA***			

*The remuneration of Board of Directors includes the remuneration paid to Executive Directors and the commission and sitting fees paid to Independent Directors for attending the Board and Committee meetings.

**Excluding 3 KMP already covered under Board of Directors.

*** The Company has no staff in the "Workers" category.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

Particulars	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	8.88%	7.75%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes / No)

Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

SFL has established state-wise Internal Complaints Committees (ICC) in accordance with Section 4(1) of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013. Each ICC comprises a presiding member, three additional members, and one external member. Complaints can be submitted via email to the presiding officer. The ICC is committed to addressing grievances promptly and appropriately, ensuring resolution within 30 days of receiving a complaint.

6. Number of Complaints on the following made by employees and workers:

Particulars	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	6	2	NA	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Particulars	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	6	0
Complaints on POSH as a % of female employees / workers	0.07%	0
Complaints on POSH upheld	1	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has established a state-specific internal complaints committee to handle issues related to the Prevention of Sexual Harassment (POSH). All other employee concerns are managed via an employee portal, overseen directly by the Company's Head of HR, ensuring the confidentiality of the complainant's identity throughout the process.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

10. Assessments for the year:

Name of the Assessment	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	0%

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

NA*

*There were no such cases.

Leadership Indicators**1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

Though the number of human rights complaints is not significant to the total employee base, the Company has taken POSH trainings as priority and made mandatory in every kind of training conducted for the employees to ensure that no such incidents are repeated. The Company prioritises the safety of all staff members and hence has made POSH awareness mandatory.



2. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

We are committed to fully adhering to the Persons with Disabilities Act 2016 by continuously upgrading our facilities to ensure they are accessible to everyone, including individuals with disabilities.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.

(This principle emphasizes the importance of environmental stewardship. Companies should minimize their impact on the environment, conserve natural resources, and promote environmental sustainability. They should also take steps to restore and rehabilitate degraded ecosystems.)

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2023-24	FY 2022-23
From renewable sources		
Total electricity consumption (A)	0	0
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	0	0
From non-renewable sources		
Total electricity consumption (D)	1,01,662.56	86,108.73
Total fuel consumption (E)	64,202.49	53,823.47*
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	1,65,865.05	1,39,932.20
Total energy consumed (A+B+C+D+E+F)	1,65,865.05	1,39,932.20
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	0.000000473	0.000000469
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	0.000000131	0.000000136
Energy intensity in terms of physical output	NA	NA
Energy intensity per employee	2.2220	2.1846

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? Yes

If yes, name of the external agency. M/s. Pijush Gupta & Co.

*In the current FY, the Company has revised the data collection methodology. Hence the fuel data for FY 2022-23 has been updated based on the revised methodology.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Yes/No) Not Applicable

If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-24*	FY 2022-23**
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	8,62,426.21	7,40,037.83
(iv) Seawater / desalinated water	0	0
(v) Others	0	0

Parameter	FY 2023-24*	FY 2022-23**
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	8,62,426.21	7,40,037.83
Total volume of water consumption (in kilolitres)	8,62,426.21	7,40,037.83
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.00000246	0.00000248
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.000000680	0.000000718
Water intensity in terms of physical output	NA***	NA
Water intensity per employee	11.5537	11.5540

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/No) Yes

If yes, name of the external agency.

M/s. Pijush Gupta & Co.

*The water consumption has been calculated on the basis of per employee water consumption including drinking water and municipal water.

The calculation of municipal water has been conducted on the basis of the water units consumed as per the municipal water bill of one large branch office. Based on that, an average per employee per year consumption for the Company has been calculated.

The calculation of drinking water has been done on an actual basis.

**The Company has recalculated previous year's water consumption based on the revised methodology used in FY 2023-24.

***The nature of our business activities is such that there is no physical output.

4. Provide the following details related to water discharged:

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	0	0
No treatment	0	0
With treatment – please specify level of treatment	0	0
(ii) To Groundwater	0	0
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iii) To Seawater	0	0
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties	8,62,426.21*	7,40,037.83*
No treatment	8,62,426.21*	7,40,037.83*
With treatment – please specify level of treatment	0	0
(v) Others	0	0
No treatment	0	0
With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	8,62,426.21	7,40,037.83



Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) Yes

If yes, name of the external agency. M/s. Pijush Gupta & Co.

*The Total value for water consumed reported in Question 3 above has been taken as water discharged, assuming 100% water consumed as water discharged.

5. Has the entity implemented a mechanism for Zero Liquid Discharge?

No

If yes, provide details of its coverage and implementation.

NA

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	NA*	0	0
SOx	NA	0	0
Particulate matter (PM)	NA	0	0
Persistent organic pollutants (POP)	NA	0	0
Volatile organic compounds (VOC)	NA	0	0
Hazardous air pollutants (HAP)	NA	0	0
Others – please specify	NA	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) Not Applicable

If yes, name of the external agency.

*The nature of our business activities is such that there are no air emissions.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	3,963.44	3,319.53*
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	20,219.56	19,374.46
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)		0.0000000691	0.0000000761
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		0.0000000191	0.0000000220
Total Scope 1 and Scope 2 emission intensity in terms of physical output		NA	NA
Total Scope 1 and Scope 2 emission intensity per employee		0.3239	0.3543

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) Yes

If yes, name of the external agency. M/s. Pijush Gupta & Co.

*In the current FY, the Company has revised the data collection methodology. Hence, the Scope 1 data for FY 2022-23 has been updated based on the new methodology.

8. Does the entity have any project related to reducing Green House Gas emission? (Yes/ No)

No

If Yes, then provide details.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24	FY 2022-23*
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0.67	0.36
E-waste (B)	18.78	16.80
Bio-medical waste (C)	0.00	0.00
Construction and demolition waste (D)	0.00	0.00
Battery waste (E)	48.04	47.14
Radioactive waste (F)	0.00	0.00
Other Hazardous waste. Please specify, if any. (G)	0.00	0.00
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	434.78	51.98
(H.1) Paper	340.65**	36.21**
(H.2) Cardboard	92.65	13.63
(H.3) Metal	1.48	2.14
Total (A+B + C + D + E + F + G + H)	502.27	116.28
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.00000000143	0.000000000390
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.00000000040	0.000000000113
Waste intensity in terms of physical output	NA	NA
Waste intensity per employee	0.00673	0.00181

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste	FY 2023-24	FY 2022-23*
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	502.27	116.28
Total	502.27	116.28



For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste	FY 2023-24	FY 2022-23*
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) Yes

If yes, name of the external agency.

M/s. Pijush Gupta & Co.

*In the current FY, the Company has revised the data collection methodology. Hence the waste data for FY 2022-23 has been updated based on the revised methodology.

**The paper shredding activity is undertaken based on the availability of the old records for disposal based on the Company's policy. The Company undertakes shredding if the records or scrap is available for disposal. There was minimal paper shredding activity conducted in FY 2022-23.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Due to the nature of our business, we do not produce any dangerous or toxic substances. Our operations are structured to be environmentally responsible, ensuring that we avoid creating any materials that could be harmful to health or the environment.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sr. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N)	If no, the reasons thereof and corrective action taken, if any.
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NA*

*The Company has no operations/offices in/around ecologically sensitive areas.

12. Details of Environmental Impact Assessments (EIA) of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
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NA*

*The Company has not conducted EIA during the reporting period.

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Yes / No).

Yes

If not, provide details of all such non-compliances, in the following format:

Specify the law/regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
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The Company is in compliant with all applicable laws.

Leadership Indicators

1. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2023-24	FY 2022-23*
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	TCO ₂ e	66,430.81	NA
Total Scope 3 emissions per rupee of turnover		0.000000190	NA
Total Scope 3 emission intensity per employee		0.8899	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

If yes, name of the external agency.

- Employee commute emission includes emission calculation of 74,645 employees. The Company collected daily employee data for 13,622 employees on an actual basis and extrapolated for the entire workforce.
- EPA's GHG Emission Factors Hub, DEFRA conversion factors, CEA's CDM - CO₂ Baseline Database User Guide Version 19 has been used for the purpose of GHG Emissions calculations.

*The Company has conducted Scope 3 emissions calculations in FY 2023-24 for the first time.

2. Does the entity have a business continuity and disaster management plan? (Yes/No)

Yes

Give details in 100 words/ web link.

The Company had framed a business continuity plan to avoid any disruption of critical services. During the reporting year, there were no disruptions of critical services of the Company. The Company is prepared to invoke business continuity plan as and when the likely disruptive events, their probability and impact on business operations are envisaged.

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

(This principle highlights the importance of responsible advocacy. Companies should engage in policy advocacy in a responsible and transparent manner, and avoid engaging in activities that could undermine the public interest or the democratic process.)

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

10



- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National)
1.	Finance Industry Development Council (FIDC)	National
2.	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
3.	Federation of Indian Hire Purchase Associations (FIHPA)	National
4.	Confederation of Indian Industry (CII)	National
5.	Indian Chamber of Commerce (ICC)	National
6.	Indian Construction Equipment Manufacturers' Association (ICEMA)	National
7.	Society of Indian Automobile Manufacturers (SIAM)	National
8.	Associated Chambers of Commerce and Industry of India (ASSOCHAM)	National
9.	All India Transporters Welfare Association (AITWA)	National
10.	All India Motor Transport Congress (AIMTC)	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
NA*		

*There were no cases of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development.

(This principle emphasizes the importance of promoting inclusive and equitable economic development. Companies should create economic opportunities for all, including disadvantaged and marginalized groups. They should also contribute to the development of local communities and support social and economic empowerment.)

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
-	-	-	-	-	-

The Social Impact Assessment is being carried out for the ongoing CSR projects for the Financial Year 2023-24.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sr. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
NA*	NA*	NA*	NA*	NA*	NA*	NA*

*No such projects were undertaken by the Company.

3. Describe the mechanisms to receive and redress grievances of the community.

Step 1: Our implementing partners attend to beneficiaries' grievances at their operational level as a primary course of action.

Step 2: In the event that these grievances remain unresolved, beneficiaries are advised to escalate the matter to the Corporate Social Responsibility (CSR) department within our organization, or to visit the nearest branch of the Company.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Particular	FY 2023-24	FY 2022-23*
Directly sourced from MSMEs/ small producers	19%	9%
Directly from within India	22%	10%

*During FY 2023-24, the Company has conducted identification of producers for FY 2022-23 as well. Based on the calculation FY 2022-23 numbers have been updated.

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Particular	FY 2023-24	FY 2022-23
Rural	39.47%	37.52%
Semi-urban	36.05%	35.53%
Urban	22.03%	23.36%
Metropolitan	2.44%	3.59%

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban/metropolitan)

Leadership Indicators

1. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr. No.	State	Aspirational District	Amount spent (In INR)
1.	Chhattisgarh	Korba	2,11,53,152
2.	Andhra Pradesh	Vishakhapatnam	37,72,377
3.	Jharkhand	Ranchi	37,72,377

2. Details of beneficiaries of CSR Projects:

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Preventive Health Care	1,62,711	51%
2.	Education Support to School	4,536	100%
3.	Primary & Secondary education scholarship	61,378	100%
4.	Upskilling Driver training program	21,904	50.47%
5.	Two Wheeler Mechanic training program	875	82.85%
6.	Preservation of Arts & Culture	50	0%
7.	Education & Skilling	344	100%



PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner.

(This principle highlights the importance of responsible consumer engagement. Companies should provide safe, high-quality products and services, and ensure that they are marketed and sold ethically and responsibly. They should also be transparent about their products and services, and provide consumers with the information they need to make informed choices.)

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

General nature of complaints:

Complaints/requests from customers are generally in the nature of:

- 1) Non –Receipt of Deposit/Debenture Certificate
- 2) Interest amount not credited in Bank Account
- 3) Investor name not properly printed in the Certificate
- 4) Change of address not incorporated in the Certificate
- 5) Dividend amount not received
- 6) Maturity amount not received
- 7) Statement of Account not received,
- 8) NOC not received
- 9) Complaints of any other nature.

Complaints received from customers with regard to their grievances/concerns against the agents/intermediaries appointed by the Company for outsourcing of its financial services, shall also be addressed under the Grievances Redressal Mechanism as enumerated below. The Company shall have an oversight on the services provided by the Direct Selling Agent (DSA) / Revenue Sharing Party /(RSP) relating to redressal of customer grievances.

Customer Service Management System (CSMS)

CSMS addresses the complaints and requests raised by the customers through various channels. The Call centre/Branch/Head Office/Website/Shriram SuperApp captures all the issues raised by the customers in CSMS for further action.

The complaints can be raised through the following modes:

- 1. Customers can raise complaints/requests by calling to the Call Centre/Branch/Head Office/Registered Office
- 2. Customers can raise complaints/requests by sending e-mail to the designated Customer Care/Grievance mail IDs
- 3. Customers can raise complaints/requests through the Company’s official website/Super App.

Process review:

All the issues/requests raised by customers through various modes such as Call centre/Branch/Company’s website/emails/ letters etc., are first entered into CSMS and addressed and resolved by the respective regions and consequently closed in the CSMS. In case of delay in redressal of complaint by the region, the following escalation matrix shall be followed:

Escalation Matrix:

The system auto-escalates the complaint as shown below:

Level of Escalation	Escalation to
Level 1	Regional Team Leader/Regional Business Head
Level 2	Zonal Team Leader/ Zonal Business Head
Level 3	Commercial Heads
Level 4	Grievance Redressal officer

The contact details of the Grievance Redressal Officer of the Company are given below: -

The Grievance Redressal Officer
 Shriram Finance Limited
 144, Santhome High Road, Chennai-600004
 Tamil Nadu, India
 Contact no. 044-24642733
 Email: grievance@shriramfinance.in



The Company shall be responding to the customer within a maximum period of 30 days from the date of receipt of the complaint. If the customer has not received any response within 30 days or if the customer is not satisfied with the response, then he/she may raise a complaint with the Reserve Bank of India either through RBI CMS Portal or RBI Contact Centre as given below:-

RBI CMS Portal: <https://cms.rbi.org.in>

RBI Contact Centre Contact no.:14448

RBI Postal Address:Reserve Bank of India

Centralised Receipt and Processing Centre,

4th Floor, Sector 17,

Chandigarh – 160017

The complaints received from RBI and other authorities are sent to the Nodal Officers for resolution and providing response to RBI. The Principal Nodal Officer shall submit the report on the status of the complaints on quarterly basis to the Board of Directors.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about

Particular	As a percentage to total turnover
Environmental and social parameters relevant to the product	NA*
Safe and responsible usage	100%
Recycling and/or safe disposal	NA*

*This is not relevant to SFL operations as 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 and does not manufacture any products.

3. Number of consumer complaints in respect of the following:

Particular	FY 2023-24		Remark	FY 2022-23		Remark
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	NA	0	0	NA
Advertising	0	0	NA	0	0	NA
Cyber-security	0	0	NA	0	0	NA
Delivery of essential services	0	0	NA	0	0	NA
Restrictive Trade Practices	0	0	NA	0	0	NA
Unfair Trade Practices	0	0	NA	0	0	NA
Other	16,553	462	The pending complaints were duly resolved as on the date of the report.	10,490	136	The pending complaints were duly resolved.

4. Details of instances of product recalls on account of safety issues:

Particular	Number	Reason for recall
Voluntary recalls	0	NA*
Forced recalls	0	NA*

*This is not relevant to SFL operations as 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 and does not manufacture any products.

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No)

Yes

If available, provide a web link of the policy

<https://www.shriramfinance.in/privacy-policy>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

NA*

*There were no corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

7. Provide the following information relating to data breaches

a. Number of instances of data breaches along-with impact	0
b. Percentage of data breaches involving personally identifiable information of customers	0
c. Impact, if any, of the data breaches	NA*

*There were no cases of data breaches.

Leadership Indicator

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

<https://www.shriramfinance.in/fixed-deposit>

<https://www.shriramfinance.in/fixed-investment-plan>

<https://www.shriramfinance.in/commercial-vehicle-loan>

<https://www.shriramfinance.in/two-wheeler-loan>

<https://www.shriramfinance.in/gold-loan>

<https://www.shriramfinance.in/personal-loan>

<https://www.shriramfinance.in/working-capital-loan>

<https://www.shriramfinance.in/business-loan>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services

All details regarding the Company's products are accessible on our website. Customers can also inquire about these products using the chatbots on our site. Additionally, customers have the option to invest in the Company's fixed deposits and make loan repayments online. Our Fair Practice Code, which has been approved by the Board, is published on our website and displayed at all branches. Moreover, the Company offers a range of digital channels, including social media and web portals, for customers to communicate any issues they may have.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

The Company uses SMS, Email, WhatsApp, and calling to inform customers about any disruptions in services.

Independent Practitioners’ Reasonable Assurance Report on the sustainability disclosures in the Business Responsibility and Sustainability Report (“BRSR”) of Shriram Finance Limited (the ‘Company’) for the period from April 01, 2023 to March 31, 2024.

**To
The Board of Directors
of Shriram Finance Limited**

We have performed a Reasonable Assurance engagement for Shriram Finance Limited (erstwhile Shriram Transport Finance Limited) (“the Company”) (Corporate Identity Number L65191TN1979PLC007874) vide our engagement letter dated April 26, 2024, in respect of the Identified Sustainability Information listed below in accordance with the criteria stated in paragraph 3 below. This Sustainability Information is included in the Company’s Business Responsibility and Sustainability Report (the “BRSR”) incorporated in the Company’s Annual Report for the year ended March 31, 2024.

Identified Sustainability Information (ISI)

Our scope of Reasonable Assurance consists of the Identified Sustainability Information listed in the Annexure I to our report.

Our Reasonable Assurance engagement was with respect to the year ended March 31, 2024 information only unless otherwise stated and we have not performed any procedures with respect to earlier periods or any other elements included in the BRSR and, therefore, do not express any conclusion thereon.

Criteria

In accordance with the explanation given to us and to the best of our information and belief the company has used the criteria to prepare the Identified Sustainability Information as envisaged in the following below:

- Regulation 34(2)(f) of the Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements), Regulations, 2015 (the “SEBI LODR”) as amended;
- BRSR reporting guidelines (Annexure II) as per SEBI Circular No. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated May 10, 2021, and incorporated Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023;
- SEBI Circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023, and clarifications thereto issued by SEBI.

Management’s Responsibility

The Company’s management is responsible for selecting or establishing suitable criteria for preparing the Sustainability Information, taking into account applicable laws and regulations, if any, related to reporting on the Sustainability Information, identification of key aspects, engagement with stakeholders, content, preparation and presentation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes design, implementation and maintenance of internal controls relevant to the preparation of the Reports and the measurement of Identified Sustainability Information, which is free from material misstatement, whether due to fraud or error.

Inherent limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between companies. Measurement of certain indicators, some of which are estimates, is subject to substantial inherent measurement uncertainty, including, water credit and carbon sequestration. Obtaining sufficient appropriate evidence to support our opinion does not reduce the uncertainty in the amounts and metrics.

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India (the “ICAI”) and the SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/ 2023/122 dated July 12, 2023, and its clarifications thereto and have the required competencies and experience to conduct this assurance engagement.



Our firm applies Standard on Quality Control (SQC) 1, Quality Control for firms that Perform Audits and Reviews of Historical Financial Information, and other Assurance and Related Services Engagements. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our Responsibility

Our responsibility is to express a Reasonable Assurance conclusion on the Identified Sustainability Information listed in Annexure I based on the procedures we have performed and evidence we have obtained. We conducted our engagement in accordance with the Standard on Sustainability Assurance Engagements (SSAE) 3000, “Assurance Engagements on Sustainability Information”, and Standard on Assurance Engagements (SAE) 3410 Assurance Engagements on Greenhouse Gas Statements (together the “Standards”), both issued by the Sustainability Reporting Standards Board (the “SRSB”) of the ICAI.

These Standards requires that we plan and perform our engagement to obtain Reasonable Assurance about whether the Identified Sustainability Information are prepared, in all material respects, in accordance with the Criteria. A Reasonable Assurance engagement involves assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies, analytical procedures and agreeing or reconciling with underlying records.

As part of Reasonable Assurance engagement in accordance with the Standards, we exercised professional judgment and maintained professional skepticism throughout the engagement.

We performed the following procedures among others:

- Reviewed the Identified Sustainable Information (ISI) under Annexure I- BRSR Core, The format of BRSR Core issued by SEBI Circular dated 12th July 2023 is used as a basis of reasonable level of assurance.
- Evaluation of the design and implementation of key systems, processes and controls for collecting, managing and reporting the BRSR Core indicators.
- Assessment of operational control and reporting boundaries.
- Seek extensive evidence across all relevant areas, ensuring a detailed examination of BRSR Core indicators. Engaged directly with internal stakeholders to gather insights and corroborative evidence for each disclosed indicator.
- Interviews with selected senior managers responsible for management of disclosures and review of selected evidence to support environmental KPIs and metrics disclosed in the Report. We were free to choose interviewees and interviewed those with overall responsibility of monitoring, data collation and reporting the selected indicators.
- Conduct a comprehensive examination of key material aspects within the BRSR Core framework supporting adherence to the assurance based on applicable principles plus specified data and information.

Exclusions

Our assurance scope excludes the following and therefore we will not express a conclusion on the same:

- Operations of the Company other than those mentioned in the Scope para of the Engagement letter
- Aspects of the BRSR and the data/information (qualitative or quantitative) other than the ISI.
- Data and information outside the defined reporting period i.e., from April 01, 2023 to March 31, 2024.
- The statements that describe expression of opinion, belief, aspiration, expectation, aim, or future intentions provided by the Company.

Reasonable Assurance opinion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Identified Sustainability Information listed in Annexure I and presented in the BRSR for the year ended March 31, 2024 are not prepared, in all material respects, in accordance with the Criteria as stated in paragraph 3 above.

Restriction on use

Our Reasonable Assurance report has been prepared and addressed to the Board of Directors of the Company at the request of the Company solely, to assist the Company in reporting on Company's sustainability performance and activities. Accordingly, we accept no liability to anyone, other than the Company. Our Reasonable Assurance report should not be used for any other purpose or by any person other than the addressees of our report. We neither accept nor assume any duty of care or liability for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.

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

Sangeeta Gupta
Partner
Membership No: 064225
UDIN:24064225BKFQQB7440

Date: 1st July, 2024
Place: Gurugram
Encl: Annexure I



Annexure I – BRSR Core
Identified Sustainability Information subject to Reasonable Assurance
 (Sebi Circular No: SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023)

Sr. No.	BRSR Core Indicator	Description of Indicator
1	Section C – Principle 6 – E1	Details of total energy consumption (in Joules or multiples)
2	Section C – Principle 6 – E1	Details of total energy intensity
3	Section C – Principle 6 – E3	Provide details of water withdrawal by source
4	Section C – Principle 6 – E4	Provide details of water discharged
5	Section C – Principle 6 – E3	Provide details of water consumption
6	Section C – Principle 6 – E7	Provide details of greenhouse gas emissions (Scope 1)
7	Section C – Principle 6 – E7	Provide details of greenhouse gas emissions (Scope 2)
8	Section C – Principle 6 – E7	Provide details of greenhouse gas emissions (Scope 1 and Scope 2) intensity
9	Section C – Principle 6 – E9	Provide details related to waste generated by category of waste
10	Section C – Principle 6 – E9	Provide details related to waste recovered through recycling, re-using or other recovery operations
11	Section C – Principle 6 – E9	Provide details related to waste disposed by nature of disposal method
12	Section C – Principle 3 – E11	Details of safety related incidents including lost time injury frequency rate, recordable work-related injuries, no. of fatalities
13	Section C – Principle 9 – E7	Instances involving loss/breach of data of customers as a percentage of total data breaches or cyber security events
14	Section C – Principle 5 – E7	Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, including complaints reported, complaints as a % of female employees, and complaints upheld
15	Section C – Principle 1 – E9	Concentration of purchases & sales done with trading houses, dealers, and related parties Loans and advances & investments with related parties
16	Section C – Principle 1 – E8	Number of days of accounts payable
17	Section C – Principle 8 – E5	Job creation in smaller towns
18	Section C – Principle 3 – E1(c)	Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the Company
19	Section C – Principle 5 – E3(b)	Gross wages paid to females as % of wages paid
20	Section C – Principle 8 – E4	Input material sourced from following sources as % of total purchases – Directly sourced from MSMEs/ small producers and from within India



FINANCIAL STATEMENTS

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.

Key Audit Matter	How the matter was addressed in our audit						
<p>Impairment Loss Allowance of loans and advances</p> <p>(Reference to Note 12 read with Material Accounting Policies Note 6.1(ix).</p> <p style="text-align: right;">(in INR Crores)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>Gross Advances</td> <td style="text-align: right;">221,667.66</td> </tr> <tr> <td>Provisions</td> <td style="text-align: right;">13,738.25</td> </tr> <tr> <td>Net Advances</td> <td style="text-align: right;">207,929.41</td> </tr> </table> <p>Significant estimates and judgment involved Key Audit Matter</p> <p>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.</p> <p>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.</p> <p>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.</p>	Gross Advances	221,667.66	Provisions	13,738.25	Net Advances	207,929.41	<p>Audit Procedures included but were not limited to the following:</p> <p>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.</p> <p>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".</p> <p>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:</p> <ul style="list-style-type: none"> • 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. <p>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.</p>
Gross Advances	221,667.66						
Provisions	13,738.25						
Net Advances	207,929.41						

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

STANDALONE ACCOUNTS

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.

ANNEXURE 'A'

TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

STANDALONE ACCOUNTS

- 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	1 st March 2006 to 31 st March 2010	Supreme Court
Finance Act, 1994 (Service tax)	ST on Collection of receivables in respect of Securitisation/ Direct Assignment ##	36.30	1 st April 2009 to 30 th September 2014	CESTAT (Customs, Excise and Service Tax Appellate Tribunal, Chennai)
Finance Act, 1994 (Service tax)	Service Tax on Additional Finance Charge ##	40.57	1 st October 2012 to 30 th 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 1 st April 2011 to 31 st 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

ANNEXURE 'A'

TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

STANDALONE ACCOUNTS

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
Chhattisgarh GST	Goods and Service Tax ##	0.02	F.Y. 2017-18	Deputy Commissioner - State Tax ,Chhattisgarh
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

ANNEXURE 'A'

TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

STANDALONE ACCOUNTS

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.

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

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 **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

Particulars	Note No.	(Rs. in crores)	
		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

STANDALONE STATEMENT OF **PROFIT AND LOSS**
FOR THE YEAR ENDED MARCH 31, 2024

STANDALONE ACCOUNTS

(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

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

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	Balance at the end of the current reporting period
As at April 01, 2023	-	374.43	As at March 31, 2024
374.43		374.43	375.79
		1.36	

(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	Balance at the end of the previous reporting period
As at April 01, 2022	-	270.52	As at March 31, 2023
270.52		270.52	374.43
		103.91	

B. Other Equity

(1) Current Reporting Period

Particulars	Share Application Money Pending Allotment	Reserves And Surplus					Retained Earnings	Other Comprehensive Income			Money Received Against Share Warrants	Total			
		Capital Reserve	Securities Premium	Statutory Reserve u/s 45-1C of the RBI Act, 1934	Debt 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)

STANDALONE STATEMENT OF **CHANGES IN EQUITY**
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

STANDALONE ACCOUNTS

Particulars	Reserves And Surplus										Retained Earnings	Other Comprehensive Income	Money Received Against Share Warrants	Total	
	Share Application Money Pending Allotment	Capital Reserve	Securities Premium	Statutory Reserve u/s 45-1C of the RBI Act, 1934	Debt Redemption Reserve #	Capital Redemption Reserve	Other Reserves			Amalgamation Adjustment Reserves					
							General Reserve	Remeasurement Gain/(Loss) On Defined Benefit Plan	Share Options Outstanding						
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
Exercise of Employee Stock Option Plan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(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	(7.652)	70.40	-	19,065.20	3.51	(266.39)	-	48,192.60

(2)

Previous Reporting Period

Particulars	Reserves And Surplus										Retained Earnings	Other Comprehensive Income	Money Received Against Share Warrants	Total	
	Share Application Money Pending Allotment	Capital Reserve	Securities Premium	Statutory Reserve u/s 45-1C of the RBI Act, 1934	Debt Redemption Reserve #	Capital Redemption Reserve	Other Reserves			Amalgamation Adjustment Reserves					
							General Reserve	Remeasurement Gain/(Loss) On Defined Benefit Plan	Share Options Outstanding						
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

Particulars	Reserves And Surplus										Retained Earnings	Other Comprehensive Income		Money Received Against Share Warrants	Total		
	Share Application Money Pending Allotment	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	Debt 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)	-	-	11,689.60	-	-	-	-	-	-	-	-	-	-	-	-	-	11,689.60
Share issue expenses (Refer note 29 and 30)	-	-	-	-	-	-	-	-	-	164.56	-	-	-	-	-	-	164.56
Money received against Share Warrants Transferred to/ (from) (Refer note 30) on account of share forfeiture	-	-	-	-	-	-	0.04	-	-	(53.33)	-	-	-	-	-	-	(53.33)
Expenses on Employee Stock Option Plan	-	-	-	-	-	-	-	-	-	(0.04)	-	-	-	-	-	-	-
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

U Balasundarao
Company Secretary

Mumbai
April 26, 2024

Parag Sharma
Joint Managing Director & CFO

DIN: 02916744
Mumbai
April 26, 2024

STANDALONE STATEMENT OF **CASH FLOWS**
FOR THE YEAR ENDED MARCH 31, 2024

STANDALONE ACCOUNTS

Particulars	(Rs. in crores)	
	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)

Particulars	(Rs. in crores)	
	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

Components of cash and cash equivalents	(Rs. in crores)	
	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

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
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April 26, 2024

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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.

		As at March 31, 2024				As at March 31, 2023			
Particulars	Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities	
Part I									
(i) Currency derivatives:									
Spots and forwards	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

Particulars	(Rs. in crores)	
	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)	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:

Particulars	(Rs. in crores)	
	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

Particulars	(Rs. in crores)	
	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

Particulars	(Rs. in crores)		
	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

Particulars	(Rs. in crores)											Total
	Freehold land	Building	Plant and equipment	Computers	Office equipment	Furniture and fixtures	Vehicles	Leasehold improvement	Right-of-use Asset(Lease premises)			
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
Transferred to investment property	-	(0.77)	2.91	42.00	10.24	16.50	0.53	33.10	175.01			280.29
Disposals	-	-	2.62	17.05	3.63	2.37	0.38	9.32	11.10			(0.77)
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

Particulars	(Rs. in crores)
	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

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	-	-	
Projects temporarily suspended	-	-	-	-	-

18 INTANGIBLE ASSETS UNDER DEVELOPMENT, GOODWILL AND OTHER INTANGIBLE ASSETS # (Contd.)

(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

(Rs. in crores)			
Particulars	Computer Software	Distribution Network	Total
	(A)	(B)	(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.)

Particulars	(Rs. in crores)		
	Computer Software	Distribution Network	Total
	(A)	(B)	(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.

Particulars	(Rs. in crores)	
	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

Particulars	(Rs. in crores)	
	As at March 31, 2024	As at March 31, 2023
(I) Trade payables		
(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
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

At amortised cost

Secured

Redeemable non-convertible debentures

- Public issue ₹

- Privately placed ₹ ₹

External commercial bond

Senior secured notes

21 DEBT SECURITIES (Contd.)

Particulars	(Rs. in crores)	
	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 July 12, 2021 December 26, 2019	780.85 2,285.45 107.40
ii.	(IPO 2018 - 2)	606.79	-	-	-	-	-	72.16	72.16	November 02, 2021 November 02, 2022	284.39 251.08
iii.	(IPO 2018 - 3)	537.31	-	-	-	-	-	60.40	60.40	February 06, 2022 February 06, 2024	247.04 229.75
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 December 26, 2019	2,285.45 107.40
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 February 22, 2023	53.11 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 February 22, 2023	53.11 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.

Particulars	(Rs. in crores)	
	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		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		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

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

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

Particulars	Rate of interest	(Rs. in crores)	
		As at March 31, 2024	As at March 31, 2023
Commercial papers	< 10%	2,369.87	-

Particulars	(Rs. in crores)	
	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	As at
		March 31, 2024	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
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

25 OTHER FINANCIAL LIABILITIES (Contd.)

Particulars	(Rs. in crores)	
	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

Particulars	(Rs. in crores)
	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

Particulars	(Rs. in crores)	
	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.

Particulars	(Rs. in crores)	
	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.

Particulars	(Rs. in crores)	
	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

Particulars	(Rs. in crores)	
	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.

Particulars	(Rs. in crores)	
	As at March 31, 2024	As at March 31, 2023
	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

Particulars	(Rs. in crores)	
	Year ended March 31, 2024	Year ended March 31, 2023
	General approach	General approach
	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)

Particulars	(Rs. in crores)	
	Year ended March 31, 2024	Year ended March 31, 2023
	General approach	General approach
	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	
	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

Particulars	(Rs. in crores)	
	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

Particulars	(Rs. in crores)	
	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	
<u>Others</u>			
- 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:

		(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
<u>Others</u>					
- 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

		(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
<u>Others</u>					
- 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.)

Particulars	(Rs. in crores)	
	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:

Particulars	(Rs. in crores)	
	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:

Particulars	(Rs. in crores)			
	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:

Particulars	(Rs. in crores)			
	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)

Particulars	(Rs. in crores)	
	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

Particulars	(Rs. in crores)	
	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	Year ended
	March 31, 2024	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:

Particulars	Year ended	Year ended
	March 31, 2024*	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:

Particulars	(Rs. in crores)	
	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:

Particulars	(Rs. in crores)	
	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.)

Particulars	(Rs. in crores)	
	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:

Particulars	(Rs. in crores)	
	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):

Particulars	(Rs. in crores)	
	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:

Particulars	(Rs. in crores)	
	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

Assumptions	Sensitivity level	(Rs. in crores)	
		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)

Expected payment for future years	(Rs. in crores)	
	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	(Rs. in crores)	
	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.)

Particulars	(Rs. in crores)	
	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.

Particulars	(Rs. in crores)					
	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.)

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
	(Rs. in crores)					
(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

Particulars	(Rs. in crores)					
	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

Particulars	(Rs. in crores)					
	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

Particulars	(Rs. in crores)	
	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

Particulars	(Rs. in crores)	
	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	<p>: Insight Commodities and Futures Private Limited (upto May 18, 2022)</p> <p>Shriram Credit Company Limited</p> <p>Shriram Overseas Investments Private Limited</p> <p>Shriram Wealth Limited</p> <p>Bharath Investments Pte. Limited, Singapore</p> <p>SIGI Philippines General Insurance Co. Inc.</p> <p>Novac Digital Service Private Limited</p> <p>Shriram LI Holdings Private Limited</p> <p>Shriram GI Holdings Private Limited</p> <p>SEA funds Management India Private Limited</p> <p>Way2wealth Insurance Brokers Private Limited</p> <p>Way2wealth Securities Private Limited (upto March 31, 2023)</p> <p>Way2wealth Brokers Private Limited</p> <p>Way2wealth Commodities Private Limited</p> <p>Shriram Investment Holdings Limited (upto September 05, 2023)</p> <p>Shriram Investment Holdings Private Limited (w.e.f. September 06, 2023)</p> <p>Shriram Asset Reconstruction Private Limited (w.e.f. December 01, 2022)</p> <p>Novac Technology FZCO (w.e.f. February 08, 2023)</p> <p>Novac GT Technology LLC (Dubai) (w.e.f. October 18, 2023)</p>
III. Subsidiary	: Shriram Housing Finance Limited (w.e.f. April 01, 2022)
IV. Associates	<p>: Shriram Automall India Limited</p> <p>Cartradeexchange Solutions Private Limited</p> <p>Adroit Inspection Service Private Limited</p> <p>Augeo Asset Management Private Limited</p>
V. Key Management Personnel (KMP)	<p>: Mr. Umesh Revankar, Executive Vice Chairman (w.e.f. December 05, 2022)</p> <p>Mr. Umesh Revankar, Vice Chairman & Managing Director (upto December 04, 2022)</p> <p>Mr. Y. S. Chakravarti, Managing Director & CEO (w.e.f. December 05, 2022)</p> <p>Mr. Y. S. Chakravarti, Director (upto December 04, 2022)</p> <p>Mr. Jugal Kishore Mohapatra, Chairman (w.e.f. December 04, 2022)</p> <p>Mr. Parag Sharma, Whole Time Director, Joint Managing Director & CFO</p> <p>Mr. S. Sridhar, Independent Director</p> <p>Mr. Pradeep Kumar Panja, Independent Director</p> <p>Mrs. Maya Sinha, Independent Director (w.e.f. December 04, 2022)</p> <p>Mr. S. Ravindran, Non-Executive Independent Director (w.e.f. August 31, 2023)</p> <p>Mr. D. V. Ravi, Director</p> <p>Mr. Ignatius Michael Viljoen, Director</p> <p>Mr. S. Sunder, Joint Managing Director</p> <p>Mr. R. Chandrasekar, Joint Managing Director & Chief Compliance Officer (w.e.f. December 04, 2022)</p> <p>Mr. U. Balasundararao, Company Secretary & Compliance officer</p> <p>Mr. Hardeep Singh Tur, Chief Risk Officer</p> <p>Mr. Srinivas K., Joint Managing Director (w.e.f. December 04, 2022 and upto January 25, 2024)</p> <p>Mr. G. M. Jilani, Joint Managing Director (w.e.f. December 04, 2022 and upto January 25, 2024)</p>

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

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
	(Rs. in crores)															
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	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	-	-	-	-	0.42	0.29	-	-	-	-	-	0.60	0.29
Revenue sharing paid	-	-	-	-	-	-	-	-	0.00	-	-	-	-	-	0.42	0.29
Valuation charges paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	113.77	78.38
Equity dividend	335.73	100.72	64.97	18.89	-	-	-	-	-	-	0.05	0.04	0.12	0.08	401.03	119.72
Subordinated debts matured	-	-	192.50	33.90	-	-	-	-	-	-	0.33	0.10	0.00	0.00	192.50	33.90
Non convertible debenture (secured) matured	-	-	52.15	32.11	-	-	-	8.19	1.10	-	-	0.10	-	-	60.34	33.39
Fixed deposit matured	-	-	22.54	4.07	-	-	-	22.00	8.00	-	0.25	0.04	0.98	-	45.77	12.55
Employer contribution to employees group gratuity assurance scheme	-	-	-	-	-	-	-	-	-	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	-	-	-	-	-	-	-	0.65	0.94
Commission received on disbursements	-	-	-	-	0.03	0.07	-	-	-	-	-	-	-	-	0.03	0.07
Reimbursement of expenses	-	-	-	0.04	-	-	-	-	-	-	-	-	-	-	-	0.16
Dividend received	-	-	-	-	-	0.12	-	5.35	-	-	-	-	-	-	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	-	-	0.22	0.06	-	-	-	-	-	-	-	-	0.11	0.07
Collection fees income	-	-	0.00	0.00	0.04	-	-	-	-	-	-	-	-	-	0.22	0.06
Other income	-	-	-	-	149.67	-	-	-	-	-	-	-	-	-	149.67	0.00
Disbursement of new assignment	-	-	0.32	0.54	-	-	-	-	-	-	-	-	-	-	0.32	0.54
Insurance claim	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00
Insurance premium received	-	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00
Investment in mutual fund redeemed	-	-	45.19	25.10	-	-	-	-	-	-	-	-	-	-	45.19	25.10
Revenue sharing received	-	-	246.99	92.39	-	-	0.07	0.42	-	-	-	-	-	-	0.07	0.42
Commission received	-	-	10.00	22.07	-	-	-	54.74	19.66	-	0.19	1.12	2.05	1.53	66.99	44.39
Fixed deposit received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inter-corporate deposit received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance outstanding at the year end	67.15	67.15	20.77	12.99	-	-	-	-	-	-	0.05	0.07	0.00	0.00	87.97	80.21
Equity share capital																

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
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	-	-	-	-	-	-	-	-	-	-	1.29	1.30	3.44	2.17	4.73	3.47
- Public deposit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- 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

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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Employe benefits for key management personnel	-	-	-	-	-	-	-	-	-	-	10.45	7.99	-	-	10.45	7.99
- Short term benefits	-	-	-	-	-	-	-	-	-	-	1.73	1.78	-	-	1.73	1.78
- Post employment benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commission and sitting fee paid to directors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mr. S. Lakshminarayanan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.32
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	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	0.07	-	-	0.11	0.07
- 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	22.37	32.25	-	-	-	-	-	-	-	-	-	-	-	-	-	32.25
- Shriram Capital Private Limited	-	7.33	-	-	-	-	-	-	-	-	-	-	-	-	-	7.33
Voice call services	-	-	34.89	11.05	-	-	-	-	-	-	-	-	-	-	34.89	11.05
- Novac Technology Solutions Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
I.T. and BPO charges	-	-	100.32	110.80	-	-	-	-	-	-	-	-	-	-	100.32	110.80
- Novac Technology Solutions Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets under development	-	-	63.00	56.00	-	-	-	-	-	-	-	-	-	-	63.00	56.00
- Novac Technology Solutions Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

49 RELATED PARTY TRANSACTIONS (Contd.)

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	
	(Rs. in crores)																
Rent																	
- Shriram Automall India Limited	-	-	-	-	-	-	16.04	14.21	-	-	-	-	-	-	16.04	14.21	0.07
- Shriram Housing Finance Limited	-	-	-	-	0.07	-	-	-	-	-	-	-	-	-	-	-	0.02
- Shriram Asset Management Company Limited	-	-	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	0.03
- Shriram Insight Share Brokers Limited	-	-	0.03	-	-	-	-	-	-	-	-	-	-	-	0.03	-	-
- Shriram Automall India Limited	-	-	-	-	-	-	11.63	13.84	-	-	-	-	-	-	11.63	13.84	-
- Shriram Life Insurance Company Limited	-	-	16.86	-	-	-	-	-	-	-	-	-	-	-	16.86	14.15	-
- Shriram General Insurance Company Limited	-	-	10.07	9.39	-	-	-	-	-	-	-	-	-	-	10.07	9.39	-
- 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	-	-	-	-	-	-	1.00	0.32	-	-	-	-	-	-	-	-	68.22
- Adroit Inspection Service Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.32
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	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.)

Particulars	Promoter		Promoter group		Subsidiary		Associates		Employee's benefit plan		Key management personnel		Close members of key management personnel		(Rs. in crores) 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	-	-	-	-	-	-	-	0.55	-	-	-	-	-	-	-
- Shriram Automall India Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation charges paid	-	-	-	-	-	-	-	0.00	-	-	-	-	-	-	-	0.00
- Shriram Automall India Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment in mutual fund	-	-	43.00	-	-	-	-	-	-	-	-	-	-	-	43.00	31.50
- Shriram Asset Management Company Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.07
- Shriram Life Insurance Company Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Shriram Fortune Solutions Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.30
Gratuity & leave encashment paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.15
- Shriram Housing Finance Limited	-	-	-	-	0.21	0.15	-	-	-	-	-	-	-	-	0.21	-
- 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	-	-	-	0.01	-
- Mr. Hardeep Singh Tur	-	-	-	-	-	-	-	-	-	0.04	0.04	-	-	-	0.04	-
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	-	-	-	0.12	0.05	-	0.12	0.05
- Close members of key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Shriram Automall India Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.34
- Shriram Fortune Solutions Limited	-	-	-	-	-	-	-	5.41	-	-	-	-	-	-	5.41	0.34
- Shriram Asset Management Company Limited	-	-	5.87	-	-	-	-	-	-	-	-	-	-	-	5.87	0.02
- Shriram Asset Management Company Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- 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	-	-	-	0.04	0.04
- Close members of key management personnel	-	-	-	-	-	-	-	-	-	-	-	0.03	-	-	-	0.03

49 RELATED PARTY TRANSACTIONS (Contd.)

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	March 31, 2024	
	(Rs. in crores)																	
Equity dividend																		
- Close members of key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mr. Parag Sharma	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mr. S. Sunder	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mr. P. Sridharan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mr. Sudarshan Holla	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mr. U Balasundararao	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mr. R. Chandrasekar	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mr. D. V. Ravi	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mr. G. M. Jilani	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Shriram Capital Private Limited	335.73	100.72	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Shriram Value Services Limited	-	-	64.97	18.89	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subordinated debts matured																		
- Shriram General Insurance Company Limited	-	-	165.80	27.90	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Shriram Life Insurance Company Limited	-	-	26.70	6.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non convertible debenture (secured) matured																		
- Shriram Life Insurance Company Limited	-	-	-	31.90	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Shriram Insight Share Brokers Limited	-	-	0.06	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Shriram Asset Management Company Limited	-	-	2.09	0.21	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Shriram Automall India Limited	-	-	-	-	-	-	8.19	1.10	-	-	-	-	-	-	-	-	-	-
- Shriram Value Services Limited	-	-	50.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Close members of key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Close members of key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mr. Parag Sharma	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mr. Hardeep Singh Tur	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Close members of key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Mr. Hardeep Singh Tur	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Close members of key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Shriram Automall India Limited	-	-	-	-	-	-	22.00	5.00	-	-	-	-	-	-	-	-	-	-
- Shriram Fortune Solutions Limited	-	-	-	4.07	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Shriram Asset Management Company Limited	-	-	22.54	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Cartradeexchange Solutions Private Limited	-	-	-	-	-	-	-	3.00	-	-	-	-	-	-	-	-	-	-
Total																		

49 RELATED PARTY TRANSACTIONS (Contd.)

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
	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)
Particulars	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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	1,677.14	48.28	1,142.98	1,142.98
Receipts/ Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recovery of common sharing expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Shriram Automall India Limited	-	-	-	-	-	-	0.28	0.24	-	-	-	-	0.28	-	0.24	0.24
- Shriram Capital Limited	-	0.02	-	-	-	-	-	-	-	-	-	-	-	-	0.02	0.02
- Shriram Insight Share Brokers Limited	-	-	0.02	0.03	-	-	-	-	-	-	-	-	0.02	-	0.03	0.03
- Shriram Fortune Solutions Limited	-	-	0.03	0.50	-	-	-	-	-	-	-	-	0.03	-	0.50	0.50
- Shriram Credit Company Limited	-	-	0.12	0.09	-	-	-	-	-	-	-	-	0.12	-	0.09	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	0.06
Commission received on disbursements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Shriram Housing Finance Limited	-	-	-	-	0.03	0.07	-	-	-	-	-	-	0.03	-	0.07	0.07
Reimbursement of expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Shriram Fortune Solutions Limited	-	-	-	0.04	-	-	-	-	-	-	-	-	-	-	0.04	0.04
- Shriram Insight Share Brokers Limited	-	-	-	0.01	-	-	-	-	-	-	-	-	-	-	0.01	0.01
Dividend received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Shriram Housing Finance Limited	-	-	-	-	-	0.12	-	-	-	-	-	-	-	-	0.12	0.12
- Shriram Automall India Limited	-	-	-	-	-	-	-	5.35	-	-	-	-	-	-	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	0.15
- Shriram Capital Limited	-	0.03	-	-	-	-	-	-	-	-	-	-	-	-	0.03	0.03
- Shriram General Insurance Company Limited	-	-	-	0.55	-	-	-	-	-	-	-	-	-	-	0.55	0.55
- Shriram Life Insurance Company Limited	-	-	0.47	0.80	-	-	-	-	-	-	-	-	0.47	-	0.80	0.80
- Shriram Insight Share Brokers Limited	-	-	0.06	-	-	-	-	-	-	-	-	-	0.06	-	-	-
- Shriram Fortune Solutions Limited	-	-	-	4.25	-	-	-	-	-	-	-	-	-	-	4.25	4.25
- Novac Technology Solutions Private Limited	-	-	0.09	0.01	-	-	-	-	-	-	-	-	0.09	-	0.01	0.01
- Shriram Financial Products Solutions (Chennai) Private Limited	-	-	-	0.00	-	-	-	-	-	-	-	-	-	-	0.00	0.00
- Adroit Inspection Service Private Limited	-	-	-	-	-	-	0.00	-	-	-	-	-	0.00	-	-	-
- Shriram Value Services Limited	-	-	-	0.01	-	-	-	-	-	-	-	-	-	-	0.01	0.01
Sale of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Shriram Life Insurance Company Limited	-	-	-	0.02	-	-	-	-	-	-	-	-	-	-	0.02	0.02
- Shriram Automall India Limited	-	-	-	-	-	-	0.00	-	-	-	-	-	0.00	-	-	-
- Shriram Housing Finance Limited	-	-	-	-	-	0.01	-	-	-	-	-	-	-	-	0.01	0.01

49 RELATED PARTY TRANSACTIONS (Contd.)

Particulars	Promoter		Promoter group		Subsidiary		Associates		Employee's benefit plan		Key management personnel		Close members of key management personnel		(Rs. in crores) 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	
	Rent and electricity															
- Shriram Fortune Solutions Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.10
- Shriram Insight Share Brokers Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01
- Shriram Housing Finance Limited	-	-	-	-	0.05	0.40	-	-	-	-	-	-	-	-	-	0.40
- Shriram Capital Limited	0.10	-	-	-	-	-	3.73	4.21	-	-	-	-	-	-	-	0.10
- Shriram Automall India Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.21
Business auxiliary services																
- Shriram Capital Private Limited	0.11	0.07	-	-	-	-	-	-	-	-	-	-	-	-	-	0.07
Collection fees income																
- Shriram Housing Finance Limited	-	-	-	-	0.22	0.06	-	-	-	-	-	-	-	-	-	0.06
Other income																
- Shriram Asset Management Company Limited	-	-	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	-	-	-	-	-	-	-	-	-	-	-	0.54
Insurance premium received																
- Shriram Capital Limited	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00
Investment in mutual fund redeemed																
- Shriram Asset Management Company Limited	-	-	45.19	25.10	-	-	-	-	-	-	-	-	-	-	-	25.10
Revenue sharing received																
- Shriram Automall India Limited	-	-	-	-	-	-	0.07	0.42	-	-	-	-	-	-	-	0.42
Commissions received																
- Shriram General Insurance Company Limited	-	-	122.90	50.90	-	-	-	-	-	-	-	-	-	-	-	50.90
- Shriram Life Insurance Company Limited	-	-	124.09	41.49	-	-	-	-	-	-	-	-	-	-	-	41.49
Fixed deposit received																
- Key management personnel																
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.13
- Mr. Parag Sharma	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00
- Mr. Hardeep Singh Tur	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.06
- Mr. R. Chandrasekar	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.02
- Close members of key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.05
- Shriram Asset Management Company Limited	-	-	10.00	20.00	-	-	-	-	-	-	-	-	-	-	-	10.00
- Shriram Fortune Solutions Limited	-	-	-	2.07	-	-	-	-	-	-	-	-	-	-	-	2.07
- Shriram Automall India Limited	-	-	-	-	46.74	11.16	-	-	-	-	-	-	-	-	-	46.74
- Cartradeexchange Solutions Private Limited	-	-	-	-	8.00	8.50	-	-	-	-	-	-	-	-	-	8.50
Inter-corporate deposit received																
- Shriram Automall India Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	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

Amounts less than Rs. 1.00 lac are presented as Rs. 0.00 crores in the above statement.

*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

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	
	(Rs. in crores)															
Balance outstanding at the year end																
Equity share capital																
- Close members of key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00	0.00	0.00
- Key management personnel																
- Mr. Parag Sharma	-	-	-	-	-	-	-	-	-	-	0.05	-	-	-	0.05	0.05
- Mr. S. Sunder	-	-	-	-	-	-	-	-	-	-	0.00	-	-	-	0.00	0.00
- Mr. P. Sridharan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00
- Mr. Sudarshan Holla	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00
- Mr. U. Balasundararo	-	-	-	-	-	-	-	-	-	-	0.00	-	-	-	0.00	0.00
- Mr. D. V. Ravi	-	-	-	-	-	-	-	-	-	-	0.00	-	-	-	0.00	0.00
- Mr. G. M. Jilani	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.02
- Mr. R. Chandrasekar	-	-	-	-	-	-	-	-	-	-	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
- 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.)

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	
	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)
- 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	-	-	-	0.07	-	0.06
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	-	-	0.12	-	-	-	0.12	-	0.22
- Mr. Parag Sharma	-	-	-	-	-	-	-	-	-	-	0.00	-	-	-	0.00	-	0.00
- Mr. R. Chandrasekar	-	-	-	-	-	-	-	-	-	-	1.10	-	-	-	1.10	-	1.02
- Close members of key management personnel	-	-	-	-	-	-	-	-	-	-	-	3.44	2.17	-	3.44	2.17	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

Related Party	Parent (as per ownership or control)		Promoter		Promoter group		Subsidiary		Associates/Joint Ventures		Key Management Personnel		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	
	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)
Maximum outstanding during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	953.95	1,003.32	-	-	17.11	18.11	-	-	-	-	-	-	-	0.14	-	-	-	-	971.06	1,021.66
Deposits	-	-	65.43	64.45	-	-	144.35	132.80	-	-	1.10	1.03	-	-	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	-	-	0.19	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	-	-	-	-	-	-	0.05	0.04	0.10	0.07	-	-	113.77	78.37
Interest received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Royalty paid	-	-	-	349.98	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	349.98
Equity dividend paid	-	-	335.73	100.72	-	-	-	-	-	-	0.10	0.04	-	-	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:

Particulars	(Rs. in crores)	
	Amounts	
Assets		
Cash and cash equivalents		5,217.31
Bank balance other than above		1,395.47
Receivables		4.39

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51 BUSINESS COMBINATION DONE DURING THE PREVIOUS YEAR (Contd.)

Particulars	(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.

Particulars	(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:

Particulars	(Rs. in crores)
Particulars	Amounts
Revenue	7,949.32
Profit before tax	1,742.31

(d) Acquired Receivables

Particulars	(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
<i>Derivative financial instruments</i>				
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
<i>Financial assets held for trading</i>				
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
<i>Derivative financial instruments</i>				
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
<i>Financial assets held for trading</i>				
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:

Particulars	(Rs. in crores)	
	Equity instruments	
	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

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.

Particulars	Fair value		Valuation technique	Significant unobservable inputs
	Level 3 assets	Level 3 assets		
	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

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: Introduction and risk profile

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 unlikelihood to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as stage 3 for ECL calculations or whether stage 2 is appropriate. Such events include:

- The borrower requesting emergency funding from the Company.
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral.
- A covenant breach not waived by the Company.
- The debtor (or any legal entity within the debtor's Company) filing for bankruptcy application/protection.
- All the facilities of a borrower are treated as stage 3 when one of his facility becomes 90 days past due i.e. credit impaired.
- 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:

Particulars	(Rs. in crores)							Total
	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years		
Financial assets								
Cash and cash equivalents	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:

Particulars	(Rs. in crores)						Total
	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	
Financial assets							
Cash and cash equivalents	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:

(Rs. in crores)			
As at March 31, 2024			
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)

(Rs. in crores)			
As at March 31, 2023			
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:

- 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
- 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:

Particulars	(Rs. in crores)	
	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

Particulars	(Rs. in crores)	
	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.

Particulars	(Rs. in crores)	
	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 :

Particulars	(Rs. in crores)	
	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)

Particulars	(Rs. in crores)	
	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

Particulars	(Rs. in crores)	
	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 RBI/2021-22/31/DoR.STR.REC.11 /21.04.048/2021-22 dated May 05, 2021

(Rs. in crores)

Type of borrower	(A)	(B)	(C)	(D)	(E)
	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the half-year September 30, 2023 (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	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.

Particulars	(Rs. in crores)	
	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			As at March 31, 2023	% Variance	Reasons for variance (if above 25%)
	Numerator (Rs. in crores)	Denominator (Rs. in crores)	Ratio	Ratio		
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:

Name of the struck off company	Relationship with the Struck off company	(Rs. in crores)		Nature of transaction
		Balance outstanding as at March 31, 2024*	March 31, 2023*	
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.)

Name of the struck off company	Relationship with the Struck off company	(Rs. in crores)		Nature of transaction
		Balance outstanding as at		
		March 31, 2024*	March 31, 2023*	
Vekkaliyamman 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.

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)*	Weighted value (average)#	Total	Total Unweighted value (average)*	Weighted value (average)#	Total	Total Unweighted value (average)*	Weighted value (average)#	Total	Total Unweighted value (average)*	Weighted value (average)#	Total	Total Unweighted value (average)*	Weighted value (average)#	Total
	High Quality Liquid Assets	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															
1 Total High Quality Liquid Assets (HQLA) @	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					
2 Deposits (for deposit taking companies)	964.26	1,108.90	382.12	439.44	239.10	274.97	91.50	105.23	82.00	94.30					
3 Unsecured 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					
4 Secured wholesale funding															
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.)

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	Weighted value (average)#	Total	Weighted value (average)#	Total	Weighted value (average)#	Total	Weighted value (average)#	Total	Weighted value (average)#
	Unweighted value (average)*		Unweighted value (average)*		Unweighted value (average)*		Unweighted value (average)*		Unweighted 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 Financial year Asset classification	Others									
		Year ended March 31, 2024			Year ended March 31, 2023			Total			
		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured accounts as on April 01	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	-	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	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	-	-	-	-	-	-	-	-	-	-
5	Degradation of restructured accounts during the year	-	(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	(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	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:

- The outstanding amount and number of borrowers as at March 31, 2024 and March 31, 2023 is after considering recoveries during the period.
- 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.
- 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.
- 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.
- 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.
- The above disclosure does not include one-time restructuring implemented as prescribed in the notification no. RBI/2020-21/16 DoR.No.BPBC/3/21.04.048/2020-21 Resolution Framework for COVID-19-related Stress dated August 06, 2020 and RBI/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

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

(Rs. in crores)

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 counterparty¹ (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)

Particulars	(Rs. in crores)	
	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)

Particulars	(Rs. in crores)	
	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/ product²

Sr. No.	Name of the instrument/ product	(Rs. in crores)			
		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

Particulars	(Rs. in crores)	
	As at March 31, 2024	As at March 31, 2023
(I) 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

Particulars	(Rs. in crores)	
	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

Particulars	(Rs. in crores)										Total
	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	
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

Particulars	(Rs. in crores)										Total
	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	
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 \$

Particulars	(Rs. in crores)	
	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 covered 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

Category	(Rs. in crores)	
	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			As at March 31, 2023		
	Total Exposure (Rs. in crores)	Gross NPAs (Rs. in crores)	Percentage of Gross NPAs to total exposure in that Sector	Total Exposure (Rs. in crores)	Gross NPAs (Rs. in crores)	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

Particulars	(Rs. in crores)	
	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

Particulars	(Rs. in crores)	
	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

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

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 :

- As defined in paragraph 5.1.26 of the Directions.
- Provisioning norms shall be applicable as prescribed in these directions.
- 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:

- Names of subsidiaries which are yet to commence operations: Nil
- 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:

- Names of associates or joint ventures which are yet to commence operations: NIL
- 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	Y. S. Chakravarti Managing Director & CEO
DIN: 03190289	DIN: 00052308
Mumbai	Mumbai
April 26, 2024	April 26, 2024

Parag Sharma Joint Managing Director & CFO	U Balasundararao Company Secretary
DIN: 02916744	
Mumbai	Mumbai
April 26, 2024	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.

Key Audit Matter	How the matter was addressed in our audit						
<p>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).</p> <p style="text-align: right;">(in INR Crores)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>Gross Advances</td> <td style="text-align: right;">232,509.69</td> </tr> <tr> <td>Provisions*</td> <td style="text-align: right;">13,814.08</td> </tr> <tr> <td>Net Advances</td> <td style="text-align: right;">218,695.61</td> </tr> </table> <p>Significant estimates and judgment involved Key Audit Matter</p> <p>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.</p> <p>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.</p> <p>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.</p>	Gross Advances	232,509.69	Provisions*	13,814.08	Net Advances	218,695.61	<p>Audit Procedures included but were not limited to the following:</p> <p>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.</p> <p>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”.</p> <p>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:</p> <ul style="list-style-type: none"> • 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. <p>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.</p>
Gross Advances	232,509.69						
Provisions*	13,814.08						
Net Advances	218,695.61						

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: 24217914BKBO5Y4911
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.

For Sundaram & Srinivasan

Chartered Accountants

Firm Registration Number - 004207S

P Menakshi Sundaram

Partner

ICAI Membership Number: 217914

UDIN: 24217914BKBO5Y4911

Place: Mumbai

Date: 26 April 2024

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 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

(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

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

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2024

CONSOLIDATED ACCOUNTS

(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	587.78	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

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

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	Balance at the end of the current reporting period
As at April 01, 2023	-	374.43	As at March 31, 2024
374.43		374.43	375.79
	1.36		

(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	Balance at the end of the previous reporting period
As at April 01, 2022	-	270.52	As at March 31, 2023
270.52		270.52	374.43
	103.91		

B. Other Equity

(1) Current Reporting Period

Particulars	Share Application Money Pending Allotment	Capital Reserve	Securities Premium	Statutory reserve (Pursuant to Section 45-IC of The RBI NHB Act, 1987)	Statutory reserve (Pursuant to Section 29C of the Act, 1987)	Debt Redemption Reserve #	Reserves And Surplus				Share Options Outstanding	Amalgamation Adjustment Reserves	Gain/(loss) on fair valuation of investments in equity shares	Other Comprehensive Income	Effective Portion of Cash Flow Hedges	Total	Non Controlling Interest
							Capital Redemption Reserve	General reserve	Other Reserves	Remeasurement gain/(loss) on defined benefit Plan							
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	-	-	-	-	-	-	-	-	(58.64)	7,362.16	-	-	12.34	(41.92)	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 Transferred to/ (from) (Refer Note 31 - Other Equity)	-	-	-	(268.71)	35.47	(284.88)	-	719.05	-	(749.67)	-	1,706.81	-	-	(749.67)	-	
Any Other Change:	-	-	-	-	-	-	-	-	-	(1,870.72)	-	-	-	-	37.02	0.29	
Securities Premium proceeds received on issue of Equity Shares (Refer Note 30 - Equity and Note 31 - Other Equity)	-	-	160.93	-	-	-	-	-	-	-	-	-	-	-	160.93	-	

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**
FOR THE PERIOD ENDED MARCH 31, 2024 (Contd.)

CONSOLIDATED ACCOUNTS

Particulars	Reserves And Surplus										Other Comprehensive Income			Total	Non Controlling Interest	
	Share Application Money Pending Allotment	Capital Reserve	Securities Premium	Other Reserves					Retained Earnings	Share Options Outstanding	Amalgamation Adjustment Reserves	Gain/(loss) on fair valuation of investments in equity shares	Effective Portion of Cash Flow Hedges			
				Statutory reserve (Pursuant to Section 45-IC of 29C of the RBI NHB Act, 1987)	Statutory reserve (Pursuant to Section 29C of the RBI NHB Act, 1987)	Statutory reserve (Pursuant to Section 29C of the RBI NHB Act, 1987)	Debt Redemption Reserve #	Capital Redemption Reserve								General reserve
Share Issue Expenses (Refer Note 30 - Equity and Note 31 - Other Equity)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.20)	
Expenses on Employee Stock Option Plan	-	-	-	-	-	-	-	-	-	10.47	-	-	-	-	(0.33)	
Exercise of Employee Stock Option Plan	-	-	-	-	-	-	-	-	-	(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	
Transferred to/ (from) (Refer note 31) on account of share forfeiture	-	-	-	-	-	-	-	0.03	-	-	-	-	-	-	-	
Transferred to/ (from) MI on account of transfer between reserves	-	-	-	-	-	-	-	8.04	-	-	-	-	-	-	-	
Transfer from Retained earnings / transfer (to) NHB Reserve	-	-	-	-	-	-	-	(43.51)	-	-	-	-	-	-	(43.51)	
Fresh Issue of Compulsory Convertible Debentures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
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

Particulars	Reserves And Surplus										Other Comprehensive Income			Total	Non Controlling Interest	
	Share Application Money Pending Allotment	Capital Reserve	Securities Premium	Other Reserves					Retained Earnings	Share Options Outstanding	Amalgamation Adjustment Reserves	Gain/(loss) on fair valuation of investments in equity shares	Effective Portion of Cash Flow Hedges			
				Statutory reserve (Pursuant to Section 45-IC of 29C of the RBI NHB Act, 1987)	Statutory reserve (Pursuant to Section 29C of the RBI NHB Act, 1987)	Statutory reserve (Pursuant to Section 29C of the RBI NHB Act, 1987)	Debt Redemption Reserve #	Capital Redemption Reserve								General reserve
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

Particulars	Reserves And Surplus										Other Comprehensive Income			Total	Non Controlling Interest	
	Share Application Money Pending Allotment	Capital Reserve					Other Reserves					Gain/(loss) on fair valuation of investments in equity shares	Effective Portion of Cash Flow Hedges			Total
		Capital Reserve	Securities Premium	Statutory reserve (Pursuant to Section 45-IC of the RBI NHB Act, Act, 1934)	Statutory reserve (Pursuant to Section 29C of the Act, 1987)	Debtenture Redemption Reserve #	Capital Redemption Reserve	General reserve	Remeasurement gain/(loss) on defined benefit Plan	Retained Earnings	Share Options Outstanding					
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	-		
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	-	-	-	-	-	-	0.04	-	(0.04)	-	-	-	-	1.68		
Transferred to/ (from) (Refer note 31) on account of share forfeiture	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
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	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
Mumbai
April 26, 2024

For Sundaram & Srinivasan

Chartered Accountants
ICAI Firm Registration No.: 0042075

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)

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

U Balasundararao
Company Secretary

Mumbai
April 26, 2024

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

Mumbai
April 26, 2024

CONSOLIDATED STATEMENT OF **CASH FLOWS**
FOR THE YEAR ENDED MARCH 31, 2024

CONSOLIDATED ACCOUNTS

Particulars	(Rs. in crores)	
	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)

Particulars	(Rs. in crores)	
	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

Components of cash and cash equivalents	(Rs. in crores)	
	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

Particulars	(Rs. in crores)	
	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

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

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:

Particulars	(Rs. in crores)
	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.

		As at March 31, 2024				As at March 31, 2023			
Particulars	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:

Particulars	(Rs. in crores)	
	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

Particulars	(Rs. in crores)	
	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:

Particulars	(Rs. in crores)	
	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

Particulars	(Rs. in crores)	
	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

Particulars	(Rs. in crores)		
	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.)

Particulars	(Rs. in crores)		
	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

Particulars	(Rs. in crores)	
	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

Particulars	(Rs. in crores)											Total	
	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

Particulars	(Rs. in crores)	
	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

Particulars	Amount in CWIP for a period of				Total
	(Rs. in crores)				
	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

Particulars	(Rs. in crores)
	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

Particulars	(Rs. in crores)		
	Computer software	Distribution network	Other intangible assets
	(A)	(B)	(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	Distribution network	Other intangible assets
	(A)	(B)	(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 impairment 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

Particulars	(Rs. in crores)	
	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

Particulars	(Rs. in crores)	
	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 July 12, 2021 December 26, 2019	780.85 2,285.45 107.40
ii.	(IPO 2018 - 2)	606.79	-	-	-	-	-	72.16	72.16	November 02, 2021 November 02, 2022	284.39 251.08
iii.	(IPO 2018 - 3)	537.31	-	-	-	-	-	60.40	60.40	February 06, 2022 February 06, 2024	247.04 229.75
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 December 26, 2019	2,285.45 107.40
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 February 22, 2023	53.11 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 February 22, 2023	53.11 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%	340.55	-	259.74	-	809.93	-	1,410.22
	< 12%							
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%	-	336.06	-	-	-	-	336.06
	< 12%							
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		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		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%	90.42	-	-	-	-	-	90.42
	< 14%							
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%	-	87.61	-	-	-	-	87.61
	< 14%							
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

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

(Rs. in crores)

E) Commercial paper (CP) - unsecured

Privately placed redeemable commercial paper of Rs. 500,000/- each

Terms of repayment

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
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(Rs. in crores)

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%	-	-	4,332.8	-	-	-	4,332.80
	1 to 361 installments of monthly frequency	5.95% to 9.65%	-	472.09	-	-	-	-	472.09
	1 to 361 installments 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
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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.)

Particulars	(Rs. in crores)	
	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

Particulars	(Rs. in crores)	
	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

Particulars	(Rs. in crores)	
	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)

Particulars	(Rs. in crores)	
	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.

Particulars	(Rs. in crores)	
	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

Particulars	(Rs. in crores)	
	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	
	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

Particulars	(Rs. in crores)	
	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
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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.)

Particulars	(Rs. in crores)	
	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 subsidiary 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
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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):	-	-
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- 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
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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
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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:

Particulars	(Rs. in crores)	
	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:

Particulars	(Rs. in crores)			
	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:

Particulars	(Rs. in crores)			
	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)

Particulars	(Rs. in crores)	
	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:

Particulars	(Rs. in crores)	
	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	Year ended
	March 31, 2024	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:

Particulars	(Rs. in crores)	
	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.

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
	(Rs. in crores)					
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.)

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
	(Rs. in crores)					
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

Particulars	(Rs. in crores)					
	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

Particulars	(Rs. in crores)					
	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

Particulars	(Rs. in crores)	
	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.)

Particulars	(Rs. in crores)	
	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

Particulars	(Rs. in crores)	
	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 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 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

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
	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)
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
L.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	-	-	-	31.50	-	-	-	-	-	-	-	-	-	31.50
Purchase of property, plant and equipment	-	-	43.00	0.37	-	-	-	-	-	-	-	-	43.00	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	-	-	-	-	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	-	-	246.99	92.39	0.07	0.42	-	-	-	-	-	-	246.99	92.39
Commission received	-	-	10.00	22.07	54.74	19.66	-	-	0.19	1.12	2.05	1.53	66.98	44.39
Fixed deposit received	-	-	-	-	-	20.83	-	-	-	-	-	-	-	20.83
Inter-corporate deposit received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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.)

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
	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)
Subordinated debt	-	-	330.21	523.20	-	-	-	-	-	-	-	-	330.21	523.20
Non-convertible debenture (secured)	-	-	68.74	70.80	7.82	16.88	-	-	-	-	-	-	76.56	87.68
- Public issue	-	-	511.02	370.13	-	-	-	-	-	-	-	-	511.02	370.13
- Privately placed	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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

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
	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)
Payments/ Expenses														
Employee benefits for key management personnel *	-	-	-	-	-	-	-	-	10.45	7.99	-	-	10.45	7.99
- Short term benefits	-	-	-	-	-	-	-	-	1.73	1.78	-	-	1.73	1.78
- Post employment benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commission and sitting fee paid to directors														
- Mr. S. Lakshminarayana	-	-	-	-	-	-	-	-	-	0.32	-	-	0.32	0.30
- Mrs. Kishori Udeshi	-	-	-	-	-	-	-	-	-	0.30	-	-	0.30	0.37
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.38	0.37	-	-	0.38	0.39
- Mr. Pradeep Kumar Panja	-	-	-	-	-	-	-	-	0.38	0.39	-	-	0.38	0.09
- Mrs. Maya Sinha	-	-	-	-	-	-	-	-	0.24	0.09	-	-	0.24	0.11
- Mr. S Ravindran	-	-	-	-	-	-	-	-	0.11	-	-	-	0.11	0.07
- 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.)

Particulars	Promoter		Promoter group		Associates		Employee's benefit plan		Key management personnel		Close members of key management personnel		(Rs. in crores) 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
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	-	-	-	-	-	-	-	-	0.25	0.25
- Shriram Asset Management Company Limited	-	-	0.01	0.20	-	-	-	-	-	-	-	-	0.01	0.20
- Shriram General Insurance Company Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	0.01	0.01
- Mr. Hardeep Singh Tur	-	-	-	-	-	-	-	-	0.00	0.00	-	-	0.00	0.00
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.04	0.04	-	-	0.04	0.04
- Close members of key management personnel	-	-	-	-	-	-	-	-	-	-	-	0.12	0.05	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	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Cartradeexchange Solutions Private Limited	-	-	5.87	-	-	0.06	-	-	-	-	-	-	5.87	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.)

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
	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)
- 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	-	-	-	-	-	-	-	-	-	-	0.00	-	-	0.00
- Close members of key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- 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	-	-	0.00	0.00
- Mr. Sudarshan Holla	-	-	-	-	-	-	-	-	0.00	0.00	-	-	0.00	0.00
- Mr. U Balasundarao	-	-	-	-	-	-	-	-	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. Jillani	-	-	-	-	-	-	-	-	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	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	0.05	0.05
- Mr. S. Sridhar	-	-	-	-	-	-	-	-	0.20	0.20	-	-	0.20	0.20
- Mr. Hardeep Singh Tur	-	-	-	-	-	-	-	-	-	0.03	-	-	-	0.03
- Close members of key management personnel	-	-	-	-	-	-	-	-	-	-	0.98	-	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
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	-	-	-	-	0.28	0.24	-	-	-	-	-	-	0.28	0.24
- Shriram Automall India Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Shriram Capital Limited	-	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	-	-	-	0.09	-	-	-	-	-	-	-	-	-	0.09
- Shriram General Insurance Company Limited	-	-	0.03	-	-	-	-	-	-	-	-	-	0.03	-
- Shriram Capital Private Limited	0.03	-	-	-	-	-	-	-	-	-	-	-	-	-

49 RELATED PARTY TRANSACTIONS (Contd.)

Particulars	Promoter		Promoter group		Associates		Employee's benefit plan		Key management personnel		Close members of key management personnel		(Rs. in crores) 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	-	-	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	-	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.)

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
	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)
Inter-corporate deposit	-	-	-	-	-	20.83	-	-	-	-	-	-	-	20.83
- Shriram Automall India Limited	-	-	-	-	-	50.86	-	-	-	-	-	-	-	50.86
TOTAL	0.14	0.23	303.41	146.52	59.10	-	-	-	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.

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
	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)	(Rs. in crores)
Balance outstanding at the year end														
Equity Share capital														
- Close members of key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00
- Key management personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	0.05
- Mr. Parag Sharma	-	-	-	-	-	-	-	0.05	-	-	-	-	-	0.05
- Mr. S. Sunder	-	-	-	-	-	-	-	-	0.00	-	-	-	-	0.00
- Mr. P. Sridharan	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00
- Mr. Sudarshan Holla	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00
- Mr. U Balasundharao	-	-	-	-	-	-	-	-	0.00	-	-	-	-	0.00
- Mr. D. V. Ravi	-	-	-	-	-	-	-	-	0.00	-	-	-	-	0.00
- Mr. G. M. Jilani	-	-	-	-	-	-	-	-	-	0.02	-	-	-	0.02
- Mr. R. Chandrasekar	-	-	-	-	-	-	-	-	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
- Shriram Automall India Limited	-	-	-	-	3.16	1.06	-	-	-	-	-	-	-	3.16
- Shriram Value Services Limited	-	-	42.25	79.35	-	-	-	-	-	-	-	-	42.25	79.35

49 RELATED PARTY TRANSACTIONS (Contd.)

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, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2023
	(Rs. in crores)													
- 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:

Particulars	(Rs. in crores)	
	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:

Particulars	(Rs. in crores)	
	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:

Particulars	(Rs. in crores)	
	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):

Particulars	(Rs. in crores)	
	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:

Particulars	(Rs. in crores)	
	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

Assumptions	Sensitivity level	(Rs. in crores)	
		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)

Expected payment for future years	(Rs. in crores)	
	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	(Rs. in crores)	
	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.)

Particulars	(Rs. in crores)	
	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

Particulars	(Rs. in crores)	
	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:

Particulars	(Rs. in crores)	
	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

Particulars	(Rs. in crores)	
	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:

Particulars	(Rs. in crores)	
	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:

Particulars	(Rs. in crores)	
	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:

Particulars	(Rs. in crores)	
	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:

Particulars	(Rs. in crores)	
	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:

Particulars	(Rs. in crores)	
	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)

Assumptions	(Rs. in crores)		
	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)	
	Year ended March 31, 2024	Year ended March 31, 2023
Expected payment for future years		
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)	
	Year ended March 31, 2024	Year ended March 31, 2023
Particulars		
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
<i>Derivative financial instruments</i>				
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
<i>Financial assets held for trading</i>				
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
<i>Assets measured at fair value on a non-recurring basis</i>				
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	-	-	-	-
<i>Liabilities measured at fair value on a non-recurring basis</i>				
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
<i>Derivative financial instruments</i>				
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
<i>Financial assets held for trading</i>				
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:

Particulars	(Rs. in crores)	
	Equity instruments	
	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.

Particulars	Fair value		Valuation technique	Significant unobservable inputs
	Level 3 assets	Level 3 assets		
	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: Introduction and risk profile

53.01.01: Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Board has constituted the Risk Management Committee which is responsible for monitoring the overall risk process within the 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 unlikelihood to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as stage 3 for ECL calculations or whether stage 2 is appropriate. Such events include:

- The borrower requesting emergency funding from the Group.
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral.
- A covenant breach not waived by the Group.
- The debtor (or any legal entity within the debtor's Group) filing for bankruptcy application/protection.
- All the facilities of a borrower are treated as stage 3 when one of his facility becomes 90 days past due i.e. credit impaired.
- 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)

Particulars	As at March 31, 2024			
	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:

Particulars	(Rs. in crores)							Total
	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years		
Financial assets								
Cash and cash equivalents	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:

Particulars	(Rs. in crores)						Total
	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	
Financial assets							
Cash and cash equivalents	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.

Particulars	(Rs. in crores)							Total
	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years		
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:

Particulars	(Rs. in crores)	
	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.

Particulars	(Rs. in crores)	
	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:

Particulars	(Rs. in crores)	
	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)

Particulars	(Rs. in crores)	
	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

Particulars	(Rs. in crores)	
	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

Provision for taxes - contested	(Rs. in crores)			
	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 RBI/2021-22/31/DoR.STR.REC.11 /21.04.048/2021-22 dated May 05, 2021

(Rs. in crores)

Type of borrower	(A)	(B)	(C)	(D)	(E)
	Exposure to accounts classified as Standard consequent to implementation of Resolution Plan – Position as at the half year September 30, 2023 (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	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:

Particulars	(Rs. in crores)	
	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:

Name of the struck off company	Relationship with the Struck off company	(Rs. in crores)		Nature of transaction
		Balance outstanding as at March 31, 2024*	March 31, 2023*	
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
Vekkalamman 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.)

Name of the struck off company	Relationship with the Struck off company	(Rs. in crores)		Nature of transaction
		Balance outstanding as at		
		March 31, 2024*	March 31, 2023*	
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

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 Balasundarao
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								
Minority interests in all subsidiaries	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								
Inter-company eliminations and consolidation adjustments	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								
Foreign	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

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

DIN: 03190289
 Mumbai
 April 26, 2024

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

U Balasundarao
 Company Secretary
 Mumbai
 April 26, 2024

SHRIRAM FINANCE LIMITED

(Formerly Known as Shriram Transport Finance Company Limited)

CIN: L65191TN1979PLC007874

Registered Office: Sri Towers, Plot No. 14A, South Phase, Industrial Estate, Guindy, Chennai – 600 032, Tamil Nadu,

India Tel No: +91 44 4852 4666 Fax: +91 44 4852 5666

Website: www.shriramfinance.in

Email id: secretarial@shriramfinance.in

NOTICE

NOTICE is hereby given that the **Forty-Fifth Annual General Meeting of the Members of SHRIRAM FINANCE LIMITED** (Formerly known as Shriram Transport Finance Company Limited) (“**the Company**”) will be held on **Tuesday, July 30, 2024 at 02.00 p.m.**, Indian Standard Time (“IST”) through **Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”)**, to transact the following business:

ORDINARY BUSINESS

1. **To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2024, together with the Reports of the Board of Directors and the Auditors thereon and in this regard, to pass the following resolution as an Ordinary Resolution:**

“RESOLVED THAT the Audited Standalone Financial Statements including Balance Sheet of the Company as at March 31, 2024, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement for the year ended on that date together with all the notes annexed and the Directors’ and Auditors’ Reports thereon, placed before the meeting, be and are hereby considered and adopted.”

2. **To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2024, together with the Report of the Auditors thereon and in this regard, to pass the following resolution as an Ordinary Resolution:**

“RESOLVED THAT the Audited Consolidated Financial Statements including Balance Sheet of the Company as at March 31, 2024, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year ended on that date together with all the notes annexed and the Auditors’ Reports thereon, placed before the meeting, be and are hereby considered and adopted.”

3. **To declare a Final Dividend of Rs.15/- per Equity Share of face value of Rs.10/- each and to confirm the payment of two Interim Dividends aggregating to Rs.30/- per Equity Share of face value of Rs.10/- each, declared by the Board of Directors in their meetings held on October 26, 2023 and January 25, 2024, for**

the Financial Year ended March 31, 2024 and in this regard, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT the Company do declare and pay a final dividend of Rs.15/- per equity share of face value of Rs.10/- each to all those Members whose names appear in the Register of Members or who are beneficial owners of equity shares of the Company as on Tuesday, July 23, 2024.

RESOLVED FURTHER THAT the First Interim Dividend of Rs.20/- per equity share on 37,54,47,272 equity shares of face value of Rs.10/- each fully paid-up amounting to Rs.7,50,89,45,440/- (Rupees Seven Hundred and Fifty Crores Eighty-Nine Lakhs Forty-Five Thousand Four Hundred and Forty Only), declared by the Board of Directors in its meeting held on October 26, 2023 for the Financial Year ended March 31, 2024, paid to the eligible Members on November 20, 2023, subject to deduction of tax at source, as applicable be and is hereby noted and confirmed.

RESOLVED FURTHER THAT the Second Interim Dividend of Rs.10/- per equity share on 37,56,52,340 equity shares of face value of Rs.10/- each fully paid-up amounting to Rs.3,75,65,23,400/- (Rupees Three Hundred and Seventy Five Crores Sixty-Five Lakhs Twenty-Three Thousand Four Hundred Only), declared by the Board of Directors in its meeting held on January 25, 2024 for the Financial Year ended March 31, 2024, paid to the eligible Members on February 17, 2024, subject to deduction of tax at source, as applicable be and is hereby noted and confirmed.”

4. **To appoint a director in place of Mr. Parag Sharma (DIN 02916744), Director who retires by rotation at this meeting and being eligible, offers himself for re-appointment as a Director of the Company and in this regard, to pass the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Parag Sharma (DIN 02916744), Director of the Company who retires by rotation at this meeting, and being eligible, has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

5. To appoint M/s. G D Apte & Co, Chartered Accountants, Mumbai, (ICAI Firm Registration No. 100515W) as one of the Joint Statutory Auditors of the Company and to fix their remuneration for the Financial Year ending March 31, 2025 and in this regard, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the “Act”), the Companies (Audit and Auditors) Rules, 2014 and Circular No. RBI/2021-22/25-Ref. No. DoS. CO.ARG/ SEC.01/ 08.91.001/2021-22 dated April 27, 2021 (“RBI Guidelines”) issued by the Reserve Bank of India (RBI) (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendation of the Audit Committee and the Board of Directors of the Company, M/s. G D Apte & Co, Chartered Accountants, Mumbai (ICAI Firm Registration No. 100515W), who being eligible for appointment as Statutory Auditors in terms of Section 141 of the Act and applicable rules and the RBI Guidelines, be and is hereby appointed as one of the Joint Statutory Auditors of the Company (in place of Retiring Joint Statutory Auditors whose tenure expires at the conclusion of the ensuing Annual General Meeting) to hold office from conclusion of the 45th Annual General Meeting till the conclusion of 48th Annual General Meeting of the Company to conduct the audit of accounts of the Company for the financial years ending March 31, 2025, March 31, 2026 and March 31, 2027.

RESOLVED FURTHER THAT pursuant to Section 142 of the Act, M/s. G D Apte & Co, Chartered Accountants be paid remuneration of Rs.70,00,000/- (Rupees Seventy Lakhs Only) (exclusive of certification fees, goods and service tax and reimbursement of out of pocket expenses) for the Financial Year ending March 31, 2025 and that their remuneration for the financial years ending March 31, 2026 and March 31, 2027 may be approved by the Members in the 46th and 47th Annual General Meeting of the Company, respectively, based on the recommendation of the Audit Committee and the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

6. To appoint M/s M M Nissim & Co LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No. 107122W/W100672) as one of the Joint Statutory Auditors of the Company and to fix their remuneration for the Financial Year ending March 31, 2025 and in this regard, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the “Act”), the Companies (Audit and Auditors) Rules, 2014 and Circular No. RBI/2021-22/25-Ref. No. DoS. CO.ARG/ SEC.01/ 08.91.001/2021-22 dated April 27, 2021 (“RBI Guidelines”) issued by Reserve Bank of India (RBI) (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendation of the Audit Committee and the Board of Directors of the Company, M/s M M Nissim & Co LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No. 107122W/W100672), who being eligible for appointment as Statutory Auditors in terms of Section 141 of the Act and applicable rules and the RBI Guidelines, be and is hereby appointed as one of the Joint Statutory Auditors of the Company (in place of Retiring Joint Statutory Auditors whose tenure expires at the conclusion of the ensuing Annual General Meeting) to hold office from conclusion of 45th Annual General Meeting till the conclusion of 48th Annual General Meeting of the Company to conduct the audit of accounts of the Company for the financial years ending March 31, 2025, March 31, 2026 and March 31, 2027.

RESOLVED FURTHER THAT pursuant to Section 142 of the Act, M/s M M Nissim & Co LLP, Chartered Accountants be paid remuneration of Rs.70,00,000/- (Rupees Seventy Lakhs Only) (exclusive of certification fees, goods and service tax and reimbursement of out of pocket expenses) for the Financial Year ending March 31, 2025 and that their remuneration for the financial years ending March 31, 2026 and March 31, 2027 may be approved by the Members in the 46th and 47th Annual General Meeting of the Company, respectively, based on the recommendation of the Audit Committee and the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

SPECIAL BUSINESS

7. Re-appointment of Mr. Umesh Revankar (DIN 00141189) as Whole Time Director designated as Executive Vice Chairman of the Company and payment of remuneration to him and in this regard, pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the “Act”) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and any other rules framed thereunder and Master Direction – Reserve Bank

of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and Remuneration Policy of the Company and the recommendation of Nomination and Remuneration Committee and approval of the Board of Directors of the Company, consent of the Members of the Company be and is hereby accorded for re-appointment of Mr. Umesh Revankar (DIN 00141189) as Whole Time Director designated as Executive Vice Chairman for a period of 5 (five) years with effect from October 26, 2024 to October 25, 2029 (both dates inclusive), liable to retirement by rotation and that he shall perform such duties and exercise such powers as may from time to time be lawfully entrusted to and conferred upon him by the Board of Directors of the Company and he be paid the following remuneration, as detailed below:

A. Fixed Pay:

Fixed Pay of Rs.1,79,52,000/- per annum or Rs.14,96,000/- per month, consisting of basic salary, allowances and contribution to provident fund, national pension scheme (‘retirement benefits’) as per the following:

Basic Salary	Rs.11,00,000/- per month
Contribution to Provident Fund	Rs.1,32,000/- per month (12% of the Basic Salary)
Contribution to National Pension Scheme	Rs.1,10,000/- per month (10% of the Basic Salary)
Allowances	
(i) House Rent Allowance	60% of Basic Salary per month or free accommodation (Company owned/ leased/rented) in lieu of House Rent Allowance
(ii) Leave Travel Allowance	Maximum of Rs.6,00,000/- (Rupees Six Lakhs) per annum
(iii) Other allowances	Rs.98,098/- (Rupees Ninety Eight Thousand and Ninety Eight Only) per month
Perquisites:	
(i) Premium on Group Health/ Personal Accident / Life Insurance policies	As applicable to other employees in accordance with policy of the Company
(ii) Club Fees	Subscription limited to a maximum of two clubs. No life membership or admission fees shall be paid by the Company. All official expense in connection with such membership incurred would be reimbursed by the Company.
(iii) Expenditure on official entertainment	Actuals
(iv) Gratuity	Not exceeding half months’ salary for each completed year of service
(v) Encashment of leave at the end of the tenure	As per policy of the Company.
(vi) Company’s car with driver for use on Company’s business and maintenance expenses thereon	Actuals
(vii) Telephone, mobile, internet, data card and other communication facilities at his residence	Expenses incurred shall be paid or reimbursed as per the rules of the Company
(viii) Leave	As per the Company’s policy
(ix) Other benefits	As applicable to other employees in accordance with the Company’s policy

The Board on the recommendation of the Nomination and Remuneration Committee may approve further increase in the Fixed Pay up to Rs.3,00,00,000/- per annum or Rs.25,00,000/- per month during the tenure of his appointment. The above-mentioned Fixed Pay will also cover the annual increase in his basic salary, allowances and retirement benefits as linked to the revision in the basic salary effective from April 1, 2025 till the end of his tenure. The quantum of the annual increase in the Fixed Pay will be performance-based and as may be decided by the Board of Directors on recommendation of Nomination and Remuneration Committee.

B. Variable Pay:

- i. In addition to the Fixed Pay as mentioned above, Mr. Umesh Revankar will be entitled to performance-based variable pay linked to achievement of performance parameters such as growth in Assets Under Management (AUM), revenue, profit, Net Interest Margin (NIM), borrowings, etc. as assessed by the Nomination and Remuneration Committee and the Board of Directors every year subject to limit of 50% of the Fixed Pay for every financial year or part thereof as determined by the Board of directors on the recommendation of the Nomination and Remuneration Committee.
- ii. Mr. Umesh Revankar will be entitled to grant of Stock Appreciation Rights ("SAR") Units under the Shriram Finance Limited Employees Phantom Stock Appreciation Rights Plan 2024 (PSAR Plan) or grant of options/units under any other share-linked employee benefit scheme/plan as may be framed by the Company in future such that the value of the benefit/perquisite arising out of grant of such SAR Units as per the vesting schedule of 4 years under PSAR Plan or grant of options/units under such other share-linked employee benefit scheme/plan as may be framed by the Company shall be subject to limit of 50% of the Fixed Pay drawn by Mr. Umesh Revankar for every financial year or part thereof as determined by the Board of directors on the recommendation of the Nomination and Remuneration Committee subject to achievement of his performance parameters such as growth in AUM, revenue, profit, NIM, borrowings, etc. as assessed by the Nomination and Remuneration Committee and the Board of Directors at their sole discretion.

Variable component of Remuneration:

Particulars	Proposed (in Rs.)
Variable Pay	Up to 100% of the Fixed Pay
1. Cash component	Up to 50% of Variable Pay
2. Non-Cash component i.e. Share-Linked Instruments:	Up to 50% of Variable Pay
% of Variable Pay to Fixed Pay and	Up to 100% of the Fixed Pay
% of Variable Pay in Total Remuneration	Up to 50% of Total Remuneration

Other Applicable Terms:

- i. He shall not be paid any sitting fees for attending Meetings of the Board or Committee thereof.
- ii. The Board may revise, alter and vary the terms and conditions of his appointment, including his remuneration within the above limits of remuneration fixed by the Members as mentioned in this resolution, in accordance with the policies of the Company, subject to the applicable provisions of Schedule V to the Act.

RESOLVED FURTHER THAT if in any financial year, the Company has no profits or its profits are inadequate, Mr. Umesh Revankar shall be entitled to receive the Fixed Pay as per clause (A) of this resolution including retirement, housing and other perquisites as set out above, subject to compliance with the applicable provisions of Schedule V to the Act.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

8. Elevation and re-designation of Mr. Parag Sharma (DIN 02916744) as Managing Director & CFO with effect from June 1, 2024 and in this regard, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT in partial modification of the ordinary resolutions passed by the Members of the Company (i) at the 43rd Annual General Meeting held on June 23, 2022 for appointment of Mr. Parag Sharma (DIN 02916744) as Whole Time Director designated as Joint Managing Director & Chief Financial Officer of the Company for the tenure of five years from December 13, 2021 upto December 12, 2026 and (ii) through postal ballot on February 21, 2023 for restructuring and revision of remuneration of Mr. Parag Sharma, Joint Managing Director & Chief Financial Officer, as per Circular No. RBI/2022-23/36 DOR.GOV. REC.No.29/ 18.10.002/2022-23 dated April 29, 2022 issued by the Reserve Bank of India ("RBI Circular") (now Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023) and Remuneration Policy, as amended and pursuant to the applicable provisions of the Companies Act, 2013 and rules framed thereunder, Securities and Exchange Board of India Regulations, RBI regulations/guidelines (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendation of Nomination and Remuneration Committee and Board of Directors of the Company in their respective meetings held on June 1, 2024, consent of the Members of the Company be and is hereby accorded for elevation and re-designation of Mr. Parag Sharma as Managing Director & Chief Financial Officer ("Managing Director & CFO") of the Company with effect from June 1, 2024, on the same remuneration for the remainder tenure of present term of his appointment i.e. up to December 12, 2026.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

9. Appointment of Mr. Gokul Dixit (DIN 00357170) as an Independent Director of the Company and in this regard, pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter to be referred as “Act”) read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 and any other rules framed thereunder and pursuant to Regulation 17, 25 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Gokul Dixit (DIN 00357170) who was appointed as an Additional Director of the Company with effect from June 1, 2024 by the Board of Directors as per Section 161(1) of the Act and Article 21 of the Articles of Association of the Company in the category of Non-Executive Independent Director and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations, and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing the candidature of Mr. Gokul Dixit for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 (five) consecutive years commencing with effect from June 1, 2024 to May 31, 2029 (both dates inclusive).

RESOLVED FURTHER THAT pursuant to the provision of Sections 149, 197 and other applicable provisions of the Act and the rules made thereunder, applicable provisions of the Listing Regulations and Remuneration Policy of the Company, Mr. Gokul Dixit be paid sitting fees and commission as may be approved by the Board /Members subject to the limits prescribed under the Act.

RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required to give effect to this resolution.”

10. Appointment of Mrs. M.V. Bhanumathi (DIN 10172983) as an Independent Director of the Company and in this regard, pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter to be referred as “Act”) read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 and any other

rules framed thereunder and pursuant to Regulation 17, 25 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mrs. M. V. Bhanumathi (DIN 10172983) who was appointed as an Additional Director of the Company with effect from June 1, 2024 by the Board of Directors as per Section 161(1) of the Act and Article 21 of the Articles of Association of the Company in the category of Non-Executive Independent Director and who has submitted a declaration that she meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations, and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing the candidature of Mrs. M. V. Bhanumathi for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 (five) consecutive years commencing with effect from June 1, 2024 to May 31, 2029 (both dates inclusive).

RESOLVED FURTHER THAT pursuant to the provision of Sections 149, 197 and other applicable provisions of the Act and the rules made thereunder, applicable provisions of the Listing Regulations and Remuneration Policy of the Company, Mrs. M.V. Bhanumathi be paid sitting fees and commission as may be approved by the Board /Members subject to the limits prescribed under the Act.

RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required to give effect to this resolution.”

11. Revision in the present terms of remuneration of Mr. Umesh Revankar (DIN 00141189), whole-time director designated as Executive Vice Chairman of the Company and in this regard, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT in partial modification to the ordinary resolutions passed by the Members of the Company (i) at the 40th Annual General Meeting held on June 27, 2019 for re-appointment of Mr. Umesh Revankar (DIN 00141189), Managing Director & CEO of the for a period of 5 (five) years with effect from October 26, 2019 up to October 25, 2024 and (ii) through postal ballot on February 21, 2023 for restructuring and revision of remuneration of Mr. Umesh Revankar, Executive Vice Chairman as per Circular No. RBI/2022-23/36 DOR.GOV.REC.No.29/ 18.10.002/2022-23 dated April 29, 2022 issued by the Reserve Bank of India (“RBI Circular”) (now Master Direction – Reserve Bank of

India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023) and Remuneration Policy, as amended and pursuant to the applicable provisions of the Companies Act, 2013 and rules framed thereunder, Securities and Exchange Board of India Regulations, RBI regulations/guidelines (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force) and consequent to approval of Shriram Finance Limited Employees Phantom Stock Appreciation Rights Plan 2024 (PSAR Plan) by the Nomination and Remuneration Committee and Board of Directors of the Company in their respective meetings held on June 1, 2024, the consent of the Members of the Company be and is hereby accorded for deletion of the second paragraph under title ‘B. Variable Pay’ of the ordinary resolution No.4 passed on February 21, 2023 through postal ballot and substitution of the following paragraph as second paragraph:

Mr. Umesh Revankar, Executive Vice Chairman will be entitled to grant of Stock Appreciation Rights (“SAR”) Units under the Shriram Finance Limited Employees Phantom Stock Appreciation Rights Plan 2024 (PSAR Plan) or grant of options/units under any other share-linked employee benefit scheme/plan as may be framed by the Company in future such that the value of the benefit/perquisite arising out of grant of such SAR Units as per the vesting schedule of 4 years under PSAR Plan/ or grant of options/units under such other share-linked employee benefit scheme/plan as may be framed by the Company shall be subject to limit of 50% of the Fixed Pay drawn by Mr. Umesh Revankar up to October 25, 2024. The grant /vesting of the SAR Units in accordance with PSAR Plan shall be performance-based, to be determined by the Board of directors on the recommendation of the Nomination and Remuneration Committee on the basis of evaluation of his performance on the parameters such as growth in Assets under Management (AUM), revenue, profit, Net Interest Margin (NIM), borrowings, etc.

RESOLVED FURTHER THAT save and except the aforesaid partial amendment in the second paragraph as mentioned above, all other terms and conditions of his appointment and remuneration will remain unchanged till expiry of his present tenure of appointment i.e. up to October 25, 2024.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

12. Revision in the term of remuneration of Mr. Y. S. Chakravarti (DIN 00052308), whole-time director designated as Managing Director & CEO of the Company and in this regard, to pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** in partial modification to the ordinary resolution passed by the Members of the

Company through postal ballot on February 21, 2023 for appointment of Mr. Y. S. Chakravarti (DIN 00052308), Managing Director & CEO of the Company for a period of 3 (three) years with effect from December 5, 2022 upto December 04, 2025 and payment of remuneration of Mr. Y. S. Chakravarti, Managing Director & CEO as per Circular No. RBI/2022-23/36 DOR.GOV.REC.No.29/ 18.10.002/2022-23 dated April 29, 2022 issued by the Reserve Bank of India (“RBI Circular”) (now Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023) and Remuneration Policy, as amended and pursuant to the applicable provisions of the Companies Act, 2013 and rules framed thereunder, Securities and Exchange Board of India Regulations, RBI regulations/guidelines (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force) and consequent to approval of Shriram Finance Limited Employees Phantom Stock Appreciation Rights Plan 2024 (PSAR Plan) by the Nomination and Remuneration Committee and Board of Directors of the Company in their respective meetings held on June 1, 2024, consent of the Members of the Company be and is hereby accorded for deletion of the second paragraph under title ‘B. Variable Pay’ of the ordinary resolution No.5 passed on February 21, 2023 through postal ballot and substitution of the following paragraph as second paragraph:

Mr. Y. S. Chakravarti, Managing Director & CEO of the Company will be entitled to grant of SAR Units under the Shriram Finance Limited Employees Phantom Stock Appreciation Rights Plan 2024 (PSAR Plan) or grant of options/units under any other share-linked employee benefit scheme/plan as may be framed by the Company in future such that the value of the benefit/perquisite arising out of grant of such SAR Units as per the vesting schedule of 4 years under PSAR Plan or grant of options/units under such other share-linked employee benefit scheme/plan as may be framed by the Company shall be subject to limit of 50% of the Fixed Pay drawn by Mr. Y. S. Chakravarti for a financial year or part of the financial year during the tenure of his appointment. The grant /vesting of the SAR units in accordance with PSAR Plan or grant or vesting of options/units under any other share-linked employee benefit scheme/plan shall be performance-based, to be determined by the Board of directors on the recommendation of the Nomination and Remuneration Committee on the basis of evaluation of his performance on the parameters such as growth in business volumes and profits, Net Interest Margin (NIM), product innovation/offering, branch expansion in new and existing geographies, laying and implementing the digital roadmap (digitalisation) for the Company, etc.

RESOLVED FURTHER THAT save and except the aforesaid partial amendment in the second paragraph as mentioned above, all other terms and conditions of his appointment and remuneration will remain unchanged till expiry of his present tenure of appointment i.e. up to December 04, 2025.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

13. Revision in the term of remuneration of Mr. Parag Sharma (DIN 02916744) whole-time director designated as Managing Director & CFO of the Company and in this regard, to pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** in partial modification to the ordinary resolutions passed by the Members of the Company (i) at the 43rd Annual General Meeting held on June 23, 2022 for appointment of Mr. Parag Sharma (DIN 02916744) as Whole Time Director designated as Joint Managing Director and Chief Financial Officer of the Company for the tenure of five years from December 13, 2021 upto December 12, 2026 and (ii) through postal ballot on February 21, 2023 for restructuring and revision of remuneration of Mr. Parag Sharma, Joint Managing Director and Chief Financial Officer, as per Circular No. RBI/2022-23/36 DOR.GOV. REC.No.29/ 18.10.002/2022-23 dated April 29, 2022 issued by the Reserve Bank of India (“RBI Circular”) (now Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023) and Remuneration Policy, as amended and pursuant to the applicable provisions of the Companies Act, 2013 and rules framed thereunder, Securities and Exchange Board of India Regulations, RBI regulations/guidelines (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force) and consequent to approval of Shriram Finance Limited Employees Phantom Stock Appreciation Rights Plan 2024 (PSAR Plan) by the Nomination and Remuneration Committee and Board of Directors of the Company in their respective meetings held on June 1, 2024, consent of the Members of the Company be and is hereby accorded for deletion of the second paragraph under title ‘B. Variable Pay’ of the ordinary resolution No.6 passed on February 21, 2023 through postal ballot and substitution of the following paragraph as second paragraph:

Mr. Parag Sharma, Managing Director & CFO of the Company will be entitled to grant of SAR Units under the Shriram Finance Limited Employees Phantom Stock Appreciation Rights Plan 2024 (PSAR Plan) or grant of

options/units under any other share-linked employee benefit scheme/plan as may be framed by the Company in future such that the value of the benefit/perquisite arising out of grant of such SAR Units as per the vesting schedule of 4 years under PSAR Plan or grant of options/units under such other share-linked employee benefit scheme/plan as may be framed by the Company shall be subject to limit of 50% of the Fixed Pay drawn by Mr. Parag Sharma for a financial year or part of the financial year during the tenure of his appointment. The grant / vesting of the SAR units in accordance with PSAR Plan or grant or vesting of options/units under any other share-linked employee benefit scheme/plan shall be performance-based, to be determined by the Board of directors on the recommendation of the Nomination and Remuneration Committee on the basis of evaluation of his performance on the parameters such as mobilization of funds in cost effective manner, treasury management, prudent assets and liability management, planning and budgeting of the Company, etc.

RESOLVED FURTHER THAT save and except the aforesaid partial amendment in the second paragraph as mentioned above, all other terms and conditions of his appointment and remuneration will remain unchanged till expiry of his present tenure of appointment i.e. December 12, 2026.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

14. Enhancement of limits of borrowing by the Board and in this regard, to pass the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the “Act”) and any other applicable laws (including any amendment(s), statutory modification(s) and/or re-enactment(s) thereof for the time being in force), consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall include any Committee constituted by the Board) to borrow for the purpose of the business of Company any sum or sums of moneys for and on behalf of the Company in Indian Rupees and/ or in any foreign currency (i) by way of availing of long/ short term loans and all kinds of financial assistance by all permissible methods, secured/unsecured from domestic as well as international lenders, investors including banks, financial institutions, bodies corporate or any person(s), (ii) by way of issue of foreign currency notes, bonds, rupee denominated bonds, social bonds

under the Company's Social Financing Framework or any other eligible instrument to the eligible investors/lenders in the international market on private placement basis or through public issue or availing of loan(s) by way of external commercial borrowing as may be permissible by the Reserve Bank of India, from eligible lenders, persons (iii) by way of issue of redeemable non- convertible debentures, subordinated debentures, bonds, commercial papers or any other security or instrument(s) on private placement basis as well as by way of public issue in the domestic market by issue of shelf-disclosure documents, prospectus, shelf-prospectus, General Information Document, Key Information Document, offering circular or otherwise, from persons, institutional investors, foreign institutional investors/ foreign portfolio investors, qualified institutional buyers, resident public financial institutions, multilateral financial institutions, regional financial institutions, statutory corporations, state industrial development corporations, provident funds, pension funds, superannuation funds, gratuity funds, venture capital funds, alternative investments funds, insurance companies, mutual funds, national investment fund, insurance funds, non- institutional investors, companies, bodies corporate, societies, educational institutions and association of persons, trusts, scientific and /or industrial research organizations, partnership firms, Limited Liability Partnerships, Resident Individuals, High Net-worth Individuals (HNIs), Hindu Undivided Families (HUFs), retail individual investors, (iv) by way of acceptance of deposits from public, shareholders, directors, relatives of directors, HUF, resident individuals, Non-resident Indians (through NRO accounts), trusts, firms, corporates or (v) by way of issuance of any other permissible instruments or methods of borrowing, whether unsecured or secured by mortgage, charge, hypothecation, lien, pledge or otherwise of the Company's assets and properties, whether movable or immovable, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company, apart from temporary loans obtained and/or to be obtained from the Company's bankers in the ordinary course of business, will or may exceed the aggregate of the paid up share capital, free reserves and securities premium, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans, shall not exceed Rs.2,35,000 crores (Rupees Two Lakh Thirty Five Thousand Crores Only).

RESOLVED FURTHER THAT the Board or person/(s) as authorized by the Board be and are hereby authorized to do all such acts, deeds, matters and things as it/they may consider necessary, expedient, usual or proper to give full effect to the aforesaid resolution, including but

not limited to settle any questions or resolve difficulties that may arise in this regard, if any, as it may, in its absolute discretion, deem fit, without requiring the Board to secure any further consent or approval of the Members of the Company to the intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

15. Enhancement of limits of creation of security by the Board in connection with borrowing and in this regard, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, (hereinafter referred to as the "Act") and any other applicable laws (including any amendment(s), statutory modification(s) and/or re-enactment(s) thereof for the time being in force), consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall include any Committee constituted by the Board) for mortgaging and/or charging (including creation /perfection / modification thereof) in such form and manner and on such terms and at such time(s) as the Board may deem fit, the movable and/or immovable properties including the whole or substantially the whole of the undertaking(s) of the Company, wherever situate, present and future, whether presently belonging to the Company or not, in favour of any person including, but not limited to, financial/ investment institution(s), bank(s), insurance company(ies), mutual fund(s), corporate body(ies), trustee(s), agent(s) to secure the debentures, notes, bonds or any other debt security issued/ to be issued by the Company in the domestic or international markets, loans availed by the Company from banks, financial or any other institutions, bodies corporate, persons in India as well as through external commercial borrowings, hire purchase and/or lease portfolio management transaction(s) for finance and other credit facilities up to a sum not exceeding Rs.2,93,750 crores (Rupees Two Lakh Ninety Three Thousand Seven Hundred and Fifty Crores Only).

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize the documents and deeds, as may be necessary with respect to creation/perfection/ modification of mortgages and/or charges created/to be created on such immovable and/or movable properties of the Company in connection with the borrowing on such terms and conditions as may be decided by the Board in consultation with the lenders/ trustees for reserving the aforesaid right and for performing all such acts, things and deeds as may be necessary for giving full effect to this resolution."

16. Enhancement of limit to sell/ assign/ securitize receivables by the Board and in this regard, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, (hereinafter referred to as the “Act”), consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company or its Committee as may be authorized by the Board of Directors to sell / assign/securitize receivables by way of hypothecation/ hire purchase/lease/ loan agreements/contracts due

from the hirers /lessees /loanees /borrowers of the Company from time to time provided that the aggregate amounts of such transactions outstanding at any point of time shall not exceed Rs.50,000 crores (Rupees Fifty Thousand Crore Only).

RESOLVED FURTHER THAT the Board of Directors of the Company or such Committee/ or person/(s) as authorized by the Board of Directors of the Company be and are hereby authorized to finalise the form, extent and manner of, and to sign all such documents, deeds, and writings for giving effect to this resolution.”

Notes:

1. Ministry of Corporate Affairs (“MCA”) vide its General Circular Nos.14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No.20/2020 dated May 05, 2020, Circular No.02/2022 dated May 05, 2022, Circular No. 10/2022 dated December 28, 2022 and Circular No. 09/2023 dated September 25, 2023 (“MCA Circulars”) has permitted to conduct the Annual General Meeting through video conferencing (“VC”) or other audio-visual means (“OAVM”) upto September 30, 2024. In compliance with the aforesaid MCA Circulars, the 45th Annual General Meeting (“45th AGM” or “Meeting”) of the Members of the Company will be held through VC/ OAVM, without the physical presence of the Members at a common venue. The venue of the Meeting shall be deemed to be the Registered Office of the Company.
2. A Member entitled to physically attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. Since this 45th AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with in line with the MCA Circulars. Accordingly, the facility for appointment of proxies by the Members will not be available for this 45th AGM and hence, the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
3. Institutional investors, who are Members of the Company, are encouraged to attend and vote at the 45th AGM of the Company through VC / OAVM facility.
4. Institutional / Corporate Shareholders (i.e. other than individuals / HUFs, NRIs, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the 45th AGM through VC / OAVM on its behalf and to vote through remote e-voting pursuant to Section 113 of the Companies Act, 2013 (“the Act”). The said resolution/ authorization shall be sent by registered email address to the Scrutinizer at sfltd.scrutinizer@gmail.com and helpdesk.evoting@cdslindia.com.

5. The Explanatory Statement in respect of Item Nos. 5 and 6 of Ordinary Business and the Explanatory Statement pursuant to Section 102(1) of the Act, in respect of the special business set out under Item Nos. 7 to 16 are annexed and form part of this Notice.
6. The brief details of the directors, who are being appointed/re-appointed, at this 45th AGM are annexed hereto as per the requirements of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), as amended and the Secretarial Standards on General Meetings (“SS-2”) issued by the Institute of Company Secretaries of India (“ICSI”).
7. The payment of final dividend, upon declaration by the Members at the 45th AGM, will be made subject to deduction of tax at source, as applicable, on or before Wednesday, August 28, 2024 as under:
 - a. to all those beneficial owners holding shares in electronic form as per the beneficial ownership data as may be made available to the Company by the National Securities Depository Ltd (NSDL) and the Central Depository Services (India) Ltd (CDSL) as of the end of business hours on Tuesday, July 23, 2024 and
 - b. to all those Members holding shares in physical form after giving effect to all the valid transmission and transposition in respect of valid requests lodged with the Company and RTA as of the end of business hours on Tuesday, July 23, 2024.
8. Pursuant to the provisions of Section 91 of the Act, the Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, July 24, 2024 to Tuesday, July 30, 2024 (both days inclusive) for the purpose of payment of dividend and 45th AGM of the Company.
9. The facility of joining the 45th AGM through VC/ OAVM will be opened 30 minutes before and will remain open

for 15 minutes after the scheduled start time of the 45th AGM, i.e. from 1:30 p.m. to 2:15 p.m.

10. The Company will be providing the facility of live webcast of the proceedings of 45th AGM. Members can view the proceedings of the 45th AGM by logging on the website of CDSL at www.evotingindia.com using their secure login credentials. The recorded transcript of the 45th AGM will be made available on the website of the Company at: <https://www.shriramfinance.in/investors/governance>
11. In terms of Sections 101 and 136 of the Act read with the relevant Rules made thereunder and Regulation 34 and 36 of the Listing Regulations read with SEBI circular SEBI/HO/CFD/CFD-PoD-2/P/ CIR/2023/167 dated October 7, 2023, Companies can send Annual Reports and other communications through electronic mode. Physical copy of the Annual Report shall be sent to those Members who request for the same. Notice of the 45th AGM along with the Annual Report for F.Y. 2023-24 is being sent through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. The Member who wishes to obtain hard copy of the Annual Report can send a request for the same at email ID - secretarial@shriramfinance.in mentioning Folio No/ DP ID and Client ID. Members may note that the Notice and Annual Report for F.Y.2023- 24 will also be available on the Company's website www.shriramfinance.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of Central Depository Services (India) Limited ('CDSL') at <https://www.evotingindia.com/>
12. Further, those Members who have not updated their email addresses in the Demat account/Folio may get their email address and mobile number registered with Company's Registrar and Transfer Agent, Integrated Registry Management Services Private Limited ("RTA") latest by Tuesday, July 23, 2024 for receiving the Notice of 45th AGM and Annual Report along with the Login ID and Password by sending an email to the RTA at their email ID: einward@integratedindia.in.
13. Members attending the 45th AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
14. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on Tuesday, July 23, 2024 being the Cut-off Date. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
15. a) For non-individual Member, who acquires shares of the Company and becomes a Member after dispatch of the Notice, but holds shares as on the Cut-off Date for remote e-voting i.e. Tuesday, July 23, 2024, may obtain the login Id and password by sending a request at helpdesk.evoting@cdslindia.com or einward@integratedindia.in.
 b) For Individual Member, who acquires shares of the Company and becomes a Member after dispatch of the Notice, but holds shares as on the Cut-off Date for remote e-voting i.e. Tuesday, July 23, 2024, holding shares in NSDL / CDSL should login through the websites of NSDL / CDSL and can cast the votes during remote e-voting period.
 c) Members will be provided with the facility for voting through an electronic voting system during the VC/OAVM proceedings at the 45th AGM and Members participating at the 45th AGM, who have not already cast their vote by remote e-voting, will be eligible to exercise their right to vote during such proceedings of the 45th AGM. Members who have cast their vote by remote e-voting prior to the 45th AGM will also be eligible to participate at the 45th AGM but shall not be entitled to cast their vote again on such resolutions for which the Member has already cast the vote through remote e-Voting.

For details on login method of e-voting please refer the instructions below under the head "Voting through electronic means".

16. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the 45th AGM.
17. The Company has been maintaining, inter alia, the following Statutory Registers at its Registered Office at Sri Towers, Plot No. 14A, South Phase, Industrial Estate, Guindy, Chennai – 600 032, Tamil Nadu, India:
 - i. Register of contracts or arrangements in which directors are interested under Section 189 of the Act.
 - ii. Register of directors and key managerial personnel and their shareholding under Section 170 of the Act.

In accordance with the MCA Circulars, the Statutory Registers, Certificate from Secretarial Auditor of the Company certifying that Shriram Finance Limited Employee Stock Option Scheme 2023 (No.1) of the Company has been implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and all relevant documents referred in this Notice will

- be made accessible for inspection through electronic mode and shall remain open and be accessible to any Member during the continuance of the 45th AGM. Members seeking to inspect such documents can send an e-mail at secretarial@shriramfinance.in
18. The Board of Directors has appointed Mr. P. Sriram (Membership No. FCS 4862), Practising Company Secretary (CP No. 3310) or failing him Ms. Nithya Pasupathy (Membership No. FCS 10601), Practising Company Secretary (CP No. 22562), partners of SPNP & Associates, Chennai, Practising Company Secretaries as the Scrutinizer to scrutinize the remote e-voting process at the 45th AGM in a fair and transparent manner and he/she has consented to act as Scrutinizer.
 19. SEBI vide its circulars dated May 17, 2023, November 17, 2023 and May 07 2024 has mandated shareholders holding securities in physical form to furnish PAN, KYC (i.e., Postal Address with Pin Code, mobile number, email address, choice of nomination bank account details, specimen signature) to avail any service request. Pursuant to the aforesaid SEBI Circulars, the Company has sent individual communications to all the Members holding shares of the Company in physical form. In case of physical shareholders who have not updated their KYC details may please submit Form ISR-1, Form ISR-2, and Form No. SH-13/ Form ISR-3. The link for downloading the forms is available on the Company's website <https://www.shriramfinance.in/investors/investor-information> and RTA's website <https://www.integratedregistry.in/KYCRegister.aspx>
 20. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/ folios; Transmission, Transposition and Name Change. Further, SEBI vide its circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/65 dated May 18, 2022 has simplified the procedure and standardized the format of documents for transmission of securities. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at <https://www.shriramfinance.in/investors/investor-information> and RTA's website <https://www.integratedregistry.in/KYCRegister.aspx>.
 21. Members holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into demat/electronic form to get inherent benefits of dematerialisation and also considering that physical transfer of equity shares/ issuance of equity shares in physical form have been disallowed by SEBI. In this regard, the Members/legal heirs of deceased Members are also requested to open demat account simultaneously for dematerializing the shares to their demat account(s) after transmission of shares in their name by the RTA of the Company.
 22. SEBI has made it mandatory for all the Companies to use the bank account details furnished by the Depositories and the bank account details maintained by the RTA for payment of dividend to Members electronically. With effect from April 01, 2024 any payments including dividend in respect of shares held in physical mode shall only be made electronically upon registering the required KYC details.
 23. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register their e-mail address with their Depository Participant (s) in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form for receiving all communication including Annual Report, Notices, Financial Results etc. from the Company electronically.
 24. As per the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividends declared or distributed or paid by a Company on or after April 1, 2020 shall be taxable in the hands of the Members and the Company shall be required to deduct tax at source ('TDS') at the prescribed rates, as applicable, from the dividend to be paid to Members at the time of distribution or payment of dividend. The tax so deducted will be paid to the credit of the Central Government. The TDS rate would vary depending on the residential status of the Members and the documents submitted by them and accepted by the Company in accordance with the applicable provisions of the Income Tax Act, 1961.
- Shareholders are requested to note that in case their PAN is not registered, not linked with Aadhaar or non-filer of Income tax return as per special provision of section 206AB, the tax will be deducted at a higher TDS rate.
- A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G / 15H, to avail the benefit of non-deduction of tax at source. For Non-resident shareholders [including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors(FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency

Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For Non deduction of TDS or to avail treaty benefit, the shareholder may submit the above documents (PDF / JPG Format) to RTA through weblink: <https://www.integratedregistry.in/TaxExemptionRegistration.aspx>. The aforesaid declarations and documents need to be submitted by the shareholders on or before July 23, 2024. A separate email will be sent at the registered email id of the Members describing about the detailed process to submit the documents/declarations along with the formats in respect of deduction of tax at source of the final dividend payout. The intimation will also be uploaded on the website of the Company www.shriramfinance.in.

Members are requested to intimate changes, if any pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC etc., to their depository participants in case their shares are held in demat form and to RTA in case the shares are held by them in physical form.

25. Loss of Shares: In case of loss/misplacement of share certificates, Members should immediately lodge a complaint/FIR with the police if value of shares exceeds Rs.5,00,000/- and inform the RTA for the procedure for obtaining the duplicate share certificates.
26. Nomination Facility: As per the provisions of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, as amended, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with RTA. In respect of shares held in dematerialized form, the nomination form may be filed with the respective Depository Participant.
27. Non-Resident shareholders: Non-Resident shareholders are requested to immediately notify the following to the Company in respect of shares held in Physical form and to their Depository Participant in respect of shares held in Dematerialized form:
 - Indian address for sending all communications, if not provided so far;
 - Change in their residential status on return to India for permanent settlement;
 - Particulars of the Bank Account maintained with a bank in India, if not furnished earlier; and
- RBI Permission number with date to facilitate prompt credit of dividend in their Bank Accounts.
28. Members are requested to note that, dividends if not encashed for a consecutive period of 7 (seven) years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (“IEPF”) Authority. The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form IEPF-5 available on www.mca.gov.in.
29. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
30. **Transfer of unclaimed dividend transferred to Investor Education and Protection Fund**
 - i. Pursuant to the provisions of Section 124 and 125 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules) as amended from time to time, the dividends which remain unclaimed for a period of 7 (seven) years will be transferred by the Company to the “Investor Education and Protection Fund” (IEPF) established by the Central Government as and when they fall due. The unclaimed dividend includes dividend of erstwhile Shriram City Union Finance Limited (SCUF) consequent to Scheme of Arrangement and Amalgamation coming into effect. Members who have not encashed their dividend so far are requested to make their claim to the Company’s Corporate Office or to Integrated Registry Management Services Private Limited, 2nd Floor, Kences Towers, No. 1, Ramakrishna Street, North Usman Road, T Nagar, Chennai - 600 017 before transfer to IEPF on the respective dates mentioned below. The intimation in this regard is being sent to the concerned Members.

Year ending on March 31	Dividend to be transferred to IEPF		Year ending on March 31	Dividend to be transferred to IEPF	
	Final Dividend	Interim Dividend		Final Dividend	Interim Dividend
2017	04/08/2024	--	2021	30/07/2028	1. 04/12/2027 2. 30/04/2028
2017 (erstwhile SCUF)	04/08/2024	--	2021 (erstwhile SCUF)	02/09/2028	1. 06/12/2027 2. 29/04/2028
2018	31/08/2025	07/12/2024	2022	--	1. 04/12/2028 2. 10/04/2029
2018 (erstwhile SCUF)	27/08/2025	04/12/2024	2022 (erstwhile SCUF)	--	1. 02/12/2028 2. 11/04/2029
2019	02/08/2026	30/11/2025	2023	29/07/2030	29/01/2030
2019 (erstwhile SCUF)	02/09/2026	29/11/2025	2024	--	1. 01/12/2030 2. 01/03/2031
2020	--	29/11/2026			
2020 (erstwhile SCUF)	--	28/11/2026			

- ii. **Transfer of Equity Shares to Investor Education and Protection Fund** – As per Government of India Gazette notification No. REGD. NO. D. L.-33004/99 dated February 28, 2017 issued by Ministry of Corporate Affairs, the Company is required to transfer the shares to Investor Education and Protection Fund Authority (IEPF) Authority, the shares on which dividend remains unclaimed for 7(seven) consecutive years will be transferred to the IEPF Authority as per Section 124 of the Act, and the applicable rules. The shares transferred to IEPF include shares of erstwhile SCUF consequent to Scheme of Arrangement and Amalgamation coming into effect. Accordingly, during the Financial Year 2023-2024, the Company had transferred 79,337 Equity shares of face value of Rs.10/- each in respect of which the following dividend was not claimed/remained unpaid for 7 (seven) consecutive years as mentioned below:

Financial Year	Type of Dividend	No. of Shares Transferred to IEPF Authority	Filing date of Form IEPF 4
2015-2016	Final Dividend	48,630	06/10/2023
2015-2016 (erstwhile SCUF)	Final Dividend	1,272	06/10/2023
2016-2017	Interim Dividend	27,726	23/01/2024
2016-2017 (erstwhile SCUF)	Interim Dividend	1,709	23/01/2024

The Members who have a claim on above dividends and equity shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form IEPF-5. Information on the procedures to be followed for claiming the dividend/ shares/ fixed deposits are available at <http://www.iepf.gov.in/IEPF/refund.html>. No claims shall lie against the Company in respect of the dividend, shares, etc. so transferred.

Nodal Officer and Deputy Nodal Officer (IEPF)

Details of Nodal & Deputy Nodal Officer of the Company appointed in accordance with the provisions of IEPF Rules are available on the website of the Company at <https://www.shriramfinance.in/investors/investor-information>

VOTING THROUGH ELECTRONIC MEANS

In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the Listing Regulations, and in terms of Circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 and SEBI Master circular no. SEBI/HO/

CFD/PoD2/CIR/P/2023/120 dated 11 July 2023 issued by SEBI in relation to e-Voting Facility, the Members are provided the facility to cast their vote electronically, through the remote e-voting services and the e-voting facility at the 45th AGM by Central Depository Services (India) Limited ('CDSL'), e-voting agency, for voting on all the resolutions set out in this Notice.

The remote e-voting period commences on **Saturday, July 27, 2024 (9.00 a.m. IST)** and ends on **Monday, July 29, 2024 (5:00 p.m. IST)**. During this period, Members holding shares either in physical form or in dematerialized form, as on **Tuesday, July 23, 2024** i.e. Cut-off Date, may cast their vote electronically. Person who is not a Member as on the Cut-off Date should treat this Notice for information purpose only. The e-voting module shall be disabled by CDSL for voting thereafter. Those Members, who will be present in the 45th AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the 45th AGM.

THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

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

In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

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

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

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at toll free no.: 022-4886 7000 and 022-2499 7000

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

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

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

- 7) After entering these details appropriately, click on "SUBMIT" tab.
- 8) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- 9) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- 10) Click on the EVSN for Shriram Finance Limited on which you choose to vote.
- 11) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- 12) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- 13) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- 14) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- 15) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- 16) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- 17) There is also an optional provision to upload BR/ POA if any uploaded, which will be made available to scrutinizer for verification.
- 18) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; sfltd.scrutinizer@gmail.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE 45TH AGM THROUGH VC/OAVM & E-VOTING AT THE MEETING ARE AS UNDER:

1. The procedure for attending Meeting & e-Voting at the 45th AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend Meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the Meeting. However, they will not be eligible to vote at the 45th AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the Meeting.
6. Please note that shareholders connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

7. Only those shareholders, who are present in the 45th AGM through VC/OAVM facility and have not casted their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available at the 45th AGM.
8. If any Votes are cast by the shareholders through the e-voting available at the 45th AGM and if the same shareholders have not participated in the Meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting at the Meeting is available only to the shareholders attending the Meeting.

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

1. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to einward@integratedindia.in
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending 45th AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai – 400 013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33. You may also contact Mr. U Balasundararao, Company Secretary & Compliance Officer of the Company to address the grievances connected with e-Voting at Corporate Office, Tel. No. +91- 022-40959595, Email-id:secretarial@shriramfinance.in

Instructions for attending /joining the 45th AGM through VC/OAVM are as under:

1. Members will be provided with a facility to attend the 45th AGM through VC/OAVM through the CDSL e-voting system. Members may access the same at <https://www.evotingindia.com> under shareholders/members login

by using the remote e- voting credentials. The link for VC/OAVM will be available in shareholders/members login where the EVSN of Company will be displayed.

2. The Members can join the 45th AGM through the VC/OAVM mode 30 minutes before and will remain open for 15 minutes after the scheduled start time of the commencement of the Meeting by following the procedure mentioned in the Notice.
3. Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned above.
4. Members are encouraged to join the meeting through Laptops with Google Chrome for better experience.
5. Further, Members will be required to allow camera, if any, and hence use internet with a good speed to avoid any disturbance during the meeting.
6. While all efforts will be made to make the Meeting through VC/ OAVM mode smooth, Members connecting through mobile devices, tablets, laptops, etc. may, at times, experience audio/video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.
7. **AGM Questions prior to 45th AGM:** Members are requested to send their questions in advance from Friday, July 26, 2024 to Sunday, July 28, 2024 mentioning their name, demat account number/folio number, email ID, mobile number at SFLAGM2024@shriramfinance.in. Such questions by the Members shall be taken up during the Meeting and replied by the Company suitably. Please note that only questions of the Members holding the shares as on cut-off date will be considered. Members intending to speak at the 45th AGM would require microphone and speakers / headphone.
8. **Speaker Registration during 45th AGM session:** Members who would like to express their views/ask questions during the Meeting may register themselves as a speaker by sending their request in advance from Friday, July 26, 2024 to Sunday, July 28, 2024 mentioning their name, demat account number/folio number, email ID, mobile number at SFLAGM2024@shriramfinance.in. Only those Members who have registered themselves as speakers will be allowed to express their views/ask questions during the 45th AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the 45th AGM.

9. Scrutinizer's Report and declaration of results:

- i. The Scrutinizer shall, immediately after the conclusion of voting at the 45th AGM, first count the votes cast at the Meeting, thereafter unblock the votes through e-voting and make a consolidated Scrutinizers' report of the total votes cast in favour or against, within 2 (two) working days of the conclusion of the 45th AGM, to the Chairman or Mr. Umesh Revankar, Executive Vice Chairman or Mr. Y. S. Chakravarti, Managing Director and CEO or Mr. Parag Sharma Managing Director and CFO

or Mr. D. V. Ravi, Director or any other person authorised by the Chairman in writing, who shall countersign the same and declare the result of the voting forthwith.

- ii. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.shriramfinance.in and on the website of CDSL at www.evotingindia.com immediately after the declaration of results and communicate to the BSE Limited and National Stock Exchange of India Limited. The resolutions shall be deemed to be passed at the 45th AGM of the Company.

By Order of the Board
For Shriram Finance Limited
(Formerly known as Shriram Transport Finance Company Limited)

U Balasundararao
Company Secretary & Compliance Officer
Membership No. : FCS 12952

Mumbai

June 1, 2024

CIN: L65191TN1979PLC007874

Registered Office: Sri Towers, Plot No.14A, South Phase,

Industrial Estate, Guindy, Chennai 600 032,

Tel No: +91 44 4852 4666 Fax: +91 44 4852 5666.

Website: www.shriramfinance.in

Email id: balasundar@shriramfinance.in

ANNEXURE TO NOTICE

Explanatory Statement in respect of Item Nos. 5 and 6 of Ordinary Business

ITEM Nos. 5 and 6

The current Joint Statutory Auditors of the Company viz. M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai (ICAI Firm Registration No. 004207S) and KKC & Associates LLP (formerly Khimji Kunverji & Co LLP), Chartered Accountants, Mumbai (ICAI Firm Registration No. 105146W/ W100621) who were appointed as Joint Statutory Auditors of the Company at the Extra-Ordinary General Meeting of the Company held on September 15, 2021 and 43rd Annual General Meeting held on June 23, 2022 will hold office till the conclusion of 45th Annual General Meeting of the Company ('Retiring Joint Statutory Auditors') in line with the Guidelines for Appointment of Statutory Central Auditors (SCAs)/ Statutory Auditors (SAs) of Commercial Banks (excluding Regional Rural Banks), Primary (Urban) Co-operative Banks and Non-Banking Finance Companies ("NBFCs") (including Housing Finance Companies) issued by Reserve Bank of India ('RBI') on April 27, 2021 ("RBI Guidelines"). As per the RBI Guidelines, the statutory audit of the Company should be conducted under joint audit of a minimum of two audit firms.

Since, the Retiring Joint Statutory Auditors of the Company will be completing their term as Joint Statutory Auditors after conclusion of the ensuing 45th Annual General Meeting of the Company, the Audit Committee and the Board of Directors in their respective meetings held on January 24, 2024 and January 25, 2024 recommended to the Members of the Company, pursuant to RBI Guidelines, the passing of the necessary resolutions at the ensuing 45th Annual General Meeting of the Company for the appointment of M/s. G D Apte & Co, Chartered Accountants, Mumbai (ICAI Firm Registration No. 100515W) and M/s M M Nissim & Co LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No. 107122W/W100672) as new Joint Statutory Auditors of the Company from the conclusion of 45th Annual General Meeting of the Company till the conclusion of 48th Annual General Meeting of the Company to conduct the audit of accounts of the Company for a term of three consecutive financial years ending March 31, 2025, March 31, 2026

and March 31, 2027 in place of the Joint Statutory Auditors retiring at the 45th Annual General Meeting of the Company.

M/s. G D Apte & Co and M/s M M Nissim & Co LLP have informed the Company that they are eligible to be appointed as Joint Statutory Auditors of the Company as per the RBI Guidelines and confirmed that their appointment, if made, would be within the limits specified under Section 141 of the Act and that they are not disqualified to be appointed as statutory auditor under Section 141 and other relevant provisions of the Act, the provisions of the Companies (Audit and Auditors) Rules, 2014 and the Chartered Accountants Act, 1949.

The Audit Committee and the Board of Directors recommend to the Members the appointment of M/s. G D Apte & Co, Chartered Accountants, Mumbai (ICAI Firm Registration No. 100515W) and M/s M M Nissim & Co LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No. 107122W/W100672), as new Joint Statutory Auditors of the Company as set out in the ordinary resolutions at Item Nos. 5 and 6 of this Notice.

The Audit Committee and the Board of Directors in their respective meetings had recommended for the payment of remuneration of Rs.70,00,000/- (Rupees Seventy Lakhs Only) (exclusive of certification fees, goods and service tax and reimbursement of out of pocket expenses) for the Financial Year 2024-25 to be paid to each new Joint Statutory Auditor. The remuneration will be fixed for the financial years ending March 31, 2026 and March 31, 2027 as may be approved by the Members in the 46th and 47th Annual General Meeting of the Company, respectively, based on the recommendation of the Audit Committee and the Board of Directors of the Company.

The Board of Directors recommends the resolutions set out at Item No. 5 and Item No. 6 of the AGM Notice to the Members of the Company for their consideration and approval, by way of an Ordinary Resolutions.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

DISCLOSURE UNDER REGULATION 36(5) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Proposed statutory audit fee of Joint Statutory Auditors for the Financial Year 2024-25	Rs.70,00,000/- to be paid to each Joint Statutory Auditor for the Financial Year 2024-25.
Terms of appointment	M/s. G D Apte & Co, Chartered Accountants, Pune (ICAI Firm Registration No. 100515W) and M/s. M M Nissim & Co LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No. 107122W/W100672) will hold office from conclusion of 45 th Annual General Meeting till the conclusion of 48 th Annual General Meeting to conduct the audit of accounts of the Company for a term of three consecutive financial years ending March 31, 2025, March 31, 2026 and March 31, 2027.
Material change in fee payable to the new Joint Statutory Auditors for the Financial Year 2024-25	There is no material change in fee to be paid for the Financial Year 2024-25 to the new Joint Statutory Auditors proposed to be appointed through the ordinary resolutions as set out at Item Nos. 5 and 6 of the Notice of this AGM.
Basis of recommendation for appointment and auditor credentials	<p>The recommendations made by the Audit Committee and the Board of Directors of the Company for appointment of the Joint Statutory Auditors are in compliance with the RBI Guidelines and in fulfilment of the eligibility criteria prescribed under the Companies Act, 2013 and the applicable rules made under the Act with regard to the full time partners, statutory audit experience of NBFCs, capability, assessment of independence, etc.</p> <p><u>Brief Profile of Joint Statutory Auditors</u></p> <p>M/s G D Apte & Co, Chartered Accountants, Mumbai</p> <p>Founded in 1957, the Firm at present has 13 Partners and offices at Mumbai (Head Office) and Pune. The Firm has experience in the field of Audit & Assurance (Statutory Audits & Internal Audits), Taxation (Direct & Indirect), Forensic Audits, Due Diligence of clients during merger & acquisition, IS Audit, representing clients in Manufacturing, Services, Banking, Financial Services and Insurance (BFSI) & Charitable Institutions. The Firm has conducted Statutory Audit, Concurrent Audit and Internal Audit of various Banks, NBFCs, Government Companies, Insurance Companies and Private Companies.</p> <p>M/s M M Nissim & Co LLP, Chartered Accountants, Mumbai</p> <p>M M Nissim & Co LLP (the 'Firm') is registered with ICAI since 1946, the firm, at present, has 17 partners. The Firm has its Head Office at Mumbai and has branch offices at New Delhi, Kolkata, Bengaluru and Chennai.</p> <p>The Firm renders assurance, direct and indirect taxation services, advisory services and is empanelled with various regulatory authorities such as CAG, RBI, SEBI, IRDAI, PFRDA, etc. The Firm's clientele includes private and public sector enterprises, regulators and NGOs. The Firm also has varied experience in the BFSI sector, having provided audit/ non-audit and consultancy services to private, public and foreign banks and NBFCs.</p>

EXPLANATORY STATEMENT IN RESPECT OF ITEM NOS. 7 TO 16 PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

ITEM NOs.7 to 10

The Board of Directors and the Nomination and Remuneration Committee, as a part of succession planning exercise, periodically review and deliberate on current tenure of directors, anticipated vacancies in the Board, composition of the Board, skill matrix of directors etc. to ensure effective leadership and consistent competitive business performance. The Board also periodically carries out the performance evaluation of executive and non-executive directors and senior management team to promote culture of meritocracy, pipeline for succession, nurture leadership and motivation for business continuity. Accordingly, the Board of Directors, on recommendation of Nomination and Remuneration Committee in their respective meetings held on June 1, 2024, has approved the following proposals and seek the approval of Members of the Company for the same:

- (i) Re-appointment of Mr. Umesh Revankar (DIN 00141189) as Executive Vice Chairman for a term of 5 years with effect from October 26, 2024.
- (ii) Elevation and re-designation of Mr. Parag Sharma (DIN 02916744) as Managing Director & Chief Financial Officer (“Managing Director & CFO”) with effect from June 1, 2024.
- (iii) Appointment of Mr. Gokul Dixit (DIN 00357170) as an Independent Director of the Company for a term of 5 years with effect from June 1, 2024.
- (iv) Appointment of Mrs. M. V. Bhanumathi (DIN 10172983) as an Independent Director of the Company for a term of 5 years with effect from June 1, 2024.
- (i) Re-appointment of Mr. Umesh Revankar (DIN 00141189) as Executive Vice Chairman for a term of 5 years with effect from October 26, 2024**

The Members of the Company in its 40th Annual General Meeting held on June 27, 2019 approved re-appointment of Mr. Umesh Revankar (DIN 00141189) as Managing Director & CEO of the Company for a period of 5 (five) years with effect from October 26, 2019 upto October 25, 2024 not liable to retire by rotation and payment of remuneration to him.

The Members of the Company passed an ordinary resolution on February 21, 2023 through Postal Ballot approving re-designation of Mr. Umesh Revankar as Executive Vice Chairman of the Company and restructuring and revision of his remuneration with effect from December 5, 2022 as per the as per Circular No. RBI/2022-23/36 DOR.GOV.REC.No.29/18.10.002/2022-23 dated April 29, 2022 issued by the Reserve Bank of India (“RBI Circular”) (now forming part of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023) and Remuneration Policy of the Company, as amended.

The present tenure of Mr. Umesh Revankar as Executive Vice Chairman of the Company will expire on October 25, 2024.

Mr. Umesh Revankar is eligible for re-appointment pursuant to Section 196(3) of the Companies Act, 2013 (‘the Act’) read with part I of Schedule V to the Act. Mr. Umesh Revankar meets the fit and proper criteria for director as prescribed under Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023.

Mr. Umesh Revankar, aged 59 years, has been working with Shriram Group since the year 1985. He joined the Company as a Management Trainee and rose to the position of Executive Vice Chairman. Throughout his career spanning more than 35 years in Shriram group, he has consistently demonstrated outstanding performance. He has been playing significant role in the growth of the Company. The Company’s Assets Under Management (AUM) was Rs. 40,214 crores when he was promoted as Managing Director of the Company in the year 2012. Under his leadership, the Company’s AUM has significantly increased 5.6 times to Rs.2,24,862 crores as on March 31, 2024. He has played pivotal role in strategic matters such as amalgamation(s) and mergers, raising of share capital through fresh issue of shares by way of rights issue, preferential issue, issue of bonds in international market, increasing range of financial product offering etc. His visionary leadership facilitated building robust organization structure and nurturing team of leaders to effectively face challenges, ups and downs in the business environment including the unprecedented challenges during COVID-19 and sustaining competitive edge. He has motivated employees and senior management team for best performance.

Currently, he is playing a significant role in planning/ implementing the Company’s future growth strategies, Industry environment management, ensuring leadership and business continuity, delivering consistent performance and business leadership, fund raising, ESG matters, guiding the core management team/ KMP on crucial matters in day to day business affairs/ management, etc.

He is a member of various committees constituted by the Board including Stakeholders’ Relationship Committee, Corporate Social Responsibility Committee, IT Strategy Committee, Risk Management Committee, Asset Liability Management Committee, Banking & Finance Committee, Environmental, Social and Governance Committee, Securities Transfer Committee, Investment Review Committee, Allotment Committee (NCDs), ESOP Allotment Committee, etc.

Based on recommendation of the Nomination and Remuneration Committee, the Board of Directors in its meeting held on June 1, 2024 has re-appointed him for a further period of 5 (five) years with effect from

October 26, 2024 upto October 26, 2029, liable to retire by rotation, subject to approval of Members, on terms and conditions including remuneration as mentioned in the resolution set out at Item no. 7 of this Notice of the Annual General Meeting. In addition to the Fixed Pay, Mr. Umesh Revankar will be entitled to Variable Pay linked to achievement of performance parameters by him as assessed by the Nomination and Remuneration Committee and the Board of Directors at their sole discretion. The Variable Pay is divided into two parts – viz. (i) Cash Variable Pay subject to limit of 50% of the Fixed Pay in a financial year or part thereof and (ii) grant of SAR Units at a discount not exceeding twenty percentage on the average closing price of fully paid-up equity shares of the Company during the 90 trading days preceding the date of grant under the PSAR Plan or grant of options/units under any other share-linked employee benefit scheme/plan as may be framed by the Company in future such that the value of the benefit/perquisite arising out of grant of such SAR Units as per the vesting schedule of 4 years under PSAR Plan or grant of options/units as per the vesting schedule of such other share-linked employee benefit scheme/plan as may be framed by the Company subject to limit of 50% of the Fixed Pay drawn by him for a financial year or part of the financial year during the tenure of his appointment.

While the value of the Variable Pay under PSAR Plan will be determined as on the date of the grant of SAR Units to Mr. Umesh Revankar, however, the actual benefit/perquisite will be based on the value as on the date of vesting / exercise of such SAR Units.

The Company has received from a Member the notice under Section 160(1) of the Act proposing the candidature of Mr. Umesh Revankar for the office of director.

The Ordinary Resolution at Item No.7 and the Explanatory Statement as set out in this Notice may be considered as a written Memorandum setting out terms and conditions of re-appointment and remuneration of Mr. Umesh Revankar in terms of Section 190 of the Act.

Disclosures and details of terms and conditions of appointment of the whole-time directors as stipulated under Regulation 36(3) of the Listing Regulations and the Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India are provided in the Annexure to this Explanatory Statement.

The Board of Directors is of the opinion that continuity of services and leadership of Mr. Umesh Revankar in the capacity of Executive Vice Chairman is in the interest of the Company and its stakeholders' for effective implementation of the Company's future growth plans. The Nomination and Remuneration Committee and the Board recommend to the Members passing of the resolution as set out in Item no.7 of this Notice.

Except Mr. Umesh Revankar and his relatives, none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the proposed resolution.

All the documents referred to in this Notice and Explanatory Statement shall be available for electronic inspection without any fee by the Members from the date of dispatch of this Notice up to Tuesday, July 30, 2024. The Members seeking to inspect such documents can send an email to secretarial@shriramfinance.in.

(ii) Elevation and re-designation of Mr. Parag Sharma (DIN 02916744) as Managing Director & Chief Financial Officer (“Managing Director & CFO”) with effect from June 1, 2024.

The Members of the Company at its 43rd Annual General Meeting held on June 23, 2022 passed an ordinary resolution approving the appointment and payment of remuneration to Mr. Parag Sharma (DIN 02916744) as Whole Time Director designated as Joint Managing Director and Chief Financial Officer of the Company for a period of five years with effect from December 13, 2021 up to December 12, 2026 in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V to the Companies Act, 2013 (the “Act”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions of the Act.

Mr. Parag Sharma (DIN 02916744), aged 54 years, has been working with Shriram Group for more than three decades and rose to the position of Whole-time Director designated as Joint Managing Director and Chief Financial Officer in the year 2021. Throughout his career, he has consistently demonstrated outstanding performance. He has been playing significant role in successfully mobilising funds required for growth of business of the Company in cost effective manner. During his career in the Company, he has outstanding track record of handling treasury management, prudent assets and liability management, planning and budgeting, relationships with credit rating agencies, banks, financial institutions, lenders, etc. He has been assisting the Executive Vice Chairman, Managing Director & CEO in steering the business performance, enhancing credit rating and savings through smart treasury initiatives, growing new businesses, etc. He has strategically diversified borrowing profile of the Company by way of raising funds from the domestic market as well as offshore market. Mr. Parag Sharma is passionate about value creation for stakeholders through continuous improvements, building and nurturing team of leaders. He is a member in various committees constituted by the Board including Asset Liability Management Committee, Banking & Finance Committee, Environmental, Social and Governance Committee, Securities Transfer Committee, Investment Review Committee, Allotment Committee (NCDs), ESOP Allotment Committee, etc.

The Company has laid enhanced focus on social financing as a part of ESG initiatives. Mr. Parag Sharma, apart from making significant contribution for growth of the Company as mentioned above, has been playing a pivotal role to drive scaling up financing for eligible social projects under the Social Finance Framework of the Company through issue of Social Financing Instruments such as Social Bonds in the international market and availing loans from international institutions promoting sustainability.

The Board of Directors and the Nomination and Remuneration Committee, are of the opinion that elevation and re-designation of Mr. Parag Sharma as Managing Director & CFO of the Company is necessary to enable him to effectively discharge his pivotal role and responsibility especially during his engagement with international institutions, lenders and investors in connection with issue of social bonds for social financing initiatives of the Company.

The Members of the Company passed an ordinary resolution on February 21, 2023 through Postal Ballot for restructuring and revision of remuneration and terms and conditions of appointment of Mr. Parag Sharma with effect from January 1, 2023. The restructuring involved classification of the total remuneration of whole time directors of the Company into Fixed Pay and Variable Pay as per the Remuneration Policy amended in line with the requirement of the RBI Circular. The Variable Pay of Mr. Parag Sharma, is performance-based, subject to limit of 100% of his Fixed Pay in a financial year or part thereof.

For ready reference of Members, the relevant links for accessing the aforementioned ordinary resolutions containing the terms and condition of appointment and payment of remuneration to Mr. Parag Sharma are given hereunder:

Postal Ballot Notice dated December 24, 2022 -

<https://cdn.shriramfinance.in/sfl-kalam/files/2023-11/Postal-Ballot-Notice-January-2023.pdf>

Notice of 43rd Annual General Meeting held on June 23, 2022 - https://cdn.shriramfinance.in/sfl-kalam/files/2023-08/STFC_AG_Notice_2022-1%20.pdf

The link of Remuneration Policy of the Company is given in the Directors' Report forming part of this 45th Annual Report of the Company for the Financial Year 2023-24.

Mr. Parag Sharma has conveyed his acceptance to the Company's proposal as set out in Item no.8 of this Notice for his elevation and re-designation as Managing Director & CFO with effect from June 1, 2024 on the same remuneration.

Disclosures and details of terms and conditions of appointment of the whole-time directors as stipulated under Regulation 36(3) of the Listing Regulations

and the Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India are provided in the Annexure to this Explanatory Statement.

The Board of Directors is of the opinion that considering the pivotal role played by Mr. Parag Sharma as aforementioned, the proposal for elevation and re-designation of Mr. Parag Sharma as Managing Director & CFO with effect from June 1, 2024 is in the interest of the Company and its stakeholders. The Nomination and Remuneration Committee and the Board recommend passing of this resolution as set out in Item no. 8 of this Notice.

Except Mr. Parag Sharma and his relatives, none of the Directors, Key Managerial Personnel of the Company nor their relatives are concerned or interested, financially or otherwise in the proposed resolution.

All the documents referred to in this Notice and Explanatory Statement shall be available for electronic inspection without any fee by the Members from the date of dispatch of this Notice up to Tuesday, July 30, 2024. The Members seeking to inspect such documents can send an email to secretarial@shriramfinance.in.

(iii) and (iv) Appointment of Mr. Gokul Dixit (DIN 00357170) and Mrs. M.V. Bhanumathi (DIN 10172983) as Independent Directors of the Company for a term of 5 years with effect from June 1, 2024.

The Board of Directors of the Company, pursuant to the recommendation of the Nomination and Remuneration Committee (NRC) and in terms of Article 21 of the Articles of Association of the Company and Section 161(1) of the Companies Act, 2013 ('the Act'), in its meeting held on June 01, 2024, appointed Mr. Gokul Dixit (DIN 00357170) and Mrs. M.V. Bhanumathi (DIN 10172983) as Additional Directors of the Company, in the category of Non-executive Independent Director, (hereinafter collectively referred to as 'new Independent Directors') not liable to retirement by rotation, for a term of 5 (five) consecutive years, as set out at Item Nos. 9 and 10 of this Notice, with effect from June 1, 2024 subject to approval of Members of the Company.

Brief profile of the new Independent Directors

Mr. Gokul Dixit

Mr. Gokul Dixit, aged 47 years, is a Chartered Accountant and holds a CFA charter as well as MBA from Ross School of Business, University of Michigan, Ann Arbor. He is also a Commerce graduate and Economics post-graduate from University of Madras. He comes with two decades of experience in North American, European and Indian accounting, financial and capital markets, including audits, securities issuances, M&A, 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

ICAI, and was a contributing respondent for the Stakeholder Engagement Consultation Paper published by the National Financial Reporting Authority (NFRA).

During his career, he worked with renowned organizations/firms of international repute and MNC including Pricewaterhouse Coopers, American Express Bank, Arthur Andersen, General Motors, etc. He handled M&A, structured finance and treasury operations for General Motors and made leveraged buy-out and growth investments as principal investor of New York - based private equity firms. Recently, he has also been leading investments for Dallas Venture Capital, a technology SaaS focused venture capital fund.

The disclosures and details of terms and conditions of appointment of Mr. Gokul Dixit as stipulated under Regulation 36(3) of the Listing Regulations and the Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India are provided in the Annexure to this Explanatory Statement.

Mrs. M. V. Bhanumathi

Mrs. M. V. Bhanumathi, aged 62 years, holds Degree in B.Sc. & M.Sc. in Agriculture from University of Tamil Nadu and 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 1987 and had 36 years' experience in public service. She held important positions in Government of India and represented India in many international bodies. She has served as the co- chairperson of Asia Pacific Regional Review Group for Anti Money Laundering and Counter Financing of Terrorism of the FATF and contributed in strengthening of the regulatory and policy structures of the countries in the region.

She is currently serving as an expert adviser on Tax Crime in the panel of UNDP, Independent Director on the Board of UPL Sustainable Agri Solutions Limited, Special Economic Zone Limited and trustee in Pratham Mumbai, an educational initiative.

The disclosures and details of terms and conditions of appointment of Mrs. M. V. Bhanumathi as stipulated under Regulation 36(3) of the Listing Regulations and the Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India are provided in the Annexure to this Explanatory Statement.

The Company has received from the said new Independent Directors consents, declarations, confirmations and disclosures as per the requirements of the Act and Listing Regulations, including the following:

- i. consents in writing to act as director under section 152(5) of the Act in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014.
- ii. declarations in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules,

2014, that the said new Independent Directors are not disqualified under sub-section (2) of Section 164 of the Act from being appointed as a director of the Company.

- iii. declarations confirming that the said new Independent Directors meet the criteria of independence as provided in sub-section (6) of Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations.
- iv. confirmations in terms of Regulation 25(8) of the Listing Regulations that the said new Independent Directors are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.
- v. confirmations in compliance with Securities and Exchange Board of India (SEBI) Order dated June 14, 2018 to the Stock Exchanges and further Circular No. LIST/COMP/ 14/2018-19 of BSE Limited and Circular Ref No: NSE/CML/2018/24 of National Stock Exchange of India Limited both dated June 20, 2018 stating that the said new Independent Directors are not debarred from holding the office of director by virtue of any order of SEBI or any other such authority.
- vi. confirmations that the said new Independent Directors satisfy the criteria of 'fit and proper' as prescribed by Reserve Bank of India vide Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023.
- vii. confirmations that directorships/ committee memberships of the said new Independent Directors are within the statutorily permitted limits.
- viii. confirmations that the said new Independent Directors are registered with the Independent Director's Databank maintained by the Indian Institute of Corporate Affairs ('IICA').

As per self- assessment of the skill/ expertise/ competence made by the said new Independent Directors and evaluated by the Nomination and Remuneration Committee and the Board of Directors, the said new Independent Directors possess the required skill sets, expertise and experience as per the Company's skill matrix.

In the opinion of the Board of Directors of the Company, the said new Independent Directors meet the conditions for appointment as independent directors as specified in the Act and the Listing Regulations and are independent of the management and the persons of integrity. In the opinion of the Board of Directors, the Company will benefit from their rich experience, skills and expertise.

The proposed appointments are in line with the requirements of the Articles of Association of the Company, the Company's Policy on fit and proper criteria for directors, Policy on Board diversity and Remuneration policy of the Company.

The said new Independent Directors shall be entitled to sitting fees for attending the meetings of the Board of Directors and Committees thereof within the limits prescribed under the Act and for re-imbursement for expenses incurred in connection with attending Board/Committee meetings. The details of the sittings fees are given in the Remuneration Policy of the Company.

The said new Independent Directors shall also be entitled to commission as determined by the Board of Directors of the Company, within the limits approved by the Members of the Company and as permitted by law. The attention of Members is invited to the resolution passed at 43rd Annual General Meeting of the Company held on June 23, 2022 according approval for payment of commission to Independent Directors of the Company for the period from April 1, 2022 to March 31, 2025 as may be decided by the Board of Directors of the Company, provided that the aggregate amount of commission paid to all Independent directors shall not exceed Rs.200 lakhs in a financial year, subject to ceiling of 1% of the net profits of the Company in any financial year in terms of Section 197 of the Act. In the last financial year 2023-24, the aggregate amount of commission paid by the Company to Independent Directors was Rs.91.67 lakhs.

As per Section 161 of the Act, an Additional director shall hold office up to the date of the next annual general meeting of the company or up to the last date on which the annual general meeting should have been held, whichever is earlier. Further, in terms of Regulation 17(1C) of the Listing Regulations, a listed entity shall ensure that approval of shareholders for appointment of a person on the board of directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Accordingly, the said new Independent Directors hold the office as Additional Directors of the Company up to July 30, 2024.

The Company has received a notice in writing under the provisions of Section 160(1) of the Act, from Members proposing the candidature of the said new Independent Directors for the office of directors.

The Nomination and Remuneration Committee and the Board recommend passing of the special resolutions as set out at Item No. 9 and 10 of this Notice.

In terms of Regulation 25(2A) of the Listing Regulations, appointment of Independent Directors of a listed entity, shall require approval of shareholders by way of a special resolution. In terms of SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2022, which came into effect from November 14, 2022,

if the special resolution for appointment of Independent Director fails to get the requisite majority of votes; but the votes cast in favour of the resolution exceeds the votes cast against the resolution and the votes cast by the public shareholders in favour of the resolution exceed the votes cast against the resolution, the resolution for appointment of such Independent Director shall be deemed to be passed.

The said new Independent Directors and their relatives are interested in passing the resolution for their respective appointment(s) as Independent directors as set out at Item Nos. 9 and 10 of this Notice. None of the other directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolutions proposed at Item No. 9 and 10 of this Notice.

A copy of the letters of appointment issued by the Company to the said new Independent Directors setting out the terms and conditions of their appointment as Independent Directors and all other documents referred to in this Notice and Explanatory Statement shall be available for electronic inspection without any fee by the Members from the date of dispatch of this Notice up to Tuesday, July 30, 2024. The Members seeking to inspect such documents can send an email to secretarial@shriramfinance.in. The terms and conditions of appointment of the said new Independent Directors have been posted on the Company's website.

ITEM NOS. 11 to 13

The day-to-day affairs of the Company are managed by three whole-time directors viz. Mr. Umesh Revankar, Executive Vice Chairman, Mr. Y. S. Chakravarti, Managing Director & CEO and Mr. Parag Sharma, Managing Director & CFO.

As per the present terms and conditions of their appointment and payment of remuneration of the said whole-time directors approved by the Members of the Company, they are entitled for Variable Pay not exceeding 100% of their Fixed Pay in a financial year or part thereof. The Variable Pay is divided into two parts – viz. (i) Cash Variable Pay up to maximum of 50% of the Fixed Pay in a financial year and (ii) stock options under the Employee Stock Option Scheme (ESOS) as may be framed and implemented by the Board of Directors, subject to approval of Members of the Company such that the value of the benefit/perquisite arising out of such grant of stock options during a Financial Year shall be subject to limit of 50% of the Fixed Pay for a financial year or part thereof during their present tenure of appointment based on achievement of performance parameters by them as assessed by the Nomination and Remuneration Committee and/or the Board of Directors at their sole discretion.

The tenure of appointment of the whole-time directors is as under:

Sr. No.	Name of Directors	Date of Appointment	Date of expiry of present tenure
1	Mr. Umesh Revankar, Executive Vice Chairman	October 26, 2019	October 25, 2024
2	Mr. Y. S. Chakravarti, Managing Director & CEO	December 05, 2022	December 04, 2025
3	Mr. Parag Sharma, Managing Director & CFO	December 13, 2021	December 12, 2026

The Board of Directors and Nomination and Remuneration Committee of the Company in their respective meetings held on June 1, 2024 after considering various factors including the objective of employee well-being, retention, motivation etc. approved Shriram Finance Limited Employees Phantom Stock Appreciation Rights Plan 2024 (PSAR Plan) instead of Employee Stock Option Scheme (ESOS) as envisaged earlier.

PSAR Plan is a pure cash settled Phantom Stock Appreciation Rights Plan and there is no involvement of fresh issuance/purchase of equity shares of the Company.

The objectives of the Company's PSAR Plan are as under:

- provide means to enable the Company to attract and retain appropriate human talent;
- motivate the employees / directors with incentives and reward opportunities;
- achieve sustained growth of the Company and the creation of shareholders' value by aligning the interests of the employees / directors which will lead to long-term wealth creation;
- create a sense of ownership and participation amongst the employees / directors or otherwise increase their proprietary interest; and
- provide additional deferred rewards to the employees/directors

The said whole time directors, will be entitled to grant of SAR Units at a discount not exceeding twenty percentage on the average closing price of fully paid-up equity shares of the Company during the 90 trading days preceding the date of grant in accordance with the PSAR Plan or options/units under any other share-linked employee benefit scheme/plan as may be framed by the Company in future during present tenures of their appointment. Consequently, it is necessary to effect partial modification in the terms and conditions of remuneration of the said whole time directors of the Company.

It is clarified that the ordinary resolutions as proposed and set out at Item nos. 11 to 13 of this Notice of 45th Annual General Meeting for partial modifications of earlier ordinary resolution Nos. No. 4, 5 and 6 passed through postal ballot on February 21, 2023 with respect to second paragraph of B. Variable Pay resulting in variation of terms of remuneration of the said whole-time directors of the Company are incidental to the approval of PSAR Plan by the Nomination and Remuneration Committee and Board of Directors in their respective meetings held on June 1, 2024.

The Members of the Company have already empowered the Board of Directors to revise, alter and vary the terms and

conditions of the appointment, including remuneration, of the said whole-time directors in accordance with the policies of the Company, subject to the applicable provisions of Schedule V to the Act vide the ordinary resolutions No. 4, 5 and 6 passed by the Members through postal ballot on February 21, 2023. However, as a matter of abundant caution and good corporate governance practice, the Board has proposed to seek approval of the Member vide the ordinary resolutions as set out in Items Nos. 11 to 13 of this Notice to effect partial modification(s) in the aforesaid ordinary resolutions No. 4, 5 and 6 passed by the Members through postal ballot on February 21, 2023 with respect to the entitlement of Variable Pay of the said whole time directors in the form of employee share based benefits as approved by the Board of Directors of the Company from time to time.

The paragraphs B. Variable Pay forming part of the said ordinary resolutions passed through the postal ballot on February 21, 2023 before the proposed change(s)/modification(s)/ revision(s) are as under:

B. Variable Pay:

In addition to the Fixed Pay as mentioned above, the whole time director would be entitled to variable pay linked to achievement of performance parameters by him as assessed by the Nomination and Remuneration Committee and the Board of Directors at their sole discretion subject to limit of 50% of the Fixed Pay for every financial year or part thereof as determined by the Board of directors on the recommendation of the Nomination and Remuneration Committee.

Upon framing and implementation of Employee Stock Option Scheme (ESOS) by the Board of Directors subject to approval of Members during tenure of the whole-time director, the grant of Stock Options to the whole-time director shall be decided by the Nomination and Remuneration Committee/Board of Directors of the Company. The vesting of stock options to the whole-time director under the ESOS shall be based on achievement of performance parameters by the whole-time director as assessed by the Nomination and Remuneration Committee and the Board of Directors at their sole discretion. The value of the benefit/perquisite arising out of such vesting of stock options during a Financial Year shall be subject to limit of 50% of the Fixed Pay of the whole-time director.

The ordinary resolutions proposed at Item Nos.11 to 13 of this Notice proposed to effect the following change(s)/modification(s)/ revision in the terms of remuneration of the whole-time directors with respect to their variable pay is as under:

In addition to the Fixed Pay as mentioned above, the whole time director would be entitled to variable pay linked to achievement of performance parameters by him as assessed

by the Nomination and Remuneration Committee and the Board of Directors at their sole discretion subject to limit of 50% of the Fixed Pay for every financial year or part thereof as determined by the Board of directors on the recommendation of the Nomination and Remuneration Committee.

The whole time director will be entitled to grant of SAR Units under the Shriram Finance Limited Employees Phantom Stock Appreciation Rights Plan 2024 (PSAR Plan) or grant of options/units under any other share-linked employee benefit scheme/plan as may be framed by the Company in future such that the value of the benefit/perquisite arising out of grant of such SAR Units as per the vesting schedule of 4 years under PSAR Plan or grant of options/units as per the vesting schedule of such other share-linked employee benefit scheme/plan as may be framed by the Company shall be subject to limit of 50% of the Fixed Pay drawn by him for a financial year or part of the financial year during the tenure of their appointment. The grant /vesting of the SAR units in accordance with PSAR Plan or grant/vesting of options/units under any other share-linked employee benefit scheme/plan shall be performance-based, to be determined by the Board of directors on the recommendation of the Nomination and Remuneration Committee on the basis of evaluation of his performance parameters.

While the value of the Variable Pay under PSAR Plan will be determined as on the date of the grant of SAR Units to the whole time directors, however, the actual benefit/perquisite will be based on the value as on the date of vesting / exercise of such SAR Units.

The Nomination and Remuneration Committee and the Board recommend passing of the resolutions as set out in Item nos. 11 to 13 of this Notice.

Except Mr. Parag Sharma, Mr. Umesh Revankar and Mr. Y. S. Chakravarti and their relatives, none of the Directors, Key Managerial Personnel of the Company nor their relatives are concerned or interested, financially or otherwise in the proposed resolutions.

All the documents referred to in this Notice and Explanatory Statement shall be available for electronic inspection without any fee by the Members from the date of dispatch of this Notice up to Tuesday, July 30, 2024. The Members seeking to inspect such documents can send an email to secretarial@shriramfinance.in.

ITEM NOs.14 and 15

As per the provisions of Section 180(1)(c) of the Companies Act, 2013, as amended ('the Act'), the Board of Directors of the Company cannot borrow moneys in excess of the amount of the paid-up share capital, free reserves and securities premium reserve, (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), without the approval of the Members, by way of a special resolution.

Pursuant to clause 6.4 of the Composite Scheme of Arrangement and Amalgamation sanctioned by the Hon'ble National Company Law Tribunal, Chennai (NCLT) vide

order dated November 14, 2022 read with Corrigendum dated November 17, 2022 to the Order (Scheme) and as an integral part of the Scheme and without the requirement of any further act, deed, approval or consent, the borrowing powers of the Transferee Company 2 i.e. Shriram Transport Finance Company Limited' (Now 'Shriram Finance Limited'), shall stand increased to an amount of Rs.1,90,000 crores and approval of the Scheme under Section 230 to 232 of the Companies Act will be deemed to constitute approvals required under all other applicable provisions of the Act and Applicable Law. Accordingly, upon coming into effect of the Scheme, the borrowing powers of the Board of Directors of the Company stood increased to Rs.1,90,000 crores.

The Company being a non-banking financial company engaged in the business of retail financing, it is required to raise funds in the ordinary course of its business from time to time for the purpose of on-lending to its customers. The outstanding borrowings of the Company as at March 31, 2024 amounted to Rs.1,56,702.98 crore. The Board of Directors considered that the increase in mobilization of funds is necessary for the Company's growing business which is expected to grow at around 12% in the current Financial Year 2024-25. The Company has plans to disburse about Rs.1, 58,000 crore during the current Financial Year 2024-25.

The Company's Capital Adequacy Ratio (CAR), as on March 31, 2024 stood at 20.30% of the aggregate risk weighted assets on balance sheet and risk adjusted value of the off-balance sheet items, which is well above the regulatory requirement of minimum 15%.

Considering the aforesaid budgeted projections, it is necessary to delegate powers to the Board of Directors for enhancing the limit of borrowings of the Company (apart from temporary loans obtained/to be obtained by the Company from its bankers in the ordinary course of business) from existing Rs.1,90,000 crores to Rs.2,35,000 crores as per the proposal as set out in the Item No.14 of this Notice.

In connection with the secured borrowings, the Company in the ordinary course of its business is required to create security by way of mortgage /charge /hypothecation of movable or immovable properties of the company, both present and future, in favour of the bank(s), financial institutions(s), debenture trustees, security trustee, fixed deposits trustees or any other person (lenders) in such form, manner and ranking as may be required by the lenders including modification/perfection thereof from time to time. This may involve disposal of whole or substantially whole of the Company's undertaking. The Members of the Company by way of special resolution passed on February 21, 2023 through postal ballot had authorised the Board of Directors to create security in favour of the lenders, financial institutions, banks, debenture trustee in connection with the borrowing for an amount not exceeding Rs.2,37,500 crores.

In line with the proposal for enhancement of the borrowing powers of the Board as aforesaid, it is necessary to also delegate powers to the Board of Directors for enhancing the limits for the charges created/ to be created by the Company

in connection with the borrowings in favour of its lenders from existing Rs.2,37,500 crores to Rs.2,93,750 crore as set out in the Item No. 15 of this Notice.

The Board of Directors commends passing of the resolutions as set out in the Item Nos.14 and 15 of this Notice.

None of the directors, key managerial personnel of the Company nor their relatives are concerned or interested, financially or otherwise in the said resolution.

ITEM NO.16

Section 180(1)(a) of the Companies Act, 2013 provides that the Board of Directors of a company shall not except with the consent of the Company by way of Special Resolution, sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company. Explanation of "undertaking" for the purpose of Section 180(1)(a) of the Companies Act, 2013 shall mean an undertaking in which the investment of the company exceeds twenty percent of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates twenty percent of the total income of the company during the previous financial year.

In the ordinary course of its business, the Company has been raising funds by way of securitization of receivables by way of sale /assignment, which is cost effective. As on March 31, 2024, the outstanding Securitization assets portfolio of the Company was Rs.27,446.94 crores and outstanding direct assigned portfolio stood at Rs.3,194.32 crores. The Members of the Company by way of special resolution passed on August 19, 2020 in its 41st Annual General Meeting had authorised

the Board of Directors to securitize receivables by way of sale / assignment from time to time provided that outstanding amounts of such securitization at any point of time shall not exceed Rs.40,000 crores.

During the current financial year 2024-25, the Company will continuously review its borrowing options for optimization of borrowing costs, maintaining good liquidity for its business growth and timely servicing of liabilities. Therefore, depending upon the market conditions, the Board of Directors of the Company may require higher limits for securitization than the existing limit of Rs.40,000 crore. The limit of Rs.50,000 crores as proposed in the Special Resolution at Item No.16 of the Notice will give adequate flexibility to the Board of Directors of the Company to change its borrowing profile depending upon market conditions. With securitization, the Company ensures better borrowing profile, leading to lower interest liability owing to its lending to priority sector as per Reserve Bank of India. The securitization of receivables may result into disposal of undertaking as defined in the Explanation to Section 180(1)(a) of the Act.

The resolution proposed at Item no.16 is to seek the permission of the Members for enhancement of limits for selling, assigning, securitizing Receivables under Section 180(1) (a) of the Act by the Board of Directors of the Company or its Committee as may be authorised by the Board of Directors. The Board of Directors commends passing of the said resolution.

None of the directors, key managerial personnel of the Company nor their relatives are concerned or interested, financially or otherwise in the said resolution.

By Order of the Board
For **Shriram Finance Limited**
(Formerly known as Shriram Transport Finance Company Limited)

U Balasundararao
Company Secretary & Compliance Officer
Membership No. : FCS 12952

Mumbai
June 1, 2024

CIN: L65191TN1979PLC007874

Registered Office: Sri Towers, Plot No.14A, South Phase,
Industrial Estate, Guindy, Chennai 600 032,

Tel No: +91 44 4852 4666 Fax: +91 44 4852 5666.

Website: www.shriramfinance.in

Email id: balasundar@shriramfinance.in

Disclosure pursuant to provision of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India

Name of Director	Mr. Umesh Revankar	Mr. Y. S. Chakravarti
Date of Birth and Age	October 27, 1964 and Age - 59 years	June 10, 1963 and Age - 61 years
Directors Identification Number (DIN)	00141189	00052308
Date of first appointment on the Board	October 25, 2016	December 13, 2021
Nationality	Indian	Indian
Expertise in specific functional areas	As set out at Item No.7 to 10 in the Explanatory Statement of this Notice	Experience of more than two decades in operations in NBFC
Profile of Director	As set out at Item No. 7 to 10 in the Explanatory Statement of this Notice	He started his career in Shriram Chits Private Limited, Andhra Pradesh ('Shriram Chits') in June 1991 as an executive trainee. In the year 1998, he rose to the position of Chief Executive of Shriram Chits and was promoted to the position of Executive Director of Shriram Chits in March 2004. He was instrumental in achieving manifold expansion of the branch network business of Shriram Chits with 35,000 customer base and auction turnover of Rs. 40 crores per annum. In the year 2008, he was promoted to take charge as Executive Director of erstwhile Shriram City Union Finance Limited (SCUF), initially as Business Head for financing purchase of two wheelers in the state of Andhra Pradesh. Under his leadership, Shriram Chits had expanded to 187 branches covering 5,00,000 customers and with an auction turnover of Rs.2,000 Crores per annum. 40% of the customers were small business owners. He was responsible for Andhra Pradesh becoming the leading contributor of the business of SCUF. He was a Managing Director and CEO of erstwhile SCUF.
Qualifications	Bachelor's degree in Business Management from Mangalore University and a Master of Business Administration in Finance	Bachelor of Commerce
Directorship held in other companies	<p>Unlisted Companies</p> <ul style="list-style-type: none"> i. Shriram Investment Holdings Private Limited ii. Shriram Capital Private Limited (Formerly Known as Shriram Financial Ventures (Chennai) Pvt. Ltd.) iii. Shriram GI Holdings Private Limited iv. Shriram LI Holdings Private Limited v. Shriram Credit Company Limited; vi. Shriram General Insurance Company Limited; vii. Shriram Automall India Limited; viii. Shriram Life Insurance Company Limited ix. Finance Industry Development Council (Section 8) <p>Foreign Company</p> <ul style="list-style-type: none"> x. Ceylinco General Insurance Limited 	<p>Unlisted Companies</p> <ul style="list-style-type: none"> i. Shriram Housing Finance Limited ii. Shriram Chits (India) Private Limited

Name of Director	Mr. Umesh Revankar	Mr. Y. S. Chakravarti
Membership/ Chairmanship of Committees of such companies	<p>i) Chairman of Nomination and Remuneration Committee</p> <ul style="list-style-type: none"> - Shriram Automall India Limited <p>ii) Chairman of Policy holder's Protection Committee</p> <ul style="list-style-type: none"> - Shriram General Insurance Company Limited <p>iii) Chairman of Business Development Committee</p> <ul style="list-style-type: none"> - Shriram Automall India Limited <p>iv) Member of Audit Committee</p> <ul style="list-style-type: none"> - Shriram Automall India Limited - Shriram Credit Company Limited - Shriram Capital Private Limited (Formerly Known as Shriram Financial Ventures (Chennai) Pvt. Ltd.) <p>v) Member of Nomination and Remuneration Committee</p> <ul style="list-style-type: none"> - Shriram Credit Company Limited - Shriram Life Insurance Company Limited <p>vi) Member of Corporate Social Responsibility Committee</p> <ul style="list-style-type: none"> - Shriram Automall India Limited - Shriram Credit Company Limited <p>vii) Member of Allotment Committee</p> <ul style="list-style-type: none"> - Shriram Capital Private Limited (Formerly Known as Shriram Financial Ventures (Chennai) Pvt. Ltd.) <p>viii) Member of Finance Committee</p> <ul style="list-style-type: none"> - Shriram Capital Private Limited (Formerly Known as Shriram Financial Ventures (Chennai) Pvt. Ltd.) 	<p>i) Chairman of Stakeholders' Relationship Committee</p> <ul style="list-style-type: none"> - Shriram Housing Finance Limited <p>ii) Member of Nomination and Remuneration Committee</p> <ul style="list-style-type: none"> - Shriram Housing Finance Limited <p>iii) Member of Corporate Social Responsibility Committee</p> <ul style="list-style-type: none"> - Shriram Housing Finance Limited <p>iv) Member of Risk Management Committee</p> <ul style="list-style-type: none"> - Shriram Housing Finance Limited <p>v) Member of Credit Committee</p> <ul style="list-style-type: none"> - Shriram Housing Finance Limited <p>vi) Member of Banking & Finance Committee</p> <ul style="list-style-type: none"> - Shriram Housing Finance Limited
Name of listed entities from which the person has resigned in the past three years	Shriram City Union Finance Limited (company amalgamated)	Shriram City Union Finance Limited (company amalgamated)
Shareholdings in the Company including shareholding as a beneficial owner	Nil	Nil
Disclosure of relationships between directors/ Key Managerial Personnel inter-se	There are no inter-se relationships between Mr. Umesh Revankar, other members of the Board of Directors and Key Managerial Personnel of the Company	There is no inter se relationship between Mr. Y. S. Chakravarti, other Members of the Board and Key Managerial Personnel of the Company
Remuneration received from the Company in the F.Y. 2023-24 and F.Y. 2024-25	<p>F.Y. 2023-24 Rs.1,57,11,970/-</p> <p>Current F.Y. 2024-25 Total remuneration for the period from April 1, 2024 to May 31, 2024 was Rs.11,97,622/-</p>	<p>F.Y. 2023-24 Rs.95,09,767/-</p> <p>Current F.Y. 2024-25 Total remuneration for the period from April 1, 2024 to May 31, 2024 was Rs.6,91,274/-</p>
Terms and conditions of re-appointment/ appointment along with details of remuneration sought to be paid	The re-appointment is for a term of 5 (five) years commencing from October 26, 2024, liable to retire for rotation and the details of terms and conditions of appointment and remuneration to be paid are provided in the resolution set out at Item Nos. 7 of this Notice.	As set out at Item No. 12 in the resolution of this Notice
Number of Meetings of the Board attended during the F.Y. 2023-24 and F.Y. 2024-25	<p>F.Y. 2023-24 Attended 8 out of 8 Board Meetings held during Financial Year 2023-24</p> <p>Current F.Y. 2024-25 Attended 3 out of 3 Board Meetings held till date during the current Financial Year 2024-25</p>	<p>F.Y. 2023-24 Attended 8 out of 8 Board Meetings held during Financial Year 2023-24</p> <p>Current F.Y. 2024-25 Attended 3 out of 3 Board Meetings held till date during the current Financial Year 2024-25</p>

DISCLOSURE PURSUANT TO PROVISION OF REGULATION 36(3) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015 AND SECRETARIAL STANDARD 2 ON GENERAL MEETINGS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA

Name of Director	Mr. Parag Sharma
Date of Birth and Age	July 12, 1969 and Age - 54 years
Directors Identification Number (DIN)	02916744
Date of first appointment on the Board	December 13, 2021
Nationality	Indian
Expertise in specific functional areas	As set out at Item No.7 to 10 in the Explanatory Statement of this Notice
Profile of Director	As set out at Item No.7 to 10 in the Explanatory Statement of this Notice
Qualifications	B.Com and Grad CWA
Directorship held in other companies	Nil
Membership/ Chairmanship of Committees of such companies	None
Name of listed entities from which the person has resigned in the past three years	Nil
Shareholdings in the Company including shareholding as a beneficial owner	46,628 Equity Shares
Disclosure of relationships between directors/ Key Managerial Personnel inter-se	There are no inter-se relationships between Mr. Parag Sharma, other members of the Board of Directors and Key Managerial Personnel of the Company
Remuneration received from the Company in the F.Y. 2023-24 and F.Y. 2024-25	<p>F.Y. 2023-24 Rs. 94,69,666/-</p> <p>Current F.Y. 2024-25 Total remuneration for the period from April 2024 to May 2024 was Rs.7,92,244/-</p>
Terms and conditions of re-appointment/ appointment along with details of remuneration sought to be paid	<p>Mr. Parag Sharma, Director is liable to retirement by rotation and offers himself for re-appointment.</p> <p>The remuneration will be paid in accordance with the resolution passed by the members of the Company on February 21, 2023 by way of postal ballot read with Item No. 13 in the resolution of this Notice</p>
Number of Meetings of the Board attended during the F.Y. 2023-24 and F.Y. 2024-25	<p>F.Y. 2023-24 Attended 8 out of 8 Board Meetings held during Financial Year 2023-24</p> <p>Current F.Y. 2024-25 Attended 3 out of 3 Board Meetings held till date during the current Financial Year 2024-25</p>

Disclosure pursuant to provision of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India:

Name of Director	Mr. Gokul Dixit	Mrs. M. V. Bhanumathi
Date of Birth and Age	November 8, 1977 and Age - 46 years	May 27, 1962 and Age - 62 years
Directors Identification Number (DIN)	00357170	10172983
Date of first appointment on the Board	June 1, 2024	June 1, 2024
Nationality	Indian	Indian
Expertise in specific functional areas	As set out at Item No.7 to 10 in the Explanatory Statement of this Notice	
Profile of Director	As set out at Item No.7 to 10 in the Explanatory Statement of this Notice	
Qualifications	MBA, Chartered Accountant, Chartered Financial Analyst Charterholder, post-graduate in Economics and Commerce graduate	B.Sc. & M.Sc. in Agriculture, Bachelor of Law and M. Phil in Social Sciences.
Directorship held in other companies	Listed Company i. Loyal Textile Mills Limited Unlisted Company ii. Kapitus Strategy Services Private Limited	Listed Company i. Adani Ports and Special Economic Zone Limited Unlisted Company ii. UPL Sustainable Agri Solutions Limited
Membership/ Chairmanship of Committees of such companies	i) Chairman of Audit Committee - Loyal Textile Mills Limited ii) Member of Nomination and Remuneration Committee - Loyal Textile Mills Limited iii) Member of stakeholders' Relationship Committee - Loyal Textile Mills Limited	i) Member of Audit Committee - UPL Sustainable Agri Solutions Limited
Name of listed entities from which the person has resigned in the past three years	Nil	Nil
Shareholdings in the Company including shareholding as a beneficial owner	Nil	Nil
Disclosure of relationships between directors/ Key Managerial Personnel inter-se	There is no inter se relationship between Mr. Gokul Dixit, other members of the Board and Key Managerial Personnel of the Company	There is no inter se relationship between Mrs. M. V. Bhanumathi, other members of the Board and Key Managerial Personnel of the Company
Remuneration received from the Company in the F.Y. 2023-24 and F.Y. 2024-25	F.Y. 2023-24 Not Applicable Current F.Y. 2024-25 Mr. Gokul Dixit was paid sitting fees of Rs.1,00,000/- for attending the meeting of the Board of Directors held on June 1, 2024	F.Y. 2023-24 Not Applicable Current F.Y. 2024-25 Mrs. M. V. Bhanumathi was paid sitting fees of Rs.1,00,000/- for attending the meeting of the Board of Directors held on June 1, 2024

<p>Terms and conditions of appointment along with details of remuneration sought to be paid</p>	<p>The appointment is for a term of 5 (five) years commencing from June 1, 2024.</p> <p>He shall be entitled to sitting fees for attending the Meetings of the Board of Directors and Committees thereof, reimbursement for expenses incurred in connection with attending Board /Committee Meetings and commission as determined for each year by the Board within the limits approved/ will be approved by the Members of the Company and as permitted by law and as per Remuneration Policy of the Company.</p> <p>Presently, sitting fees is Rs.1,00,000/- for each Board Meeting, Rs.75,000/- for each Audit Committee Meeting, Rs.35,000/- for each Committee Meeting and every Meeting of Independent Directors attended by them.</p>	<p>The appointment is for a term of 5 (five) years commencing from June 1, 2024.</p> <p>She shall be entitled to sitting fees for attending the Meetings of the Board of Directors and Committees thereof, reimbursement for expenses incurred in connection with attending Board /Committee Meetings and commission as determined for each year by the Board within the limits approved/ will be approved by the Members of the Company and as permitted by law and as per Remuneration Policy of the Company.</p> <p>Presently, sitting fees is Rs.1,00,000/- for each Board Meeting, Rs.75,000/- for each Audit Committee Meeting, Rs.35,000/- for each Committee Meeting and every Meeting of Independent Directors attended by them.</p>
<p>Number of Meetings of the Board attended during the F.Y. 2023-24 and F.Y. 2024-25</p>	<p>Not Applicable for F.Y. 2023-24</p> <p>Current F.Y. 2024-25</p> <p>Attended 1 Board Meeting from the date of appointment i.e. 1 out of 1 Meeting entitled to attend from June 1, 2024 till the date of this Notice</p>	<p>Not Applicable for F.Y. 2023-24</p> <p>Current F.Y. 2024-25</p> <p>Attended 1 Board Meeting from the date of appointment i.e. 1 out of 1 Meeting entitled to attend from June 1, 2024 till the date of this Notice</p>



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